

STATE OF MINNESOTA

NINETY-SECOND SESSION — 2022

 NINETY-THIRD DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 21, 2022

The House of Representatives convened at 11:00 a.m. and was called to order by Liz Olson, Speaker pro tempore.

Prayer was offered by Imam Asad Zaman, Muslim American Society of Minnesota, St. Paul, Minnesota.

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

The roll was called and the following members were present:

Acomb	Davnie	Hansen, R.	Lee	Nelson, N.	Schultz
Agbaje	Demuth	Hanson, J.	Liebling	Neu Brindley	Scott
Akland	Dettmer	Hassan	Lillie	Noor	Stephenson
Albright	Drazkowski	Hausman	Lippert	Novotny	Sundin
Anderson	Ecklund	Heinrich	Lislegard	O'Driscoll	Swedzinski
Backer	Edelson	Heintzeman	Long	Olson, B.	Theis
Bahner	Elkins	Her	Lucero	Olson, L.	Thompson
Bahr	Erickson	Hertaus	Lueck	O'Neill	Torkelson
Baker	Feist	Hollins	Mariani	Pelowski	Urdahl
Becker-Finn	Fischer	Hornstein	Marquart	Petersburg	Vang
Bennett	Franke	Howard	Masin	Pierson	Wazlawik
Berg	Franson	Huot	McDonald	Pinto	West
Bernardy	Frazier	Igo	Mekeland	Poston	Winkler
Bierman	Frederick	Johnson	Miller	Pryor	Wolgamott
Bliss	Freiberg	Jordan	Moller	Quam	Xiong, J.
Boe	Garofalo	Jurgens	Moran	Raleigh	Xiong, T.
Boldon	Gomez	Keeler	Morrison	Rasmusson	Youakim
Burkel	Green	Kiel	Mortensen	Reyer	Spk. Hortman
Carlson	Greenman	Klevorn	Mueller	Richardson	
Christensen	Grossell	Koegel	Munson	Robbins	
Daniels	Gruenhagen	Kotyza-Witthuhn	Murphy	Sandell	
Daudt	Haley	Koznick	Nash	Sandstede	
Davids	Hamilton	Kresha	Nelson, M.	Schomacker	

A quorum was present.

Pfarr was excused.

The Chief Clerk proceeded to read the Journal of the preceding day. There being no objection, further reading of the Journal was dispensed with and the Journal was approved as corrected by the Chief Clerk.

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Long from the Committee on Climate and Energy Finance and Policy to which was referred:

H. F. No. 3337, A bill for an act relating to utilities; modifying submission dates for certain reports; amending Minnesota Statutes 2020, sections 216B.096, subdivision 11; 237.55.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1 APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2022</u>	<u>2023</u>
Sec. 2. <u>DEPARTMENT OF COMMERCE</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$-0-</u>	<u>\$80,686,000</u>
Subd. 2. <u>Energy Resources</u>	<u>-0-</u>	<u>80,285,000</u>

(a) \$4,000,000 in fiscal year 2023 is for deposit in the solar on public buildings grant program account for the grant program under Minnesota Statutes, section 216C.377. The appropriation must not be used to provide grants to public buildings located within the electric service area of the electric utility subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation and remains available until December 31, 2025.

(b) \$500,000 in fiscal year 2023 is for transfer to the commissioner of employment and economic development for a grant to Unidos MN Education Fund and the New Justice Project MN to address employment and economic disparities for people of color, immigrant communities, and low-income unemployed or underemployed individuals. The money must be used to support preapprenticeship and workforce training, career development, worker rights training, employment placement and entrepreneurship support, related support services, and the

development of transferable skills in high-demand fields related to construction, clean energy, and energy efficiency. Of this amount, 50 percent is for a grant to Unidos MN Education Fund and 50 percent is for a grant to the New Justice Project MN. This is a onetime appropriation and is available until June 30, 2027.

(c) \$30,000,000 in fiscal year 2023 is to provide grants to community action agencies and other agencies to weatherize residences and to install preweatherization measures in residential buildings occupied by eligible low-income households, as provided under Minnesota Statutes, sections 216B.2403, subdivision 5; 216B.241, subdivision 7; and 216C.264. Of this amount:

(1) up to ten percent may be used to supplement utility spending on preweatherization measures as part of a low-income conservation program; and

(2) up to ten percent may be used to:

(i) recruit and train energy auditors and installers of weatherization assistance services; and

(ii) provide financial incentives to contractors and workers who install weatherization assistance services.

The base in fiscal year 2024 is \$15,000,000 and the base in fiscal year 2025 is \$15,000,000.

For the purposes of this paragraph:

(A) "low-income conservation program" means a utility program that offers energy conservation services to low-income households as part of the utility's energy conservation and optimization plan under Minnesota Statutes, sections 216B.2403, subdivision 5, and 216B.241, subdivision 7;

(B) "preweatherization measure" has the meaning given in Minnesota Statutes, section 216B.2402, subdivision 20;

(C) "weatherization assistance program" means the federal program described in Code of Federal Regulations, title 10, part 440 et seq., designed to assist low-income households to cost-effectively reduce energy use; and

(D) "weatherization assistance services" means the energy conservation measures installed in households under the weatherization assistance program and under low-income conservation programs.

(d) \$2,276,000 in fiscal year 2023 is for residential electric panel upgrade grants under Minnesota Statutes, section 216C.45, and to pay the reasonable costs incurred by the department to administer Minnesota Statutes, section 216C.45. This is a onetime appropriation and is available until June 30, 2025.

(e) \$1,000,000 the first year is for transfer to the Board of Regents of the University of Minnesota for a program in the University of Minnesota Extension Service that enhances the capacity of the state's agricultural sector, land and resource managers, and communities to plan for and adapt to weather extremes like droughts and floods. This appropriation must be used to support existing extension service staff members and to hire additional staff members for a program with broad geographic reach throughout the state. The program must:

(1) identify, develop, implement, and evaluate educational programs that increase the capacity of Minnesota's agricultural sector, land and resource managers, and communities to adapt and be prepared for projected physical changes in temperature, precipitation, and other weather parameters that affect crops, lands, horticulture, pests, and wildlife in ways that present challenges to Minnesota's agricultural sector and the communities that depend on Minnesota's agricultural sector; and

(2) communicate and interpret the latest research on critical weather trends and the science behind critical weather trends to further prepare extension service staff throughout Minnesota to educate the agricultural sector, land and resource managers, and community members at the local level regarding technical information on water resource management, agriculture and forestry, engineering and infrastructure design, and emergency management that is necessary to develop strategies to mitigate the effects of extreme weather change.

(f) \$300,000 in fiscal year 2023 is for transfer to the commissioner of the Pollution Control Agency for a report describing potential strategies to reduce statewide greenhouse gas emissions in order to comply with the state's greenhouse gas emissions reductions goals established in Minnesota Statutes, section 216H.02, subdivision 1, and the 2030 emissions reduction goal established by the United States under the United Nations Framework Convention on Climate Change, also known as the Paris Agreement. This is a onetime appropriation.

(g) \$600,000 in fiscal year 2023 is for transfer to the commissioner of administration to contract with the Board of Regents of the University of Minnesota for a grant to the Institute on the Environment to conduct research examining how projections of future weather trends may exacerbate conditions, including drought, elevated temperatures, and flooding, that:

(1) can be integrated into the design and evaluation of buildings constructed by the state of Minnesota and local units of government to:

(i) reduce energy costs by deploying cost-effective energy efficiency measures, innovative construction materials and techniques, and renewable energy sources; and

(ii) prevent and minimize damage to buildings caused by extreme weather conditions, including but not limited to increased frequency of intense precipitation events, tornadoes, flooding, and elevated temperatures; and

(2) may weaken the ability of natural systems to mitigate conditions to the point where human intervention in the form of building or redesigning the scale and operation of infrastructure is required to address the conditions in order to:

(i) maintain and increase the amount and quality of food and wood production;

(ii) reduce fire risk on forested land;

(iii) maintain and enhance water quality; and

(iv) maintain and enhance natural habitats.

The contract must provide that, no later than February 1, 2025, the director of the Institute on the Environment or the director's designee submit a written report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over environment policy and capital investment that summarizes the findings and recommendations of the research, including any recommendations for policy changes or other legislation. This is a onetime appropriation and is available until December 31, 2024.

(h) \$146,000 in fiscal year 2023 is for transfer to the commissioner of labor and industry to implement new commercial energy codes under Minnesota Statutes, section 326B.106, subdivision 1. This is a onetime appropriation.

(i) \$2,000,000 in fiscal year 2023 is for transfer to the commissioner of employment and economic development for the community energy transition grant program under Minnesota Statutes, section 116J.55. This is a onetime appropriation and is available until expended.

(j) \$3,000,000 in fiscal year 2023 is for transfer to the commissioner of the Pollution Control Agency to award grants to political subdivisions to encourage the formation of organizations and plans to reduce contributions to and mitigate the impacts of climate change. This is a onetime appropriation and is available until December 31, 2023.

(k) \$500,000 in fiscal year 2023 is to award grants to auto dealers to seek certification from electric vehicle manufacturers to sell electric vehicles. This is a onetime appropriation and is available until December 31, 2024.

(l) \$3,000,000 in fiscal year 2023 is for grants under the solar for schools program established in Minnesota Statutes, section 216C.375. This is a onetime appropriation and is available until June 30, 2028.

(m) \$10,000,000 in fiscal year 2023 is for transfer to the state competitiveness account established in Minnesota Statutes, section 216C.391, to leverage federal formula and competitive funds for energy-related infrastructure and clean energy investments in Minnesota. This is a onetime appropriation and is available until June 30, 2034.

(n) \$5,000,000 in fiscal year 2023 is for grants from the energy alley start-up fund established in Minnesota Statutes, section 216C.46, to businesses developing decarbonization technologies. This is a onetime appropriation and is available until December 31, 2024.

(o) \$500,000 in fiscal year 2023 is to install a network of electric vehicle charging stations in public parking facilities in county government centers. This is a onetime appropriation and is available until December 31, 2024.

(p) \$4,100,000 in fiscal year 2023 is to the commissioner of natural resources to install electric vehicle charging stations in public parking facilities located in state and regional parks. This is a onetime appropriation and is available until December 31, 2024.

(q) Notwithstanding any other law to the contrary, including any law prohibiting the servicing of vehicles or the conduct of private business on the right-of-way of a trunk highway, \$2,100,000 in fiscal year 2023 is to the commissioner of transportation to install electric vehicle charging stations at highway safety rest areas. The charging stations may be free or fee-based. This is a onetime appropriation and is available until December 31, 2024.

(r) \$133,000 in fiscal year 2023 is to the commissioner of labor and industry to modify the State Building Code to address needs for electric vehicle charging in parking facilities in new commercial and multifamily buildings that provide on-site parking. This is a onetime appropriation and is available until December 31, 2023.

(s) \$531,000 in fiscal year 2023 is to develop an energy benchmarking program under which building owners report certain types of buildings' annual energy use under Minnesota Statutes, section 216C.331. This is a onetime appropriation and is available until December 31, 2023.

(t) \$314,000 in fiscal year 2023 is to the commissioner of administration to staff a Buy Clean Task Force to advise the commissioner on developing environmental standards for the state's procurement of certain building materials. This is a onetime appropriation and is available until June 30, 2024.

(u) \$109,000 in fiscal year 2023 is for participation in customer disputes before the Public Utilities Commission under the consumer dispute process established under Minnesota Statutes, section 216B.172.

(v) \$35,000 in fiscal year 2023 is to participate in the intervenor compensation process under Minnesota Statutes, section 216B.631.

(w) \$10,000,000 the first year is for a grant to the Minnesota Innovation Finance Authority for organizational start-up costs and for the purposes of Minnesota Statutes, section 216C.441. The commissioner of commerce is the fiscal agent for the grant and must establish reporting requirements with respect to the authority's activities and expenditures. This is a onetime appropriation and is available until December 31, 2024.

(x) \$141,000 in fiscal year 2023 is for participation in proceedings of the Minnesota Public Utilities Commission regarding energy storage systems under Minnesota Statutes, sections 216B.1616 and 216C.378.

Sec. 3. **PUBLIC UTILITIES COMMISSION**

\$-0-

\$401,000

(a) \$234,000 in fiscal year 2023 is to administer the customer dispute process established in Minnesota Statutes, section 216B.172. The base for this appropriation in fiscal year 2024 and thereafter is \$228,000.

(b) \$32,000 in fiscal year 2023 is to administer the intervenor compensation process under Minnesota Statutes, section 216B.631.

(c) \$135,000 in fiscal year 2023 is for commission proceedings regarding energy storage systems under Minnesota Statutes, sections 216B.1616 and 216C.378.

ARTICLE 2
RENEWABLE DEVELOPMENT ACCOUNT APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

(a) The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. 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 "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively.

(b) If an appropriation in this article is enacted more than once in the 2022 regular or special legislative session, the appropriation must be given effect only once.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2022</u>	<u>2023</u>
<u>\$-0-</u>	<u>\$40,221,000</u>

Sec. 2. **DEPARTMENT OF COMMERCE**

(a) \$5,000,000 in fiscal year 2023 is to operate the grants for renewable integration and demonstration program under Minnesota Statutes, section 216C.47, to award grants to businesses to develop decarbonization technologies for commercialization.

(b) \$1,000,000 in fiscal year 2023 is to implement a program that awards grants to upgrade electrical panels in single-family and multifamily residences under Minnesota Statutes, section 216C.45. This is a onetime appropriation and is available until June 30, 2025.

(c) \$3,000,000 in fiscal year 2023 is for the Metropolitan Council to purchase buses that operate solely on electric propulsion provided by electric motors and rechargeable on-board batteries. This is a onetime appropriation and is available until June 30, 2023.

(d) \$1,000,000 in fiscal year 2023 is for deposit in a contingency fund for disbursement to the owner of a solar energy generating system installed on land on the former Ford Motor Company in St. Paul known as Area C. Disbursement under this paragraph must occur only if the Pollution Control Agency requires actions to be taken to remediate contaminated land at the site that requires the solar energy generating system to be removed while remediation takes place, as provided in Minnesota Statutes, section 116C.7793. The base in fiscal year 2024 is \$1,000,000. The base in fiscal year 2025 is \$1,000,000.

(e) \$6,500,000 in fiscal year 2023 is for a grant to the Independent School District No. 11, Anoka-Hennepin, to construct a geothermal energy system at the Sorteberg Early Childhood Center that uses the constant temperature of the earth, in conjunction with a heat pump, new HVAC system, and new boilers, to provide space heating and cooling to the building. This is a onetime appropriation and is available until December 31, 2027.

(f) The base for fiscal year 2024 is \$531,000 to implement an energy benchmarking program under which building owners report certain types of buildings' annual energy use under Minnesota Statutes, section 216C.331. The base in fiscal year 2025 and thereafter is \$431,000.

(g) \$500,000 in fiscal year 2023 is to install a network of electric vehicle charging stations in public parking facilities located in county government centers. This is a onetime appropriation and is available until June 30, 2024.

(h) \$5,000,000 in fiscal year 2023 is to be withheld by the public utility subject to Minnesota Statutes, section 116C.779, from deposit in the renewable development account, as provided in Minnesota Statutes, section 116C.7792, for a financial incentive to install solar energy generating systems under Minnesota Statutes, section 116C.7792. The amount to be withheld for this purpose in fiscal year 2024 is \$5,000,000 and in fiscal year 2025 is \$10,000,000.

(i) \$4,000,000 in fiscal year 2023 is for a financial incentive for the installation of energy storage systems under Minnesota Statutes, section 116C.7792.

(j) \$4,000,000 in fiscal year 2023 is for the solar on public buildings grant program described under Minnesota Statutes, section 216C.377. The appropriation must be used to provide grants to public buildings located within the electric service area of the electric utility subject to Minnesota Statutes, section 116C.779. The base in fiscal year 2024 and thereafter is \$2,000,000.

(k) \$10,000,000 in fiscal year 2023 is for transfer to the state competitiveness account established in Minnesota Statutes, section 216C.391, to leverage federal formula and competitive funds for energy-related infrastructure and clean energy investments in Minnesota. This appropriation must be used to obtain federal funds that benefit Minnesota ratepayers receiving electric service from the utility that owns a nuclear-powered electric generating plant in Minnesota, the Prairie Island Indian community, or Prairie Island Indian community members. This is a onetime appropriation and is available until June 30, 2034.

(l) \$221,000 in fiscal year 2023 is for participation in proceedings of the Minnesota Public Utilities Commission regarding energy storage systems under Minnesota Statutes, sections 216B.1616 and 216C.378.

ARTICLE 3 ENERGY CONSERVATION

Section 1. Minnesota Statutes 2020, section 216C.264, is amended by adding a subdivision to read:

Subd. 1a. **State supplementary weatherization grants account.** (a) A state supplementary weatherization grants account is established as a separate account in the special revenue fund in the state treasury. The commissioner must credit appropriations and transfers to the account. Earnings, such as interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money remaining in the account at the end of a fiscal year does not cancel to the general fund, but remains in the account until expended. The commissioner must manage the account.

(b) Money in the account is appropriated to the commissioner for the purposes of subdivision 5.

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

Sec. 2. Minnesota Statutes 2020, section 216C.264, subdivision 5, is amended to read:

Subd. 5. **Grant allocation.** (a) The commissioner must distribute supplementary state grants in a manner consistent with the goal of producing the maximum number of weatherized units. Supplementary state grants ~~are provided primarily for the payment of~~ may be used for the following purposes:

(1) to address physical deficiencies in a residence that increase heat loss, including deficiencies that prohibit the residence from being eligible to receive federal weatherization assistance;

(2) to install preweatherization measures, as defined in section 216B.2402, subdivision 20, established by the commissioner under section 216B.241, subdivision 7, paragraph (g);

(3) to increase the number of weatherized residences;

(4) to conduct outreach activities to make income-eligible households aware of the weatherization services available to income-eligible households, to assist applicants to fill out applications for weatherization assistance, and to provide translation services where necessary;

(5) to enable projects in multifamily buildings to proceed even if projects cannot comply with the federal requirement that projects must be completed within the same federal fiscal year in which the project begins;

(6) to address shortages of workers trained to provide weatherization services, including expanding training opportunities in existing and new training programs;

(7) to support the operation of the weatherization training program under section 216C.2641;

(8) to pay additional labor costs for the federal weatherization program; and

(9) as an incentive for the increased production of weatherized units.

(b) Criteria for the allocation of state grants to local agencies include existing local agency production levels, emergency needs, and the potential for maintaining or increasing acceptable levels of production in the area.

(c) An eligible local agency may receive advance funding for 90 days' production, but thereafter must receive grants solely on the basis of program criteria.

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

Sec. 3. **[216C.2641] WEATHERIZATION TRAINING GRANT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of commerce must establish a weatherization training grant program to award grants to train workers for careers in the weatherization industry.

Subd. 2. **Grants.** (a) The commissioner must award grants through a competitive grant process.

(b) An eligible entity under paragraph (c) seeking a grant under this section must submit a written application to the commissioner, using a form developed by the commissioner.

(c) Grants may be awarded under this section only to:

(1) a nonprofit organization exempt from taxation under section 501(c)(3) of the United States Internal Revenue Code;

(2) a labor organization, as defined in section 179.01, subdivision 6; or

(3) a job training center or educational institution that the commissioner of commerce determines has the ability to train workers for weatherization careers.

(d) Grant funds must be used to pay costs associated with training workers for careers in the weatherization industry, including related supplies, materials, instruction, and infrastructure.

(e) When awarding grants under this section, the commissioner must give priority to applications that provide the highest quality training to prepare trainees for weatherization employment opportunities that meet technical standards and certifications developed by the Building Performance Institute, Inc. or the Standard Work Specifications developed by the United States Department of Energy for the federal Weatherization Assistance Program.

Subd. 3. **Reports.** By January 15, 2024, and each January 15 thereafter, the commissioner must submit a report to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over energy policy that details the use of grant funds under this section, including data on the number of trainees trained and the career progress of trainees supported by prior grants.

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

Sec. 4. [216C.331] ENERGY BENCHMARKING.

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

(b) "Benchmark" means to electronically input into a benchmarking tool the total energy use data and other descriptive information about a building that is required by a benchmarking tool.

(c) "Benchmarking information" means data related to a building's energy use generated by a benchmarking tool and other information about the building's physical and operational characteristics. Benchmarking information includes but is not limited to the building's:

(1) address;

(2) owner and, if applicable, the building manager responsible for operating the building's physical systems;

(3) total floor area, expressed in square feet;

(4) energy use intensity;

(5) greenhouse gas emissions; and

(6) energy performance score comparing the building's energy use with that of similar buildings.

(d) "Benchmarking tool" means the United States Environmental Protection Agency's Energy Star Portfolio Manager tool or an equivalent tool determined by the commissioner.

(e) "Covered property" means a building whose total floor area is equal to or greater than 50,000 square feet. Covered property does not include:

(1) a residential property containing fewer than five dwelling units;

(2) a property classified as mining or manufacturing under the North American Industrial Classification System (NAICS); or

(3) other property types that do not meet the purposes of this section, as determined by the commissioner.

(f) "Energy" means electricity, natural gas, steam, or another product used to (1) provide heating, cooling, lighting, or water heating, or (2) power other end uses in a building.

(g) "Energy audit" has the meaning given in section 216C.435, subdivision 4.

(h) "Energy intensity" means the total annual energy consumed in a building divided by the building's total floor area.

(i) "Energy performance score" means a numerical value from one to 100 that the Energy Star Portfolio Manager tool calculates to rate a building's energy efficiency against that of comparable buildings nationwide.

(j) "Energy Star Portfolio Manager" means an interactive resource management tool developed by the United States Environmental Protection Agency that (1) enables the periodic entry of a building's energy use data and other descriptive information about a building, and (2) rates a building's energy efficiency against that of comparable buildings nationwide.

(k) "Financial distress" means a covered property that, at the time benchmarking is conducted:

(1) is the subject of a qualified tax lien sale or public auction due to property tax arrearages;

(2) is controlled by a court-appointed receiver based on financial distress;

(3) is owned by a financial institution through default by the borrower;

(4) has been acquired by deed in lieu of foreclosure; or

(5) has a senior mortgage that is subject to a notice of default.

(l) "Owner" means (1) an individual or entity that possesses title to a covered property, or (2) an agent authorized to act on behalf of the covered property owner.

(m) "Total floor area" means the sum of gross square footage inside a building's envelope, measured between the outside exterior walls of the building. Total floor area includes covered parking structures.

Subd. 2. Establishment. A building energy benchmarking program is established in the department. The purpose of the program is to:

(1) make a building's owners, tenants, and potential tenants aware of (i) the building's energy consumption levels and patterns, and (ii) how the building's energy use compares with that of similar buildings nationwide; and

(2) enhance the likelihood that owners adopt energy conservation measures in the owners' buildings as a way to reduce energy use, operating costs, and greenhouse gas emissions.

Subd. 3. Classification of covered properties. For the purposes of this section, a covered property is classified as follows:

<u>Class</u>	<u>Total Floor Area (sq. ft.)</u>
<u>1</u>	<u>150,000 or more</u>
<u>2</u>	<u>100,000 to 149,999</u>
<u>3</u>	<u>75,000 to 99,999</u>
<u>4</u>	<u>50,000 to 74,999</u>

Subd. 4. Benchmarking requirement. (a) In conformity with the schedule in subdivision 6, an owner must annually benchmark all covered property owned as of December 31 during the previous calendar year. Energy use data must be compiled by:

(1) obtaining the data from the utility providing the energy; or

(2) reading a master meter.

(b) Before entering information in a benchmarking tool, an owner must run all automated data quality assurance functions available within the benchmarking tool and must correct all missing or incorrect data identified.

(c) An owner who becomes aware that any information entered into a benchmarking tool is inaccurate or incomplete must amend the information in the benchmarking tool within 30 days of the date the owner learned of the inaccuracy.

Subd. 5. Exemption. (a) The commissioner may exempt an owner from the requirements of subdivision 4 for a covered property if the owner provides evidence satisfying the commissioner that the covered property:

(1) is presently experiencing financial distress;

(2) has been less than 50 percent occupied during the previous calendar year;

(3) does not have a certificate of occupancy or temporary certificate of occupancy for the full previous calendar year;

(4) was issued a demolition permit during the previous calendar year that remains current;

(5) received no energy services for at least 30 days during the previous calendar year; or

(6) is participating in a benchmarking program operated by a city or other political subdivision that the commissioner determines is equivalent to the benchmarking program established in this section.

(b) An exemption granted under this subdivision applies only to a single calendar year. An owner must reapply to the commissioner each year an extension is sought.

(c) Within 30 days of the date an owner makes a request under this paragraph, each tenant of a covered property subject to this section must provide the owner with any information regarding energy use of the tenant's rental unit that the property owner cannot otherwise obtain and that is needed by the owner to comply with this section. The tenant must provide the information required under this paragraph in a format approved by the commissioner.

Subd. 6. **Benchmarking schedule.** An owner must annually benchmark each covered property for the previous calendar year according to the following schedule:

(1) all Class 1 properties by June 1, 2023, and by every June 1 thereafter;

(2) all Class 2 properties by June 1, 2024, and by every June 1 thereafter;

(3) all Class 3 properties by June 1, 2025, and by every June 1 thereafter; and

(4) all Class 4 properties by June 1, 2026, and by every June 1 thereafter.

Subd. 7. **Energy audit.** (a) The commissioner must notify in writing an owner of a building whose energy performance score is 25 or lower or whose calculated energy intensity is among the highest 25 percent compared to similar building types within the building's class, as determined by the commissioner, that, except as provided in paragraph (c), the owner is required to contract for an energy audit of the building no later than one year after the notice is issued, unless the commissioner extends the deadline.

(b) The commissioner must award a grant to an owner who completes an energy audit after receiving notice under this subdivision. The grant amount must be the lower of \$2,000 or 50 percent of the cost of the audit. An owner must not receive more than one grant under this subdivision.

(c) If a building owner that receives notice under this subdivision submits evidence to the commissioner's satisfaction that an energy audit of the building that is the subject of the notice was conducted within the previous five years, the owner is exempt from the requirement to conduct an energy audit.

Subd. 8. **Data collection and management.** (a) The commissioner must:

(1) collect benchmarking information generated by a benchmarking tool and other related information for each covered property;

(2) provide technical assistance to owners entering data into a benchmarking tool; and

(3) collaborate with utilities regarding the provision of energy use information to owners and tenants to enable owners to comply with this section.

(b) A utility must comply with a request from the commissioner to provide to the commissioner or to an owner energy use information that is needed to effectively operate the energy benchmarking program.

(c) The commissioner must:

(1) rank benchmarked covered properties in each property class from highest to lowest performance score, or, if a performance score is unavailable for a covered property, from lowest to highest energy use intensity;

(2) divide covered properties in each property class into four quartiles based on the applicable measure in clause (1);

(3) assign four stars to each covered property in the quartile of each property class with the highest performance scores or lowest energy use intensities, as applicable;

(4) assign three stars to each covered property in the quartile of each property class with the second highest performance scores or second lowest energy use intensities, as applicable;

(5) assign two stars to each covered property in the quartile of each property class with the third highest performance scores or third lowest energy use intensities, as applicable;

(6) assign one star to each covered property in the quartile of each property class with the lowest performance scores or highest energy use intensities, as applicable; and

(7) serve notice in writing to each owner identifying the number of stars assigned the commissioner to each of the owner's covered properties.

Subd. 9. Data disclosure to public. (a) The commissioner must post on the department's website and update annually the following information for the previous calendar year:

(1) annual summary statistics on energy use for all covered properties in Minnesota;

(2) annual summary statistics on energy use for all covered properties, aggregated by (i) covered property class, as defined in subdivision 3, (ii) city, and (iii) county;

(3) the percentage of covered properties in each building class listed in subdivision 3 that are in compliance with the benchmarking requirements under subdivisions 4 to 6; and

(4) for each covered property, at a minimum, the total energy use, energy use per square foot of total floor area, annual greenhouse gas emissions, and an energy performance score, if available.

(b) The commissioner must post the information required under this subdivision for each class of covered property beginning one year after the date the initial benchmarking submission is made by the owner under the schedule in subdivision 6.

Subd. 10. Building performance disclosure to potential tenants. An owner must, on any application provided to a potential tenant seeking to rent a unit in a covered property, include the following language in a 12-point or larger font on the first page of the application: "This building has received a [insert number of stars assigned to the building by the commissioner under subdivision 8, paragraph (c)] star rating of the building's energy efficiency from the Minnesota Department of Commerce, where four stars represents the most energy efficient buildings and one star represents the least energy efficient buildings."

Subd. 11. Notifications. (a) By March 1 each year, the commissioner must notify the owner of each covered property required to benchmark for the previous calendar year of the requirement to benchmark by June 1 of that year.

(b) By July 15 each year, the commissioner must notify the owner of each covered property required to benchmark for the previous calendar year that failed to benchmark that the owner has 30 days to comply with the benchmarking requirement.

Subd. 12. Program implementation. The commissioner may contract with an independent third party to implement any or all of the duties the commissioner is required to perform under subdivisions 2 to 10.

Subd. 13. Enforcement. If the commissioner determines that an owner has failed to benchmark in a timely, complete, and accurate fashion as required under this section, the commissioner may impose on the owner a civil fine of up to \$1,000. Each day that the owner fails to benchmark to the satisfaction of the commissioner for each covered property owned by the owner may be deemed a separate offense and the commissioner may impose a separate civil penalty.

Subd. 14. Rules. The commissioner is authorized to adopt rules under chapter 14 to implement this section.

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

Sec. 5. Minnesota Statutes 2020, section 326B.106, subdivision 1, is amended to read:

Subdivision 1. **Adoption of code.** (a) Subject to paragraphs (c) and (d) and sections 326B.101 to 326B.194, the commissioner shall by rule and in consultation with the Construction Codes Advisory Council establish a code of standards for the construction, reconstruction, alteration, and repair of buildings, governing matters of structural materials, design and construction, fire protection, health, sanitation, and safety, including design and construction standards regarding heat loss control, illumination, and climate control. The code must also include duties and responsibilities for code administration, including procedures for administrative action, penalties, and suspension and revocation of certification. The code must conform insofar as practicable to model building codes generally accepted and in use throughout the United States, including a code for building conservation. In the preparation of the code, consideration must be given to the existing statewide specialty codes presently in use in the state. Model codes with necessary modifications and statewide specialty codes may be adopted by reference. The code must be based on the application of scientific principles, approved tests, and professional judgment. To the extent possible, the code must be adopted in terms of desired results instead of the means of achieving those results, avoiding wherever possible the incorporation of specifications of particular methods or materials. To that end the code must encourage the use of new methods and new materials. Except as otherwise provided in sections 326B.101 to 326B.194, the commissioner shall administer and enforce the provisions of those sections.

(b) The commissioner shall develop rules addressing the plan review fee assessed to similar buildings without significant modifications including provisions for use of building systems as specified in the industrial/modular program specified in section 326B.194. Additional plan review fees associated with similar plans must be based on costs commensurate with the direct and indirect costs of the service.

(c) Beginning with the 2018 edition of the model building codes and every six years thereafter, the commissioner shall review the new model building codes and adopt the model codes as amended for use in Minnesota, within two years of the published edition date. The commissioner may adopt amendments to the building codes prior to the adoption of the new building codes to advance construction methods, technology, or materials, or, where necessary to protect the health, safety, and welfare of the public, or to improve the efficiency or the use of a building.

(d) Notwithstanding paragraph (c), the commissioner shall act on each new model residential energy code and the new model commercial energy code in accordance with federal law for which the United States Department of Energy has issued an affirmative determination in compliance with United States Code, title 42, section 6833. A municipality may adopt the most recently published new model commercial energy code ASHRAE 90.1 until a more energy efficient code is adopted by the commissioner. A municipality may not amend or otherwise change any provisions of the most recent ASHRAE 90.1 standard, except that a municipality is required to adopt amendments to the previous version of ASHRAE 90.1 in the current commercial energy code adopted by the commissioner. The commissioner may adopt amendments prior to adoption of the new energy codes, as amended for use in Minnesota, to advance construction methods, technology, or materials, or, where necessary to protect the health, safety, and welfare of the public, or to improve the efficiency or use of a building. The commissioner of commerce may include energy code support measures in the technical guidance developed under section 216B.241, subdivision 1d.

ARTICLE 4 COMMISSION PROCEEDINGS

Section 1. Minnesota Statutes 2020, section 216B.17, subdivision 1, is amended to read:

Subdivision 1. **Investigation.** On ~~its~~ the commissioner's own motion or upon a complaint made against any public utility; by the governing body of any political subdivision, by another public utility, by the department, ~~or~~ by any 50 consumers of ~~the~~ a particular utility, or by a complainant under section 216B.172 that any of the rates, tolls, tariffs, charges, or schedules or any joint rate or any regulation, measurement, practice, act, or omission affecting or

relating to the production, transmission, delivery, or furnishing of natural gas or electricity or any service in connection therewith is in any respect unreasonable, insufficient, or unjustly discriminatory, or that any service is inadequate or cannot be obtained, the commission shall proceed, with notice, to make such investigation as it may deem necessary. The commission may dismiss any complaint without a hearing if in its opinion a hearing is not in the public interest.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any complaint filed with the commission on or after that date.

Sec. 2. **[216B.172] CONSUMER DISPUTES.**

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

(b) "Appeal" means a request filed with the commission by a complainant to review and make a final decision regarding the resolution of the complainant's complaint by the consumer affairs office.

(c) "Complainant" means an individual residential customer of a public utility who has filed a complaint with the consumer affairs office.

(d) "Complaint" means an allegation submitted to the consumer affairs office by a complainant that a public utility's action or practice regarding billing or terms and conditions of service:

(1) violates a statute, rule, tariff, service contract, or other provision of law;

(2) is unreasonable; or

(3) has harmed or, if not addressed, will harm a complainant.

Complaint does not include an objection to or a request to modify a natural gas or electricity rate contained in a tariff that has been approved by the commission. A complaint under this section is an informal complaint under Minnesota Rules, chapter 7829.

(e) "Consumer affairs office" means the staff unit of the commission that is organized to receive and respond to complaints.

(f) "Informal proceeding" has the meaning given in Minnesota Rules, part 7829.0100, subpart 8.

(g) "Public assistance" has the meaning given in section 550.37, subdivision 14.

(h) "Public utility" has the meaning given in section 216B.02, subdivision 4.

Subd. 2. **Complaint resolution procedure.** A complainant must first attempt to resolve a dispute with a public utility by filing a complaint with the consumer affairs office. The consumer affairs office must (1) notify the complainant of the resolution of the complaint, (2) provide written notice of the complainant's right to appeal the resolution to the commission, and (3) provide steps the complainant may take to appeal the resolution. Upon request, the consumer affairs office must provide to the complainant a written notice containing the substance of and basis for the resolution.

Subd. 3. **Appeal; final commission decision.** (a) If a complainant is not satisfied with the resolution of a complaint by the consumer affairs office, the complainant may file an appeal with the commission requesting the commission to make a final decision on the complaint. The commission's response to an appeal filed under this subdivision must comply with the notice requirements under section 216B.17, subdivisions 2 to 5.

(b) Upon the commission's receipt of an appeal filed under paragraph (a), the chair of the commission or a subcommittee delegated under section 216A.03, subdivision 8, to review the resolution of the complaint must decide whether the complaint should be:

(1) dismissed because there is no reasonable basis on which to proceed;

(2) resolved through an informal commission proceeding; or

(3) referred to the Office of Administrative Hearings for a contested case proceeding under chapter 14.

A decision made under this paragraph must be provided in writing to the complainant and the public utility.

(c) If the commission decides that the complaint should be resolved through an informal commission proceeding or referred to the Office of Administrative Hearings for a contested case proceeding, the executive secretary must issue a procedural schedule and any notices or orders required to initiate a contested case proceeding under chapter 14.

(d) The commission's dismissal of an appeal request or a decision rendered after conducting an informal proceeding is a final decision constituting an order or determination of the commission.

Subd. 4. **Judicial review.** Notwithstanding section 216B.27, a complainant may seek judicial review in district court of an adverse final decision under subdivision 3, paragraph (b), clause (1) or (2). Judicial review of the commission's decision in a contested case referred under subdivision 3, paragraph (b), clause (3), is governed by chapter 14.

Subd. 5. **Right to service during pendency of dispute.** A public utility must continue or promptly restore service to a complainant during the pendency of an administrative or judicial procedure pursued by a complainant under this section, provided that the complainant:

(1) agrees to enter into a payment agreement under section 216B.098, subdivision 3;

(2) posts the full disputed payment in escrow;

(3) demonstrates receipt of public assistance or eligibility for legal aid services; or

(4) demonstrates the complainant's household income is at or below 50 percent of state median income.

Subd. 6. **Rulemaking authority.** The commission may adopt rules to carry out the purposes of this section.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any complaint filed with the commission on or after that date.

Sec. 3. Minnesota Statutes 2020, section 216B.2422, is amended by adding a subdivision to read:

Subd. 8. **Transmission planning in advance of generation retirement.** A utility must identify in a resource plan each nonrenewable energy facility on the utility's system that has a depreciation term, probable service life, or operating license term that ends within 15 years of the resource plan filing date. For each nonrenewable energy facility identified, the utility must include in the resource plan an initial plan to: (1) replace the nonrenewable energy facility; and (2) upgrade any transmission or other grid capabilities needed to support the retirement of that nonrenewable energy facility.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to an integrated resource plan filed with the commission on or after that date.

Sec. 4. **[216B.491] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of sections 216B.491 to 216B.499, the terms defined in this subdivision have the meanings given.

Subd. 2. **Ancillary agreement.** "Ancillary agreement" means any bond, insurance policy, letter of credit, reserve account, surety bond, interest rate lock or swap arrangement, liquidity or credit support arrangement, or other financial arrangement entered into in connection with extraordinary event bonds that is designed to promote the credit quality and marketability of extraordinary event bonds or to mitigate the risk of an increase in interest rates.

Subd. 3. **Assignee.** "Assignee" means any person to which an interest in extraordinary event property is sold, assigned, transferred, or conveyed, other than as security, and any successor to or subsequent assignee of the person.

Subd. 4. **Bondholder.** "Bondholder" means any holder or owner of extraordinary event bonds.

Subd. 5. **Customer.** "Customer" means a person who takes natural gas service from a natural gas utility for consumption of natural gas in Minnesota.

Subd. 6. **Extraordinary event.** (a) "Extraordinary event" means an event arising from unforeseen circumstances and of sufficient magnitude, as determined by the commission:

(1) to impose significant costs on customers; and

(2) for which the issuance of extraordinary event bonds in response to the event meets the conditions of section 216B.492, subdivision 2, as determined by the commission.

(b) Extraordinary event includes but is not limited to a storm event or other natural disaster, an act of God, war, terrorism, sabotage or vandalism, a cybersecurity attack, or a temporary significant increase in the wholesale price of natural gas.

Subd. 7. **Extraordinary event activity.** "Extraordinary event activity" means an activity undertaken by or on behalf of a utility to restore or maintain the utility's ability to provide natural gas service following one or more extraordinary events, including but not limited to activities related to mobilization, staging, construction, reconstruction, replacement, or repair of natural gas transmission, distribution, storage, or general facilities.

Subd. 8. **Extraordinary event bonds.** "Extraordinary event bonds" means low-cost corporate securities, including but not limited to senior secured bonds, debentures, notes, certificates of participation, certificates of beneficial interest, certificates of ownership, or other evidences of indebtedness or ownership that have a scheduled maturity of no longer than 30 years and a final legal maturity date that is not later than 32 years from the issue date, that are rated AA or Aa2 or better by a major independent credit rating agency at the time of issuance, and that are issued by a utility or an assignee under a financing order.

Subd. 9. **Extraordinary event charge.** "Extraordinary event charge" means a nonbypassable charge that:

(1) is imposed on all customer bills by a utility that is the subject of a financing order or the utility's successors or assignees;

(2) is separate from the utility's base rates; and

(3) provides a source of revenue solely to repay, finance, or refinance extraordinary event costs.

Subd. 10. **Extraordinary event costs.** "Extraordinary event costs":

(1) means all incremental costs of extraordinary event activities that are approved by the commission in a financing order issued under section 216B.492 as being:

(i) necessary to enable the utility to restore or maintain natural gas service to customers after the utility experiences an extraordinary event; and

(ii) prudent and reasonable;

(2) includes costs to repurchase equity or retire any indebtedness relating to extraordinary event activities;

(3) shall be net of applicable insurance proceeds, tax benefits, and any other amounts intended to reimburse the utility for extraordinary event activities, including government grants or aid of any kind;

(4) do not include any monetary penalty, fine, or forfeiture assessed against a utility by a government agency or court under a federal or state environmental statute, rule, or regulation; and

(5) must be adjusted to reflect:

(i) the difference, as determined by the commission, between extraordinary event costs that the utility expects to incur and actual, reasonable, and prudent costs incurred; or

(ii) a more fair or reasonable allocation of extraordinary event costs to customers over time, as expressed in a commission order.

Subd. 11. **Extraordinary event property.** "Extraordinary event property" means:

(1) all rights and interests of a utility or the utility's successor or assignee under a financing order for the right to impose, bill, collect, receive, and obtain periodic adjustments to extraordinary event charges authorized under a financing order issued by the commission; and

(2) all revenue, collections, claims, rights to payments, payments, money, or proceeds arising from the rights and interests specified in clause (1), regardless of whether any are commingled with other revenue, collections, rights to payment, payments, money, or proceeds.

Subd. 12. **Extraordinary event revenue.** "Extraordinary event revenue" means revenue, receipts, collections, payments, money, claims, or other proceeds arising from extraordinary event property.

Subd. 13. **Financing costs.** "Financing costs" means:

(1) principal, interest, and redemption premiums that are payable on extraordinary event bonds;

(2) payments required under an ancillary agreement and amounts required to fund or replenish a reserve account or other accounts established under the terms of any indenture, ancillary agreement, or other financing document pertaining to the bonds;

(3) other demonstrable costs related to issuing, supporting, repaying, refunding, and servicing the bonds, including but not limited to servicing fees, accounting and auditing fees, trustee fees, legal fees, consulting fees, financial adviser fees, administrative fees, placement and underwriting fees, capitalized interest, rating agency fees, stock exchange listing and compliance fees, security registration fees, filing fees, information technology programming costs, and any other demonstrable costs necessary to otherwise ensure and guarantee the timely payment of the bonds or other amounts or charges payable in connection with the bonds;

(4) taxes and license fees imposed on the revenue generated from collecting an extraordinary event charge;

(5) state and local taxes, including franchise, sales and use, and other taxes or similar charges, including but not limited to regulatory assessment fees, whether paid, payable, or accrued; and

(6) costs incurred by the commission to hire and compensate additional temporary staff needed to perform the commission's responsibilities under this section and, in accordance with section 216B.494, to engage specialized counsel and expert consultants experienced in securitized utility ratepayer-backed bond financing similar to extraordinary event bonds.

Subd. 14. **Financing order.** "Financing order" means an order issued by the commission under section 216B.492 that authorizes an applicant to:

(1) issue extraordinary event bonds in one or more series;

(2) impose, charge, and collect extraordinary event charges; and

(3) create extraordinary event property.

Subd. 15. **Financing party.** "Financing party" means a holder of extraordinary event bonds and a trustee, a collateral agent, a party under an ancillary agreement, or any other person acting for the benefit of extraordinary event bondholders.

Subd. 16. **Natural gas facility.** "Natural gas facility" means natural gas pipelines, including distribution lines, underground storage areas, liquefied natural gas facilities, propane storage tanks, and other facilities the commission determines are used and useful to provide natural gas service to retail and transportation customers in Minnesota.

Subd. 17. **Nonbypassable.** "Nonbypassable" means that the payment of an extraordinary event charge required to repay bonds and related costs may not be avoided by any retail customer located within a utility service area.

Subd. 18. **Pretax costs.** "Pretax costs" means costs incurred by a utility and approved by the commission, including but not limited to:

(1) unrecovered capitalized costs of replaced natural gas facilities damaged or destroyed by a storm event;

(2) costs to decommission and restore the site of a natural gas facility damaged or destroyed by an extraordinary event;

(3) other applicable capital and operating costs, accrued carrying charges, deferred expenses, reductions for applicable insurance, and salvage proceeds; and

(4) costs to retire any existing indebtedness, fees, costs, and expenses to modify existing debt agreements, or for waivers or consents related to existing debt agreements.

Subd. 19. **Storm event.** "Storm event" means a tornado, derecho, ice or snow storm, flood, earthquake, or other significant weather or natural disaster that causes substantial damage to a utility's infrastructure.

Subd. 20. **Successor.** "Successor" means a legal entity that succeeds by operation of law to the rights and obligations of another legal entity as a result of bankruptcy, reorganization, restructuring, other insolvency proceeding, merger, acquisition, consolidation, or sale or transfer of assets.

Subd. 21. **Utility.** "Utility" means a public utility, as defined in section 216B.02, subdivision 4, that provides natural gas service to Minnesota customers. Utility includes the utility's successors or assignees.

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

Sec. 5. **[216B.492] FINANCING ORDER.**

Subdivision 1. Application. (a) A utility may file an application with the commission for the issuance of a financing order to enable the utility to recover extraordinary event costs through the issuance of extraordinary event bonds under this section.

(b) The application must include the following information, as applicable:

(1) a description of each natural gas facility to be repaired or replaced;

(2) the undepreciated value remaining in the natural gas facility whose repair or replacement is proposed to be financed through the issuance of bonds under sections 216B.491 to 216B.499, and the method used to calculate the amount;

(3) the estimated amount of costs imposed on customers resulting from an extraordinary event that involves no physical damage to natural gas facilities;

(4) the estimated savings or estimated mitigation of rate impacts to utility customers if the financing order is issued as requested in the application, calculated by comparing the costs to customers that are expected to result from implementing the financing order and the estimated costs associated with implementing traditional utility financing mechanisms with respect to the same undepreciated balance, expressed in net present value terms;

(5) a description of (i) the nonbypassable extraordinary event charge utility customers would be required to pay in order to fully recover financing costs, and (ii) the method and assumptions used to calculate the amount;

(6) a proposed methodology to allocate the revenue requirement for the extraordinary event charge among the utility's customer classes;

(7) a description of a proposed adjustment mechanism to be implemented when necessary to correct any overcollection or undercollection of extraordinary event charges, in order to complete payment of scheduled principal and interest on extraordinary event bonds and other financing costs in a timely fashion;

(8) a memorandum with supporting exhibits, from a securities firm that is experienced in the marketing of bonds and that is approved by the commissioner of management and budget, indicating the proposed issuance satisfies the current published AA or Aa2 or higher rating or equivalent rating criteria of at least one nationally recognized securities rating organization for issuances similar to the proposed extraordinary event bonds;

(9) an estimate of the timing of the issuance and the term of the extraordinary event bonds, or series of bonds, provided that the scheduled final maturity for each bond issuance does not exceed 30 years;

(10) identification of plans to sell, assign, transfer, or convey, other than as a security, interest in extraordinary event property, including identification of an assignee, and demonstration that the assignee is a financing entity wholly owned, directly or indirectly, by the utility;

(11) identification of ancillary agreements that may be necessary or appropriate;

(12) one or more alternative financing scenarios in addition to the preferred scenario contained in the application;

(13) the extent of damage to the utility's infrastructure caused by an extraordinary event and the estimated costs to repair or replace the damaged infrastructure;

(14) a schedule of the proposed repairs to and replacement of damaged infrastructure;

(15) a description of the steps taken to provide customers interim natural gas service while the damaged infrastructure is being repaired or replaced; and

(16) a description of the impacts on the utility's current workforce resulting from implementing an infrastructure repair or replacement plan following an extraordinary event.

Subd. 2. **Findings.** After providing notice and holding a public hearing on an application filed under subdivision 1, the commission may issue a financing order if the commission finds that:

(1) the extraordinary event costs described in the application are reasonable;

(2) the proposed issuance of extraordinary event bonds and the imposition and collection of extraordinary event charges:

(i) are just and reasonable;

(ii) are consistent with the public interest;

(iii) constitute a prudent and reasonable mechanism to finance the extraordinary event costs; and

(iv) provide tangible and quantifiable benefits to customers that exceed the benefits that would have been achieved absent the issuance of extraordinary event bonds; and

(3) the proposed structuring, marketing, and pricing of the extraordinary event bonds:

(i) significantly lower overall costs to customers or significantly mitigate rate impacts to customers relative to traditional methods of financing; and

(ii) achieve significant customer savings or significant mitigation of rate impacts to customers, as determined by the commission in a financing order, consistent with market conditions at the time of sale and the terms of the financing order.

Subd. 3. **Contents.** (a) A financing order issued under this section must:

(1) determine the maximum amount of extraordinary event costs that may be financed from proceeds of extraordinary event bonds issued pursuant to the financing order;

(2) describe the proposed customer billing mechanism for extraordinary event charges and include a finding that the mechanism is just and reasonable;

(3) describe the financing costs that may be recovered through extraordinary event charges and the period over which the costs may be recovered, which must end no earlier than the date of final legal maturity of the extraordinary event bonds;

(4) describe the extraordinary event property that is created and that may be used to pay, and secure the payment of, the extraordinary event bonds and financing costs authorized in the financing order;

(5) authorize the utility to finance extraordinary event costs through the issuance of one or more series of extraordinary event bonds. A utility is not required to secure a separate financing order for each issuance of extraordinary event bonds or for each scheduled phase of the replacement of natural gas facilities approved in the financing order;

(6) include a formula-based mechanism that must be used to make expeditious periodic adjustments to the extraordinary event charge authorized by the financing order that are necessary to correct for any overcollection or undercollection, or to otherwise guarantee the timely payment of extraordinary event bonds, financing costs, and other required amounts and charges payable in connection with extraordinary event bonds;

(7) specify the degree of flexibility afforded to the utility in establishing the terms and conditions of the extraordinary event bonds, including but not limited to repayment schedules, expected interest rates, and other financing costs;

(8) specify that the extraordinary event bonds must be issued as soon as feasible following issuance of the financing order;

(9) require the utility, at the same time as extraordinary event charges are initially collected and independent of the schedule to close and decommission any natural gas facility replaced as the result of an extraordinary event, to remove the natural gas facility from the utility's rate base and commensurately reduce the utility's base rates;

(10) specify a future ratemaking process to reconcile any difference between the projected pretax costs included in the amount financed by extraordinary event bonds and the final actual pretax costs incurred by the utility to retire or replace the natural gas facility;

(11) specify information regarding bond issuance and repayments, financing costs, energy transaction charges, extraordinary event property, and related matters that the natural gas utility is required to provide to the commission on a schedule determined by the commission;

(12) allow and may require the creation of a utility's extraordinary event property to be conditioned on, and occur simultaneously with, the sale or other transfer of the extraordinary event property to an assignee and the pledge of the extraordinary event property to secure the extraordinary event bonds;

(13) ensure that the structuring, marketing, and pricing of extraordinary event bonds result in reasonable securitization bond charges and significant customer savings or rate impact mitigation, consistent with market conditions and the terms of the financing order; and

(14) specify that a utility financing the replacement of one or more natural gas facilities after the natural gas facilities subject to the finance order are removed from the utility's rate base is prohibited from:

(i) operating the natural gas facilities; or

(ii) selling the natural gas facilities to another entity to be operated as natural gas facilities.

(b) A financing order issued under this section may:

(1) include conditions different from those requested in the application that the commission determines are necessary to:

(i) promote the public interest; and

(ii) maximize the financial benefits or minimize the financial risks of the transaction to customers and to directly impacted Minnesota workers and communities; and

(2) specify the selection of one or more underwriters of the extraordinary event bonds.

Subd. 4. Duration; irrevocability; subsequent order. (a) A financing order remains in effect until the extraordinary event bonds issued under the financing order and all financing costs related to the bonds have been paid in full.

(b) A financing order remains in effect and unabated notwithstanding the bankruptcy, reorganization, or insolvency of the utility to which the financing order applies or any affiliate, successor, or assignee of the utility to which the financing order applies.

(c) Subject to judicial review under section 216B.52, a financing order is irrevocable and is not reviewable by a future commission. The commission may not reduce, impair, postpone, or terminate extraordinary event charges approved in a financing order, or impair extraordinary event property or the collection or recovery of extraordinary event revenue.

(d) Notwithstanding paragraph (c), the commission may, on the commission's own motion or at the request of a utility or any other person, commence a proceeding and issue a subsequent financing order that provides for refinancing, retiring, or refunding extraordinary event bonds issued under the original financing order if:

(1) the commission makes all of the findings specified in subdivision 2 with respect to the subsequent financing order; and

(2) the modification contained in the subsequent financing order does not in any way impair the covenants and terms of the extraordinary event bonds being refinanced, retired, or refunded.

Subd. 5. Effect on commission jurisdiction. (a) Except as provided in paragraph (b), the commission, in exercising the powers and carrying out the duties under this section, is prohibited from:

(1) considering extraordinary event bonds issued under this section to be debt of the utility other than for income tax purposes, unless it is necessary to consider the extraordinary event bonds to be debt in order to achieve consistency with prevailing utility debt rating methodologies;

(2) considering the extraordinary event charges paid under the financing order to be revenue of the utility;

(3) considering the extraordinary event or financing costs specified in the financing order to be the regulated costs or assets of the utility; or

(4) determining that any prudent action taken by a utility that is consistent with the financing order is unjust or unreasonable.

(b) Nothing in this subdivision:

(1) affects the authority of the commission to apply or modify any billing mechanism designed to recover extraordinary event charges;

(2) prevents or precludes the commission from (i) investigating a utility's compliance with the terms and conditions of a financing order, and (ii) requiring compliance with the financing order; or

(3) prevents or precludes the commission from imposing regulatory sanctions against a utility for failure to comply with the terms and conditions of a financing order or the requirements of this section.

(c) The commission is prohibited from refusing to allow a utility to recover any costs associated with the replacement of natural gas facilities solely because the utility has elected to finance the natural gas facility replacement through a financing mechanism other than extraordinary event bonds.

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

Sec. 6. **[216B.493] POSTORDER COMMISSION DUTIES.**

Subdivision 1. **Financing cost review.** Within 120 days after the date extraordinary event bonds are issued, a utility subject to a financing order must file with the commission the actual initial and ongoing financing costs, the final structure and pricing of the extraordinary event bonds, and the actual extraordinary event charge. The commission must review the prudence of the natural gas utility's actions to determine whether the actual financing costs were the lowest that could reasonably be achieved given the terms of the financing order and market conditions prevailing at the time of the bond's issuance.

Subd. 2. **Enforcement.** If the commission determines that a utility's actions under this section are not prudent or are inconsistent with the financing order, the commission may apply any remedies available, provided that any remedy applied may not directly or indirectly impair the security for the extraordinary event bonds.

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

Sec. 7. **[216B.494] USE OF OUTSIDE EXPERTS.**

(a) In carrying out the duties under this section, the commission may:

(1) contract with outside consultants and counsel experienced in securitized utility customer-backed bond financing similar to extraordinary event bonds; and

(2) hire and compensate additional temporary staff as needed.

Expenses incurred by the commission under this paragraph must be treated as financing costs and included in the extraordinary event charge. The costs incurred under clause (1) are not an obligation of the state and are assigned solely to the transaction.

(b) A utility presented with a written request from the commission for reimbursement of the commission's expenses incurred under paragraph (a), accompanied by a detailed account of those expenses, must remit full payment of the expenses to the commission within 30 days of receiving the request.

(c) If a utility's application for a financing order is denied or withdrawn for any reason and extraordinary event bonds are not issued, the commission's costs to retain expert consultants under this section must be paid by the applicant utility and are deemed to be prudent deferred expenses eligible for recovery in the utility's future rates.

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

Sec. 8. **[216B.495] EXTRAORDINARY EVENT CHARGE; BILLING TREATMENT.**

(a) A utility that obtains a financing order and causes extraordinary event bonds to be issued must:

(1) include on each customer's monthly natural gas bill:

(i) a statement that a portion of the charges represents extraordinary event charges approved in a financing order;

(ii) the amount and rate of the extraordinary event charge as a separate line item titled "extraordinary event charge"; and

(iii) if extraordinary event property has been transferred to an assignee, a statement that the assignee is the owner of the rights to extraordinary event charges and that the utility or other entity, if applicable, is acting as a collection agent or servicer for the assignee; and

(2) file annually with the commission:

(i) a calculation of the impact of financing the retirement or replacement of natural gas facilities on customer rates, itemized by customer class; and

(ii) evidence demonstrating that extraordinary event revenues are applied solely to the repayment of extraordinary event bonds and other financing costs.

(b) Extraordinary event charges are nonbypassable and must be paid by all existing and future customers receiving service from the utility or the utility's successors or assignees under commission-approved rate schedules or special contracts.

(c) A utility's failure to comply with this section does not invalidate, impair, or affect any financing order, extraordinary event property, extraordinary event charge, or extraordinary event bonds, but does subject the utility to penalties under applicable commission rules.

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

Sec. 9. **[216B.496] EXTRAORDINARY EVENT PROPERTY.**

Subdivision 1. **General.** (a) Extraordinary event property is an existing present property right or interest in a property right, even though the imposition and collection of extraordinary event charges depend on the utility collecting extraordinary event charges and on future natural gas consumption. The property right or interest exists regardless of whether the revenues or proceeds arising from the extraordinary event property have been billed, have accrued, or have been collected.

(b) Extraordinary event property exists until all extraordinary event bonds issued under a financing order are paid in full and all financing costs and other costs of the extraordinary event bonds have been recovered in full.

(c) All or any portion of extraordinary event property described in a financing order issued to a utility may be transferred, sold, conveyed, or assigned to a successor or assignee that is wholly owned, directly or indirectly, by the utility and is created for the limited purpose of acquiring, owning, or administering extraordinary event property or issuing extraordinary event bonds authorized by the financing order. All or any portion of extraordinary event property may be pledged to secure extraordinary event bonds issued under a financing order, amounts payable to financing parties and to counterparties under any ancillary agreements, and other financing costs. Each transfer, sale, conveyance, assignment, or pledge by a utility or an affiliate of extraordinary event property is a transaction in the ordinary course of business.

(d) If a utility defaults on any required payment of charges arising from extraordinary event property described in a financing order, a court, upon petition by an interested party and without limiting any other remedies available to the petitioner, must order the sequestration and payment of the revenues arising from the extraordinary event property to the financing parties.

(e) The interest of a transferee, purchaser, acquirer, assignee, or pledgee in extraordinary event property specified in a financing order issued to a utility, and in the revenue and collections arising from the property, is not subject to setoff, counterclaim, surcharge, or defense by the utility or any other person, or in connection with the reorganization, bankruptcy, or other insolvency of the utility or any other entity.

(f) A successor to a utility, whether resulting from a reorganization, bankruptcy, or other insolvency proceeding; merger or acquisition; sale; other business combination; transfer by operation of law; utility restructuring; or otherwise, must perform and satisfy all obligations of, and has the same duties and rights under, a financing order as the utility to which the financing order applies. A successor to a utility must perform the duties and exercise the rights in the same manner and to the same extent as the utility, including collecting and paying to any person entitled to receive revenues, collections, payments, or proceeds of extraordinary event property.

Subd. 2. **Security interests in extraordinary event property.** (a) The creation, perfection, and enforcement of any security interest in extraordinary event property to secure the repayment of the principal and interest on extraordinary event bonds, amounts payable under any ancillary agreement, and other financing costs are governed solely by this section.

(b) A security interest in extraordinary event property is created, valid, and binding when:

(1) the financing order that describes the extraordinary event property is issued;

(2) a security agreement is executed and delivered; and

(3) value is received for the extraordinary event bonds.

(c) Once a security interest in extraordinary event property is created, the security interest attaches without any physical delivery of collateral or any other act. The lien of the security interest is valid, binding, and perfected against all parties having claims of any kind in tort, contract, or otherwise against the person granting the security interest, regardless of whether the parties have notice of the lien, upon the filing of a financing statement with the secretary of state.

(d) The description or indication of extraordinary event property in a transfer or security agreement and a financing statement is sufficient only if the description or indication refers to this section and the financing order creating the extraordinary event property.

(e) A security interest in extraordinary event property is a continuously perfected security interest and has priority over any other lien, created by operation of law or otherwise, which may subsequently attach to the extraordinary event property unless the holder of the security interest has agreed otherwise in writing.

(f) The priority of a security interest in extraordinary event property is not affected by the commingling of extraordinary event property or extraordinary event revenue with other money. An assignee, bondholder, or financing party has a perfected security interest in the amount of all extraordinary event property or extraordinary event revenue that is pledged to pay extraordinary event bonds, even if the extraordinary event property or extraordinary event revenue is deposited in a cash or deposit account of the utility in which the extraordinary event revenue is commingled with other money. Any other security interest that applies to the other money does not apply to the extraordinary event revenue.

(g) Neither a subsequent commission order amending a financing order under section 216B.492, subdivision 4, nor application of an adjustment mechanism authorized by a financing order under section 216B.492, subdivision 3, affects the validity, perfection, or priority of a security interest in or transfer of extraordinary event property.

(h) A valid and enforceable security interest in extraordinary event property is perfected only when the security interest has attached and when a financing order has been filed with the secretary of state in accordance with procedures established by the secretary of state. The financing order must name the pledgor of the extraordinary event property as debtor and identify the property.

Subd. 3. **Sales of extraordinary event property.** (a) A sale, assignment, or transfer of extraordinary event property is an absolute transfer and true sale of, and not a pledge of or secured transaction relating to, the seller's right, title, and interest in, to, and under the extraordinary event property if the documents governing the transaction expressly state that the transaction is a sale or other absolute transfer. A transfer of an interest in extraordinary event property may be created when:

(1) the financing order creating and describing the extraordinary event property is effective;

(2) the documents evidencing the transfer of the extraordinary event property are executed and delivered to the assignee; and

(3) value is received.

(b) A transfer of an interest in extraordinary event property must be filed with the secretary of state against all third persons and perfected under sections 336.3-301 to 336.3-312, including any judicial lien or other lien creditors or any claims of the seller or creditors of the seller, other than creditors holding a prior security interest, ownership interest, or assignment in the extraordinary event property previously perfected under this subdivision or subdivision 2.

(c) The characterization of a sale, assignment, or transfer as an absolute transfer and true sale, and the corresponding characterization of the property interest of the assignee, is not affected or impaired by:

(1) commingling of extraordinary event revenue with other money;

(2) the retention by the seller of:

(i) a partial or residual interest, including an equity interest, in the extraordinary event property, whether direct or indirect, or whether subordinate or otherwise; or

(ii) the right to recover costs associated with taxes, franchise fees, or license fees imposed on the collection of extraordinary event revenue;

(3) any recourse that the purchaser may have against the seller;

(4) any indemnification rights, obligations, or repurchase rights made or provided by the seller;

(5) an obligation of the seller to collect extraordinary event revenues on behalf of an assignee;

(6) the treatment of the sale, assignment, or transfer for tax, financial reporting, or other purposes;

(7) any subsequent financing order amending a financing order under section 216B.492, subdivision 4, paragraph (d); or

(8) any application of an adjustment mechanism under section 216B.492, subdivision 3, paragraph (a), clause (6).

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

Sec. 10. **[216B.497] EXTRAORDINARY EVENT BONDS.**

(a) Banks, trust companies, savings and loan associations, insurance companies, executors, administrators, guardians, trustees, and other fiduciaries may legally invest any money within the individual's or entity's control in extraordinary event bonds.

(b) Extraordinary event bonds issued under a financing order are not debt of or a pledge of the faith and credit or taxing power of the state, any agency of the state, or any political subdivision. Holders of extraordinary event bonds may not have taxes levied by the state or a political subdivision in order to pay the principal or interest on extraordinary event bonds. The issuance of extraordinary event bonds does not directly, indirectly, or contingently obligate the state or a political subdivision to levy any tax or make any appropriation to pay principal or interest on the extraordinary event bonds.

(c) The state pledges to and agrees with holders of extraordinary event bonds, any assignee, and any financing parties that the state will not:

(1) take or permit any action that impairs the value of extraordinary event property; or

(2) reduce, alter, or impair extraordinary event charges that are imposed, collected, and remitted for the benefit of holders of extraordinary event bonds, any assignee, and any financing parties until any principal, interest, and redemption premium payable on extraordinary event bonds, all financing costs, and all amounts to be paid to an assignee or financing party under an ancillary agreement are paid in full.

(d) A person who issues extraordinary event bonds may include the pledge specified in paragraph (c) in the extraordinary event bonds, ancillary agreements, and documentation related to the issuance and marketing of the extraordinary event bonds.

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

Sec. 11. **[216B.498] ASSIGNEE OF FINANCING PARTY NOT SUBJECT TO COMMISSION REGULATION.**

An assignee or financing party that is not already regulated by the commission does not become subject to commission regulation solely as a result of engaging in any transaction authorized by or described in sections 216B.491 to 216B.499.

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

Sec. 12. **[216B.499] EFFECT ON OTHER LAWS.**

(a) If any provision of sections 216B.491 to 216B.499 conflicts with any other law regarding the attachment, assignment, perfection, effect of perfection, or priority of any security interest in or transfer of extraordinary event property, sections 216B.491 to 216B.499 govern.

(b) Nothing in this section precludes a utility for which the commission has initially issued a financing order from applying to the commission for:

(1) a subsequent financing order amending the financing order under section 216B.492, subdivision 4, paragraph (d); or

(2) approval to issue extraordinary event bonds to refund all or a portion of an outstanding series of extraordinary event bonds.

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

Sec. 13. Minnesota Statutes 2020, section 216B.50, subdivision 1, is amended to read:

Subdivision 1. **Commission approval required.** No public utility shall sell, acquire, lease, or rent any plant as an operating unit or system in this state for a total consideration in excess of ~~\$100,000~~ \$1,000,000, or merge or consolidate with another public utility or transmission company operating in this state, without first being authorized so to do by the commission. Upon the filing of an application for the approval and consent of the commission, the commission shall investigate, with or without public hearing. The commission shall hold a public hearing, upon such notice as the commission may require. If the commission finds that the proposed action is consistent with the public interest, it shall give its consent and approval by order in writing. In reaching its determination, the commission shall take into consideration the reasonable value of the property, plant, or securities to be acquired or disposed of, or merged and consolidated.

This section does not apply to the purchase of property to replace or add to the plant of the public utility by construction.

Sec. 14. **[216B.631] COMPENSATION FOR PARTICIPANTS IN PROCEEDINGS.**

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

(b) "Participant" means a person who:

(1) meets the requirements of subdivision 2;

(2) either (i) files comments or appears in a commission proceeding concerning one or more public utilities, excluding public hearings held in contested cases and commission proceedings conducted to receive general public comments; or (ii) is permitted by the commission to intervene in a commission proceeding concerning one or more public utilities; and

(3) files a request for compensation under this section.

(c) "Party" means a person who files comments or appears in a commission proceeding, other than public hearings, concerning one or more public utilities.

(d) "Proceeding" means an undertaking of the commission in which the commission seeks to resolve an issue affecting one or more public utilities and which results in a commission order.

(e) "Public utility" has the meaning given in section 216B.02, subdivision 4.

Subd. 2. Participants; eligibility. The following participants are eligible to receive compensation under this section:

(1) a nonprofit organization that is:

(i) exempt from taxation under section 501(c)(3) of the United States Internal Revenue Code;

(ii) incorporated or organized in Minnesota;

(iii) governed under chapter 317A or section 322C.1101; and

(iv) determined by the commission under subdivision 3, paragraph (c), to suffer financial hardship if not compensated for the nonprofit organization's participation in the applicable proceeding;

(2) a Tribal government of a federally recognized Indian Tribe that is located in Minnesota; or

(3) a Minnesota resident, except that an individual who owns a for-profit business that has earned revenue from a Minnesota utility in the past two years is not eligible for compensation.

Subd. 3. **Compensation; conditions.** (a) The commission may order a public utility to compensate all or part of a participant's reasonable costs to participate in a proceeding before the commission if the commission finds:

(1) that the participant has materially assisted the commission's deliberation; and

(2) if the participant is a nonprofit organization, that the participant would suffer financial hardship if the nonprofit organization's participation in the proceeding was not compensated.

(b) When determining whether a participant has materially assisted the commission's deliberation, the commission must find that:

(1) the participant made a unique contribution to the record and represented an interest that would not otherwise have been adequately represented;

(2) the evidence or arguments presented or the positions taken by the participant were an important factor in producing a fair decision;

(3) the participant's position promoted a public purpose or policy;

(4) the evidence presented, arguments made, issues raised, or positions taken by the participant would not otherwise have been part of the record;

(5) the participant was active in any stakeholder process included in the proceeding; and

(6) the proceeding resulted in a commission order that adopted, in whole or in part, a position advocated by the participant.

(c) When determining whether a nonprofit participant has demonstrated that a lack of compensation would present financial hardship, the commission must find that the nonprofit participant:

(1) incorporated or organized within three years of the date the applicable proceeding began;

(2) has payroll expenses below \$750,000; or

(3) has secured less than \$100,000 in current year funding dedicated to participation in commission proceedings, not including any participant compensation awarded under this section.

(d) When reviewing a compensation request, the commission must consider whether the costs presented in the participant's claim are reasonable.

Subd. 4. **Compensation; amount.** (a) Compensation must not exceed \$50,000 for a single participant in any proceeding, except that:

(1) if a proceeding extends longer than 12 months, a participant may request compensation of up to \$50,000 for costs incurred in each calendar year; and

(2) in a general rate case proceeding under section 216B.16 or an integrated resource plan proceeding under section 216B.2422, the maximum single participant compensation per proceeding under this section must not exceed \$75,000.

(b) A single participant must not be granted more than \$200,000 under this section in a single calendar year.

(c) Compensation requests from joint participants must be presented as a single request.

(d) Notwithstanding paragraphs (a) and (b), the commission must not, in any calendar year, require a single public utility to pay aggregate compensation under this section that exceeds the following amounts:

(1) \$100,000, for a public utility with up to \$300,000,000 annual gross operating revenue in Minnesota;

(2) \$275,000, for a public utility with at least \$300,000,000 but less than \$900,000,000 annual gross operating revenue in Minnesota;

(3) \$375,000, for a public utility with at least \$900,000,000 but less than \$2,000,000,000 annual gross operating revenue in Minnesota; and

(4) \$1,250,000, for a public utility with \$2,000,000,000 or more annual gross operating revenue in Minnesota.

(e) When requests for compensation from any public utility approach the limits established in paragraph (d), the commission may prioritize requests from participants that received less than \$150,000 in total compensation during the previous two years.

Subd. 5. Compensation; process. (a) A participant seeking compensation must file a request and an affidavit of service with the commission, and serve a copy of the request on each party to the proceeding. The request must be filed no more than 30 days after the later of: (1) the expiration of the period within which a petition for rehearing, amendment, vacation, reconsideration, or reargument must be filed; or (2) the date the commission issues an order following rehearing, amendment, vacation, reconsideration, or reargument.

(b) A compensation request must include:

(1) the name and address of the participant or nonprofit organization the participant is representing;

(2) evidence of the organization's nonprofit, tax-exempt status, if applicable;

(3) the name and docket number of the proceeding for which compensation is requested;

(4) for a nonprofit participant, evidence supporting the nonprofit's eligibility for compensation under the financial hardship test under subdivision 3, paragraph (c);

(5) amounts of compensation awarded to the participant under this section during the current year and any pending requests for compensation, itemized by docket;

(6) an itemization of the participant's costs, including (i) hours worked and associated hourly rates for each individual contributing to the participation, not including overhead costs; (ii) participant revenues dedicated for the proceeding; and (iii) the total compensation request; and

(7) a narrative describing the unique contribution made to the proceeding by the participant.

(c) A participant must comply with reasonable requests for information by the commission and other parties or participants. A participant must reply to information requests within ten calendar days of the date the request is received, unless doing so would place an extreme hardship upon the replying participant. The replying participant must provide a copy of the information to any other participant or interested person upon request. Disputes regarding information requests may be resolved by the commission.

(d) A party objecting to a request for compensation must, within 30 days after service of the request for compensation, file a response and an affidavit of service with the commission. A copy of the response must be served on the requesting participant and all other parties to the proceeding.

(e) The requesting participant may file a reply with the commission within 15 days after the date a response is filed under paragraph (d). A copy of the reply and an affidavit of service must be served on all other parties to the proceeding.

(f) If additional costs are incurred by a participant as a result of additional proceedings following the commission's initial order, the participant may file an amended request within 30 days after the date the commission issues an amended order. Paragraphs (b) to (e) apply to an amended request.

(g) The commission must issue a decision on participant compensation within 120 days of the date a request for compensation is filed by a participant.

(h) The commission may extend the deadlines in paragraphs (d), (e), and (g) for up to 30 days upon the request of a participant or on the commission's own initiative.

(i) A participant may request reconsideration of the commission's compensation decision within 30 days of the decision date.

Subd. 6. Compensation; orders. (a) If the commission issues an order requiring payment of participant compensation, the public utility that was the subject of the proceeding must pay the full compensation to the participant and file proof of payment with the commission within 30 days after the later of: (1) the expiration of the period within which a petition for reconsideration of the commission's compensation decision must be filed; or (2) the date the commission issues an order following reconsideration of the commission's order on participant compensation.

(b) If the commission issues an order requiring payment of participant compensation in a proceeding involving multiple public utilities, the commission must apportion costs among the public utilities in proportion to each public utility's annual revenue.

(c) The commission may issue orders necessary to allow a public utility to recover the costs of participant compensation on a timely basis.

Subd. 7. Report. By July 1, 2025, the commission must report to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy policy on the operation of this section, including but not limited to:

(1) the amount of compensation paid each year by each utility;

(2) each recipient of compensation, the commission dockets in which compensation was awarded, and the compensation amounts; and

(3) the impact resulting from the commission's adoption of positions advocated by compensated participants.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any proceeding in which the commission has not issued a final order as of that date.

Sec. 15. Minnesota Statutes 2020, section 216E.03, subdivision 11, is amended to read:

Subd. 11. **Department of Commerce to provide technical expertise and other assistance.** (a) The commissioner of the Department of Commerce shall consult with other state agencies and provide technical expertise and other assistance to the commission or to individual members of the commission for activities and proceedings under this chapter and chapters 216F and 216G. This assistance shall include the sharing of power plant siting and routing staff and other resources as necessary. The commissioner shall periodically report to the commission concerning the Department of Commerce's costs of providing assistance. The report shall conform to the schedule and include the required contents specified by the commission. The commission shall include the costs of the assistance in assessments for activities and proceedings under those sections and reimburse the special revenue fund for those costs. If either the commissioner or the commission deems it necessary, the department and the commission shall enter into an interagency agreement establishing terms and conditions for the provision of assistance and sharing of resources under this subdivision.

(b) Notwithstanding the requirements of section 216B.33, the commissioner may take any action required or requested by the commission related to the environmental review requirements under chapter 216E or 216F immediately following a hearing and vote by the commission, prior to issuing a written order, finding, authorization, or certificate.

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

Sec. 16. Minnesota Statutes 2020, section 216E.04, subdivision 2, is amended to read:

Subd. 2. **Applicable projects.** The requirements and procedures in this section apply to the following projects:

- (1) large electric power generating plants with a capacity of less than 80 megawatts;
- (2) large electric power generating plants that are fueled by natural gas;
- (3) high-voltage transmission lines of between 100 and 200 kilovolts;
- (4) high-voltage transmission lines in excess of 200 kilovolts and less than ~~five~~ 30 miles in length in Minnesota;
- (5) high-voltage transmission lines in excess of 200 kilovolts if at least 80 percent of the distance of the line in Minnesota will be located along existing high-voltage transmission line right-of-way;
- (6) a high-voltage transmission line service extension to a single customer between 200 and 300 kilovolts and less than ten miles in length;
- (7) a high-voltage transmission line rerouting to serve the demand of a single customer when the rerouted line will be located at least 80 percent on property owned or controlled by the customer or the owner of the transmission line; and
- (8) large electric power generating plants that are powered by solar energy.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to a high-voltage transmission line in excess of 200 kilovolts whose owner has filed an application for a route permit with the Public Utilities Commission on or after that date.

Sec. 17. **REPEALER.**

Minnesota Statutes 2020, section 216B.16, subdivision 10, is repealed.

ARTICLE 5
ENERGY STORAGE

Section 1. Minnesota Statutes 2020, section 216B.1611, is amended by adding a subdivision to read:

Subd. 5. **Energy storage; capacity; treatment.** This subdivision applies to a public utility, as defined in section 216B.02, subdivision 4. For the purpose of interconnecting a distributed generation facility that operates in conjunction with an energy storage system, as defined in section 216B.2422, subdivision 1, paragraph (f), the system capacity must be calculated as the alternating current capacity of the distributed generation facility alone, provided that the energy storage system is connected to the distributed generating facility:

(1) by direct current; or

(2) by alternating current and is configured to limit the maximum export of electricity beyond the common point of coupling with the utility to an amount no greater than the capacity of the distributed generation facility.

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

Sec. 2. **[216B.1616] ENERGY STORAGE; PEAK SHAVING TARIFF.**

No later than September 15, 2022, the commission must initiate a docket designed to determine fair compensation paid to customer-owners of on-site energy storage systems, as defined in section 216B.2422, subdivision 1, paragraph (f), for voluntarily discharging stored energy and capacity during periods of peak electricity demand or at other times as dispatched or requested by a public utility, as defined in section 216B.02, subdivision 4.

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

Sec. 3. Minnesota Statutes 2020, section 216B.2422, subdivision 7, is amended to read:

Subd. 7. **Energy storage systems assessment.** (a) Each public utility required to file a resource plan under subdivision 2 must include in the filing an assessment of energy storage systems that analyzes how the deployment of energy storage systems contributes to:

(1) meeting identified generation and capacity needs; and

(2) evaluating ancillary services.

(b) The assessment must:

(1) employ appropriate modeling methods to enable the analysis required in paragraph (a)-; and

(2) address how energy storage systems may contribute to achieving the goals under subdivision 4, clause (1).

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

Sec. 4. Minnesota Statutes 2020, section 216B.2425, subdivision 8, is amended to read:

Subd. 8. **Distribution study for distributed generation.** Each entity subject to this section that is operating under a multiyear rate plan approved under section 216B.16, subdivision 19, shall conduct a distribution study to identify interconnection points on its distribution system for small-scale distributed generation resources and shall identify necessary distribution upgrades, including the deployment of energy storage systems, as defined in section 216B.2422, subdivision 1, paragraph (f), to support the continued development of distributed generation resources, and shall include the study in its report required under subdivision 2.

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

Sec. 5. **[216C.378] STORAGE REWARDS INCENTIVE PROGRAM.**

(a) The electric utility subject to section 116C.779 must develop and operate a program to provide a lump-sum grant to customers to reduce the cost of purchasing and installing an on-site energy storage system, as defined in section 216B.2422, subdivision 1, paragraph (f). The utility subject to this section must file a plan with the commissioner to operate the program no later than October 1, 2022. The utility may not operate the program until the program is approved by the commissioner. Any change to an operating program must be approved by the commissioner.

(b) To be eligible to receive a grant under this section, an energy storage system must:

(1) have a capacity no greater than 50 kilowatt hours; and

(2) be located within the electric service area of the utility subject to this section.

(c) An owner of an energy storage system is eligible to receive a grant under this section if:

(1) a solar energy generating system is operating at the same site as the proposed energy storage system; or

(2) the owner has filed an application with the utility subject to this section to interconnect a solar energy generating system at the same site as the proposed energy storage system.

(d) The commissioner must annually review and may adjust the amount of grants awarded under this section, but must not increase the amount over that awarded in previous years unless the commissioner demonstrates in writing that an upward adjustment is warranted by market conditions.

(e) A customer who receives a grant under this section is eligible to receive financial assistance under programs operated by the state or the utility for the solar energy generating system operating in conjunction with the energy storage system.

(f) For the purposes of this section, "solar energy generating system" has the meaning given in section 216E.01, subdivision 9a.

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

ARTICLE 6
RENEWABLE ENERGY

Section 1. Minnesota Statutes 2020, section 16B.32, subdivision 1, is amended to read:

~~Subdivision 1. **Alternative energy sources.** Plans prepared by the commissioner for a new building or for a renovation of 50 percent or more of an existing building or its energy systems must include designs which use active and passive solar energy systems, earth sheltered construction, and other alternative energy sources where feasible.~~

~~(a) If incorporating cost-effective energy efficiency measures into the design, materials, and operations of a building or major building renovation subject to section 16B.325 is not sufficient to meet Sustainable Building 2030 energy performance standards required under section 216B.241, subdivision 9, cost-effective renewable energy sources or solar thermal energy systems, or both, must be deployed to achieve the standards.~~

(b) The commissioners of administration and commerce must review compliance of building designs and plans subject to this section with Sustainable Building 2030 performance standards developed under section 216B.241, subdivision 9, and must make recommendations to the legislature as necessary to ensure that the performance standards are met.

(c) For the purposes of this section:

(1) "energy efficiency" has the meaning given in section 216B.241, subdivision 1, paragraph (f);

(2) "renewable energy" has the meaning given in section 216B.2422, subdivision 1, paragraph (c), and includes hydrogen generated from wind, solar, or hydroelectric; and

(3) "solar thermal energy systems" has the meaning given to "qualifying solar thermal project" in section 216B.2411, subdivision 2, paragraph (e).

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

Sec. 2. Minnesota Statutes 2020, section 16B.32, subdivision 1a, is amended to read:

Subd. 1a. **Onsite energy generation from renewable sources.** ~~A state agency that prepares a predesign for a new building must consider meeting at least two percent of the energy needs of the building from renewable sources located on the building site. For purposes of this subdivision, "renewable sources" are limited to wind and the sun. The predesign must include an explicit cost and price analysis of complying with the two percent requirement compared with the present and future costs of energy supplied by a public utility from a location away from the building site and the present and future costs of controlling carbon emissions. If the analysis concludes that the building should not meet at least two percent of its energy needs from renewable sources located on the building site, the analysis must provide explicit reasons why not. The building may not receive further state appropriations for design or construction unless at least two percent of its energy needs are designed to be met from renewable sources, unless the commissioner finds that the reasons given by the agency for not meeting the two percent requirement were supported by evidence in the record. The total aggregate nameplate capacity of all renewable energy sources utilized to meet Sustainable Building 2030 standards in a state-owned building or facility, including any subscription to a community solar garden under section 216B.1641, must not exceed 120 percent of the state-owned building's or facility's average annual electric energy consumption.~~

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

Sec. 3. Minnesota Statutes 2021 Supplement, section 116C.7792, is amended to read:

116C.7792 SOLAR ENERGY PRODUCTION INCENTIVE PROGRAM.

(a) The utility subject to section 116C.779 shall operate a program to provide solar energy production incentives for solar energy systems of no more than a total aggregate nameplate capacity of 40 kilowatts alternating current per premise. The owner of a solar energy system installed before June 1, 2018, is eligible to receive a production incentive under this section for any additional solar energy systems constructed at the same customer location, provided that the aggregate capacity of all systems at the customer location does not exceed 40 kilowatts.

(b) The program is funded by money withheld from transfer to the renewable development account under section 116C.779, subdivision 1, paragraphs (b) and (e). Program funds must be placed in a separate account for the purpose of the solar energy production incentive program operated by the utility and not for any other program or purpose.

(c) Funds allocated to the solar energy production incentive program in 2019 and 2020 remain available to the solar energy production incentive program.

(d) The following amounts are allocated to the solar energy production incentive program:

(1) \$10,000,000 in 2021;

- (2) \$10,000,000 in 2022;
- (3) ~~\$5,000,000~~ \$10,000,000 in 2023; ~~and~~
- (4) ~~\$5,000,000~~ \$10,000,000 in 2024; ~~and~~
- (5) \$10,000,000 in 2025.

(e) Funds allocated to the solar energy production incentive program that have not been committed to a specific project at the end of a program year remain available to the solar energy production incentive program.

(f) Any unspent amount remaining on January 1, ~~2025~~ 2027, must be transferred to the renewable development account.

(g) A solar energy system receiving a production incentive under this section must be sized to less than 120 percent of the customer's on-site annual energy consumption when combined with other distributed generation resources and subscriptions provided under section 216B.1641 associated with the premise. The production incentive must be paid for ten years commencing with the commissioning of the system.

(h) The utility must file a plan to operate the program with the commissioner of commerce. The utility may not operate the program until it is approved by the commissioner. A change to the program to include projects up to a nameplate capacity of 40 kilowatts or less does not require the utility to file a plan with the commissioner. Any plan approved by the commissioner of commerce must not provide an increased incentive scale over prior years unless the commissioner demonstrates that changes in the market for solar energy facilities require an increase.

(i) Contractors and subcontractors installing a solar energy generating system awarded financial assistance under this section must comply with sections 177.41 to 177.43 with respect to the installation.

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

Sec. 4. **[116C.7793] SOLAR ENERGY; CONTINGENCY ACCOUNT.**

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

(b) "Agency" means the Pollution Control Agency.

(c) "Area C" means the site located west of Mississippi River Boulevard in St. Paul that served as an industrial waste dump for the former Ford Twin Cities Assembly Plant.

(d) "Corrective action determination" means a decision by the agency regarding actions to be taken to remediate contaminated soil and groundwater at Area C.

(e) "Owner" means the owner of a solar energy generating system planned to be deployed at Area C.

(f) "Solar energy generating system" has the meaning given in section 216E.01, subdivision 9a.

Subd. 2. **Account established.** The Area C contingency account is established as a separate account in the special revenue fund in the state treasury. Transfers and appropriations to the account, and any earnings or dividends accruing to assets in the account, must be credited to the account. The commissioner must serve as fiscal agent and must manage the account.

Subd. 3. **Distribution of funds; conditions.** Money from the account may be distributed by the commissioner to the owner of a solar energy generating system planned to be deployed on Area C under the following conditions:

(1) the agency issues a corrective action determination after the owner has begun to design or construct the project, and the nature of the corrective action determination requires the project to be redesigned or construction to be interrupted or altered; or

(2) the agency issues a corrective action determination whose work plan requires temporary cessation or partial or complete removal of the solar energy generating system after the solar energy generating system has become operational.

Subd. 4. **Distribution of funds; process.** (a) The owner may file a request for distribution of funds from the commissioner if either of the conditions in subdivision 3 occur. The filing must describe (1) the nature of the impact of the agency's work plan that results in economic losses to the owner, and (2) a reasonable estimate of the amount of the economic losses.

(b) The owner must provide the commissioner with information the commissioner determines to be necessary to assist in reviewing the filing required under this subdivision.

(c) The commissioner must review the owner's filing within 60 days of submission and must approve a request the commissioner determines is reasonable.

Subd. 5. **Expenditures.** Money distributed by the commissioner to the owner under this section may be used by the owner only to pay for:

(1) removal, storage, and transportation costs incurred for equipment removed, and any costs to reinstall equipment;

(2) costs of redesign or new equipment made necessary by the activities under the agency's work plan;

(3) lost revenues resulting from the inability of the solar energy generating system to generate sufficient electricity to fulfill the terms of the power purchase agreement between the owner and the purchaser of electricity generated by the solar energy generating system;

(4) other damages incurred under the power purchase agreement resulting from the cessation of operations made necessary by the activities of the agency's work plan; and

(5) the cost of energy required to replace the energy that would have been generated by the solar energy generating system and purchased under the power purchase agreement.

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

Sec. 5. Minnesota Statutes 2020, section 216B.1641, is amended to read:

216B.1641 COMMUNITY SOLAR GARDEN.

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

(b) "Subscribed energy" means electricity generated by the community solar garden that is attributable to a subscriber's subscription.

(c) "Subscriber" means a retail customer who owns one or more subscriptions of a community solar garden interconnected with the retail customer's utility.

(d) "Subscription" means a contract between a subscriber and the owner of a solar garden.

Subd. 2. Solar garden; project requirements. (a) The public utility subject to section 116C.779 shall file by September 30, 2013, a plan with the commission to operate a community solar garden program which shall begin operations within 90 days after commission approval of the plan. Other public utilities may file an application at their election. The community solar garden program must be designed to offset the energy use of not less than five subscribers in each community solar garden facility of which no single subscriber has more than a 40 percent interest. The owner of the community solar garden may be a public utility or any other entity or organization that contracts to sell the output from the community solar garden to the utility under section 216B.164. There shall be no limitation on the number or cumulative generating capacity of community solar garden facilities other than the limitations imposed under section 216B.164, subdivision 4c, or other limitations provided in law or regulations.

(b) A solar garden is a facility that generates electricity by means of a ground-mounted or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the electricity generated in proportion to the size of their subscription. The solar garden must have a nameplate capacity of no more than ~~one megawatt~~ three megawatts. Each subscription shall be sized to represent at least 200 watts of the community solar garden's generating capacity and to supply, when combined with other distributed generation resources serving the premises, no more than 120 percent of the average annual consumption of electricity by each subscriber at the premises to which the subscription is attributed.

(c) The solar generation facility must be located in the service territory of the public utility filing the plan. Subscribers must be retail customers of the public utility and, unless the facility has a minimum setback of 100 feet from the nearest residential property, must be located in the same county or a county contiguous to where the facility is located.

(d) The public utility must purchase from the community solar garden all energy generated by the solar garden. Unless specified elsewhere in this section, the purchase shall be at the most recent three-year average of the rate calculated under section 216B.164, subdivision 10, or, until that rate for the public utility has been approved by the commission, the applicable retail rate. A solar garden is eligible for any incentive programs offered under section 116C.7792. A subscriber's portion of the purchase shall be provided by a credit on the subscriber's bill.

Subd. 3. Solar garden plan; requirements; nonutility status. ~~(e)~~ (a) The commission may approve, disapprove, or modify a community solar garden ~~program~~ plan. Any plan approved by the commission must:

- (1) reasonably allow for the creation, financing, and accessibility of community solar gardens;
- (2) establish uniform standards, fees, and processes for the interconnection of community solar garden facilities that allow the utility to recover reasonable interconnection costs for each community solar garden;
- (3) not apply different requirements to utility and nonutility community solar garden facilities;
- (4) be consistent with the public interest;
- (5) identify the information that must be provided to potential subscribers to ensure fair disclosure of future costs and benefits of subscriptions;
- (6) include a program implementation schedule;
- (7) identify all proposed rules, fees, and charges; ~~and~~
- (8) identify the means by which the program will be promoted; ~~;~~

(9) require that residential subscribers have a right to cancel a community solar garden subscription within three business days, as provided under section 325G.07;

(10) require that the following information is provided by the solar garden owner in writing to any prospective subscriber asked to make a prepayment to the solar garden owner prior to the delivery of subscribed energy by the solar garden:

(i) an estimate of the annual generation of subscribed energy, based on the methodology approved by the commission; and

(ii) an estimate of the length of time required to fully recover a subscriber's prepayments made to the owner of the solar garden prior to the delivery of subscribed energy, calculated using the formula developed by the commission under paragraph (d); and

(11) require new residential subscription agreements that require a prepayment to allow the subscriber to, on commercially reasonable terms, (i) transfer the subscription to other new or current subscribers, or (ii) cancel the subscription; and

(12) require an owner of a solar garden to submit a report that meets the requirements of section 216C.51, subdivisions 3 and 4, each year the solar garden is in operation.

~~(f)~~ (b) Notwithstanding any other law, neither the manager of nor the subscribers to a community solar garden facility shall be considered a utility solely as a result of their participation in the community solar garden facility.

~~(g)~~ (c) Within 180 days of commission approval of a plan under this section, a utility shall begin crediting subscriber accounts for each community solar garden facility in its service territory, and shall file with the commissioner of commerce a description of its crediting system.

~~(h) For the purposes of this section, the following terms have the meanings given:~~

~~(1) "subscriber" means a retail customer of a utility who owns one or more subscriptions of a community solar garden facility interconnected with that utility; and~~

~~(2) "subscription" means a contract between a subscriber and the owner of a solar garden.~~

Subd. 4. **Community access project; eligibility.** (a) An owner of a community solar garden may apply to the utility to be designated as a community access project at any time:

(1) before the owner makes an initial payment under an interconnection agreement entered into with a public utility; or

(2) if the owner made an initial payment under an interconnection agreement between January 1, 2021, and the effective date of this act, before commercial operation begins.

(b) The utility must designate a solar garden as a community access project if the owner of a solar garden commits in writing to meet the following conditions:

(1) at least 50 percent of the solar garden's generating capacity is subscribed by residential customers;

(2) the contract between the owner of the solar garden and the public utility that purchases the garden's electricity, and any agreement between the utility or owner of the solar garden and subscribers, states that the owner of the solar garden does not discriminate against or screen subscribers based on income or credit score and that any customer of a utility with a community solar garden plan approved by the commission under subdivision 3 is eligible to become a subscriber;

(3) the solar garden is operated by an entity that maintains a physical address in Minnesota and has designated a contact person in Minnesota who responds to subscriber inquiries; and

(4) the agreement between the owner of the solar garden and subscribers states that the owner must adequately publicize and convene at least one meeting annually to provide an opportunity for subscribers to pose questions to the manager or owner.

Subd. 5. Community access project; financial arrangements. (a) If a solar garden is approved by the utility as a community access project:

(1) the public utility purchasing the electricity generated by the community access project may charge the owner of the community access project no more than one cent per watt alternating current based on the solar garden's generating capacity for any refundable deposit the utility requires of a solar garden during the application process;

(2) notwithstanding subdivision 2, paragraph (d), the public utility must purchase all energy generated by the community access project at the retail rate; and

(3) all renewable energy credits generated by the community access project belong to subscribers unless the owner of the solar garden:

(i) contracts to:

(A) sell the credits to a third party; or

(B) sell or transfer the credits to the utility; and

(ii) discloses a sale or transfer to subscribers at the time the subscribers enter into a subscription.

(b) If at any time after commercial operation begins a solar garden approved by the utility as a community access project fails to meet the conditions under subdivision 4, the solar garden (1) is no longer subject to the provisions of this subdivision and subdivision 6, and (2) must operate under the program rules established by the commission for a solar garden that does not qualify as a community access project.

(c) An owner of a solar garden whose designation as a community access project is revoked under this subdivision may reapply to the commission at any time to have the designation as a community access project reinstated under subdivision 4.

Subd. 6. Community access project; reporting. The owner of a community access project must include the following information in an annual report to the community access project subscribers and the utility:

(1) a description of the process by which subscribers can provide input to solar garden policy and decision making;

(2) the amount of revenues received by the solar garden in the previous year that were allocated to categories that include but are not limited to operating costs, debt service, profits distributed to subscribers, and profits distributed to others; and

(3) an estimate of the proportion of low- and moderate-income subscribers, and a description of one or more of the following methods used to make the estimate:

(i) evidence provided by a subscriber that the subscriber or a member of the subscriber's household receives assistance from any of the following sources:

(A) the federal Low-Income Home Energy Assistance Program;

(B) federal Section 8 housing assistance;

(C) medical assistance;

(D) the federal Supplemental Nutrition Assistance Program; or

(E) the federal National School Lunch Program;

(ii) characterization of the census tract where the subscriber resides as low- or moderate-income by the Federal Financial Institutions Examination Council; or

(iii) other methods approved by the commission.

Subd. 7. **Commission order.** Within 180 days of the effective date of this section, the commission must issue an order addressing the requirements of this section.

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

Sec. 6. Minnesota Statutes 2020, section 216B.243, subdivision 8, is amended to read:

Subd. 8. **Exemptions.** (a) This section does not apply to:

(1) cogeneration or small power production facilities as defined in the Federal Power Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and paragraph (18), subparagraph (A), and having a combined capacity at a single site of less than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or any case where the commission has determined after being advised by the attorney general that its application has been preempted by federal law;

(2) a high-voltage transmission line proposed primarily to distribute electricity to serve the demand of a single customer at a single location, unless the applicant opts to request that the commission determine need under this section or section 216B.2425;

(3) the upgrade to a higher voltage of an existing transmission line that serves the demand of a single customer that primarily uses existing rights-of-way, unless the applicant opts to request that the commission determine need under this section or section 216B.2425;

(4) a high-voltage transmission line of one mile or less required to connect a new or upgraded substation to an existing, new, or upgraded high-voltage transmission line;

(5) conversion of the fuel source of an existing electric generating plant to using natural gas;

(6) the modification of an existing electric generating plant to increase efficiency, as long as the capacity of the plant is not increased more than ten percent or more than 100 megawatts, whichever is greater;

(7) a ~~large wind energy conversion system, as defined in section 216F.01, subdivision 2, or a solar electric generation facility~~ energy generating system, as defined in section 216E.01, subdivision 9a, if the system or facility is owned and operated by an independent power producer and the electric output of the system ~~or facility~~;

(i) is not sold to an entity that provides retail service in Minnesota or wholesale electric service to another entity in Minnesota other than an entity that is a federally recognized regional transmission organization or independent system operator; or

(ii) is sold to an entity that provides retail service in Minnesota or wholesale electric service to another entity in Minnesota other than an entity that is a federally recognized regional transmission organization or independent system operator, provided that the system represents solar or wind capacity that the entity purchasing the system's electric output was ordered by the commission to develop in the entity's most recent integrated resource plan approved under section 216B.2422; or

(8) a large wind energy conversion system, as defined in section 216F.01, subdivision 2, or a solar energy generating system that is a large energy facility, as defined in section 216B.2421, subdivision 2, engaging in a repowering project that:

(i) will not result in the ~~facility~~ system exceeding the nameplate capacity under its most recent interconnection agreement; or

(ii) will result in the ~~facility~~ system exceeding the nameplate capacity under its most recent interconnection agreement, provided that the Midcontinent Independent System Operator has provided a signed generator interconnection agreement that reflects the expected net power increase.

(b) For the purpose of this subdivision, "repowering project" means:

(1) modifying a large wind energy conversion system or a solar energy generating system that is a large energy facility to increase its efficiency without increasing its nameplate capacity;

(2) replacing turbines in a large wind energy conversion system without increasing the nameplate capacity of the system; or

(3) increasing the nameplate capacity of a large wind energy conversion system.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to a large wind energy conversion system or a solar energy generating system whose owner has filed an application for a certificate of need with the Public Utilities Commission on or after that date.

Sec. 7. Minnesota Statutes 2021 Supplement, section 216C.375, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section and section 216C.376, the following terms have the meanings given them.

(b) "Developer" means an entity that installs a solar energy system on a school building that has been awarded a grant under this section.

(c) "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

(d) "School" means: (1) a school that operates as part of an independent or special school district; (2) a Tribal contract school; or ~~(2)~~ (3) a state college or university that is under the jurisdiction of the Board of Trustees of the Minnesota State Colleges and Universities.

(e) "School district" means an independent or special school district.

(f) "Solar energy system" means photovoltaic or solar thermal devices.

(g) "Solar thermal" has the meaning given to "qualifying solar thermal project" in section 216B.2411, subdivision 2, paragraph (d).

(h) "State colleges and universities" has the meaning given in section 136F.01, subdivision 4.

Sec. 8. **[216C.377] SOLAR GRANT PROGRAM; PUBLIC BUILDINGS.**

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

(b) "Developer" means an entity that applies for a grant on behalf of a public building under this section to install a solar energy generating system on the public building.

(c) "Local unit of government" means a county, statutory or home rule charter city, town, or other local government jurisdiction, excluding a school district eligible to receive financial assistance under section 216C.375 or 216C.376.

(d) "Municipal electric utility" means a utility that provides electric service to retail customers in Minnesota and is governed by a city council or a local utilities commission.

(e) "Public building" means a building owned and operated by a local unit of government.

(f) "Solar energy generating system" has the meaning given in section 216E.01, subdivision 9a.

(g) "Utility" means a public utility, as defined in section 216B.02, subdivision 4, that provides electric service, or a municipal electric utility.

Subd. 2. Establishment; purpose. A solar on public buildings grant program is established in the Department of Commerce. The purpose of the program is to provide grants to stimulate the installation of solar energy generating systems on public buildings.

Subd. 3. Establishment of account. A solar on public buildings grant program account is established in the special revenue fund. Money received from the general fund and the renewable development account established in section 116C.779, subdivision 1, must be transferred to the commissioner of commerce and credited to the account. Earnings, including interest, dividends, and any other earnings arising from the assets of the account, must be credited to the account. Earnings remaining in the account at the end of a fiscal year do not cancel to the general fund or renewable development account but remain in the account until expended. The commissioner must manage the account.

Subd. 4. Expenditures. Money in the account must be used only:

(1) for grant awards made under this section; and

(2) to pay the reasonable costs incurred by the department to administer this section.

Subd. 5. **Eligible applicants.** Only a local unit of government or a municipal electric utility may apply for or be awarded a grant under this section.

Subd. 6. **Eligible system.** (a) A grant may be awarded under this section only if the solar energy system that is the subject of the grant:

(1) is installed on or adjacent to a public building that consumes the electricity generated by the solar energy generating system, on property within the service territory of the utility currently providing electric service to the public building; and

(2) has a capacity that does not exceed the lesser of 40 kilowatts or 120 percent of the average annual electricity consumption of the public building, measured over the most recent three calendar years, at which the solar energy generating system is installed.

(b) A public building that receives a rebate or other financial incentive under section 216B.241 for a solar energy system is eligible for a grant under this section for the same solar energy generating system.

(c) Before filing an application for a grant under this section, a local unit of government or public building that is served by a municipal electric utility must inform the municipal electric utility of the local unit of government's or public building's intention to do so. A municipal electric utility may, under an agreement with a local unit of government, own and operate a solar energy generating system awarded a grant under this section on behalf of and for the benefit of the local unit of government.

Subd. 7. **Application process.** (a) The commissioner must issue a request for proposals to utilities, local units of government, and developers who may wish to apply for a grant under this section on behalf of a public building.

(b) A utility or developer must submit an application to the commissioner on behalf of a public building on a form prescribed by the commissioner. The form must include, at a minimum, the following information:

(1) the capacity of the proposed solar energy system and the amount of electricity that is expected to be generated;

(2) the current energy demand of the public building on which the solar energy generating system is to be installed, information regarding any distributed energy resource that currently provides electricity to the public building, and the size of the public building's subscription to a community solar garden, if applicable;

(3) information sufficient to estimate the energy and monetary savings that are projected to result from installation of the solar energy generating system over the system's useful life;

(4) the total cost to purchase and install the solar energy system and the solar energy system's lifecycle cost, including removal and disposal at the end of the system's life; and

(5) a copy of the proposed contract agreement between the local unit of government and the public utility or developer that includes provisions addressing the responsibility to maintain, remove, and dispose of the solar energy system.

(c) The commissioner must administer an open application process under this section at least twice annually.

(d) The commissioner must develop administrative procedures governing the application and grant award process under this section.

Subd. 8. **Energy conservation review.** At the commissioner's request, a local unit of government awarded a grant under this section must provide the commissioner with information regarding energy conservation measures implemented at the public building at which the solar energy generating system is to be installed. The commissioner may make recommendations to the local unit of government regarding cost-effective conservation measures the local unit of government can implement and may provide technical assistance and direct the local unit of government to available financial assistance programs.

Subd. 9. **Technical assistance.** The commissioner must provide technical assistance to local units of government to develop and execute projects under this section.

Subd. 10. **Grant payments.** A grant awarded under this section must be used only to pay the necessary and reasonable costs associated with purchasing and installing a solar energy system.

Subd. 11. **Installation.** Contractors and subcontractors installing a solar energy generating system funded by a grant awarded under this section must comply with sections 177.41 to 177.43 with respect to the installation.

Subd. 12. **Reporting.** Beginning January 15, 2023, and each year thereafter until January 15, 2026, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy finance and policy regarding (1) grants and amounts awarded to local units of government under this section during the previous year, and (2) any remaining balance available in the account established under this section.

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

Sec. 9. Minnesota Statutes 2020, section 216E.01, subdivision 9a, is amended to read:

Subd. 9a. **Solar energy generating system.** "Solar energy generating system" means a set of devices whose primary purpose is to produce electricity by means of any combination of collecting, transferring, or converting solar-generated energy, and may include transmission lines designed for and capable of operating at 100 kilovolts or less that interconnect a solar energy generating system with a high-voltage transmission line.

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

Sec. 10. Minnesota Statutes 2020, section 216E.03, subdivision 5, is amended to read:

Subd. 5. **Environmental review.** (a) The commissioner of the Department of Commerce shall prepare for the commission an environmental impact statement on each proposed large electric power generating plant or high-voltage transmission line for which a complete application has been submitted. The commissioner shall not consider whether or not the project is needed. No other state environmental review documents shall be required. The commissioner shall study and evaluate any site or route proposed by an applicant and any other site, other than a site for a solar energy generating system, or route the commission deems necessary that was proposed in a manner consistent with rules concerning the form, content, and timeliness of proposals for alternate sites or routes.

(b) For a cogeneration facility as defined in section 216H.01, subdivision 1a, that is a large electric power generating plant and is not proposed by a utility, the commissioner must make a finding in the environmental impact statement whether the project is likely to result in a net reduction of carbon dioxide emissions, considering both the utility providing electric service to the proposed cogeneration facility and any reduction in carbon dioxide emissions as a result of increased efficiency from the production of thermal energy on the part of the customer operating or owning the proposed cogeneration facility.

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

Sec. 11. **[500.216] LIMITS ON CERTAIN RESIDENTIAL SOLAR ENERGY SYSTEMS PROHIBITED.**

Subdivision 1. Definitions. (a) The definitions in this subdivision apply to this section.

(b) "Private entity" means a homeowners association, community association, or other association that is subject to a homeowners association document.

(c) "Homeowners association document" means a document containing the declaration, articles of incorporation, bylaws, or rules and regulations of:

(1) a common interest community, as defined in section 515B.1-103, regardless of whether the common interest community is subject to chapter 515B; and

(2) a residential community that is not a common interest community.

(d) "Solar energy system" has the meaning given in section 216C.06, subdivision 17.

Subd. 2. General rule. A private entity must not prohibit or refuse to permit installation, maintenance, or use of a roof-mounted solar energy system by the owner of a single-family dwelling, notwithstanding any covenant, restriction, or condition contained in a deed, security instrument, homeowners association document, or any other instrument affecting the transfer, sale of, or an interest in real property, except as provided in this section.

Subd. 3. Applicability. This section applies to single-family detached dwellings whose owner is the sole owner of the entire building in which the dwelling is located and who is solely responsible to maintain, repair, replace, and insure the entire building.

Subd. 4. Allowable conditions. (a) This section does not prohibit a private entity from requiring that:

(1) a licensed contractor install a solar energy system;

(2) a roof-mounted solar energy system not extend above the peak of a pitched roof or beyond the edge of the roof;

(3) the owner or installer of a solar energy system indemnify or reimburse the private entity or the private entity's members for loss or damage caused by the installation, maintenance, use, repair, or removal of a solar energy system;

(4) the owner and each successive owner of a solar energy system list the private entity as a certificate holder on the homeowner's insurance policy; or

(5) the owner and each successive owner of a solar energy system be responsible for removing the system if reasonably necessary to repair, maintain, or replace common elements or limited common elements, as defined in section 515B.1-103.

(b) A private entity may impose other reasonable restrictions on the installation, maintenance, or use of solar energy systems, provided that those restrictions do not decrease the projected generation of energy by a solar energy system by more than 20 percent or increase the solar energy system's cost by more than (1) 20 percent for a solar water heater, or (2) \$2,000 for a solar photovoltaic system, compared with the generation of energy and the cost of labor and materials certified by the designer or installer of the solar energy system as originally proposed without the restrictions. A private entity may obtain an alternative bid and design from a solar energy system designer or installer for the purposes of this paragraph.

(c) A solar energy system must meet applicable standards and requirements imposed by the state and by governmental units, as defined in section 462.384.

(d) A solar energy system for heating water must be certified by the Solar Rating Certification Corporation or an equivalent certification agency. A solar energy system for producing electricity must meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories, including but not limited to Underwriters Laboratories and, where applicable, Public Utilities Commission rules regarding safety and reliability.

(e) If approval by a private entity is required to install or use a solar energy system, the application for approval (1) must be processed and approved in the same manner as an application for approval of an architectural modification to the property, and (2) must not be willfully avoided or delayed.

(f) An application for approval must be made in writing and must contain certification that the applicant meets any conditions required by a private entity under this subdivision. An application must include a copy of the interconnection application submitted to the applicable electric utility.

(g) A private entity shall approve or deny an application in writing. If an application is not denied in writing within 60 days from the date the application is received, the application is deemed approved unless the delay is the result of a reasonable request for additional information. If a private entity receives an incomplete application that the private entity determines prevents a decision to approve or disapprove the application, a new 60-day limit begins only if the private entity sends written notice to the applicant, within 15 business days of the date the incomplete application is received, informing the applicant what additional information is required.

Sec. 12. **PHOTOVOLTAIC DEMAND CREDIT RIDER.**

By October 1, 2022, an investor-owned utility that has not already done so must submit to the Public Utilities Commission a photovoltaic demand credit rider that reimburses all demand-metered customers with solar photovoltaic systems greater than 40 kilowatts alternating current for the demand charge overbilling that occurs. The utility may submit to the commission multiple options to calculate reimbursement for demand charge overbilling. At least one submission must use a capacity value stack methodology. The commission is prohibited from approving a photovoltaic demand credit rider unless the rider allows stand-alone photovoltaic systems and photovoltaic systems coupled with storage. The commission must approve the photovoltaic demand credit rider by June 30, 2023.

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

Sec. 13. **REPEALER.**

Minnesota Statutes 2020, sections 16B.323, subdivisions 1 and 2; and 16B.326, are repealed.

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

ARTICLE 7
ELECTRIC VEHICLES

Section 1. Minnesota Statutes 2021 Supplement, section 16C.135, subdivision 3, is amended to read:

Subd. 3. **Vehicle purchases.** (a) Consistent with section 16C.137, subdivision 1, when purchasing a motor vehicle for the enterprise fleet or for use by an agency, the commissioner or the agency shall purchase a motor vehicle that is capable of being powered by cleaner fuels, or a motor vehicle powered by electricity or by a

~~combination of electricity and liquid fuel, if the total life cycle cost of ownership is less than or comparable to that of other vehicles and if the vehicle is capable~~ the motor vehicle in conformity with the following vehicle preference hierarchy, with clause (1) representing the top of the hierarchy:

(1) an electric vehicle;

(2) a hybrid electric vehicle;

(3) a vehicle capable of being powered by cleaner fuels; and

(4) a vehicle powered by gasoline or diesel fuel.

(b) The commissioner or agency may only reject a vehicle type that is higher on the vehicle preference hierarchy if:

(1) the vehicle type is incapable of carrying out the purpose for which it is purchased; or

(2) the total life-cycle cost of ownership of a vehicle type that is higher on the vehicle preference hierarchy is more than ten percent higher than the next lower vehicle type or the vehicle preference hierarchy.

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

Sec. 2. Minnesota Statutes 2020, section 16C.137, subdivision 1, is amended to read:

Subdivision 1. **Goals and actions.** Each state department must, whenever legally, technically, and economically feasible, subject to the specific needs of the department and responsible management of agency finances:

~~(1) ensure that all new on-road vehicles purchased, excluding emergency and law enforcement vehicles; are purchased in conformity with the hierarchy of preferences established in section 16C.135, subdivision 3;~~

~~(i) use "cleaner fuels" as that term is defined in section 16C.135, subdivision 1;~~

~~(ii) have fuel efficiency ratings that exceed 30 miles per gallon for city usage or 35 miles per gallon for highway usage, including but not limited to hybrid electric cars and hydrogen powered vehicles; or~~

~~(iii) are powered solely by electricity;~~

(2) increase its use of renewable transportation fuels, including ethanol, biodiesel, and hydrogen from agricultural products; and

(3) increase its use of web-based Internet applications and other electronic information technologies to enhance the access to and delivery of government information and services to the public, and reduce the reliance on the department's fleet for the delivery of such information and services.

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

Sec. 3. Minnesota Statutes 2020, section 160.08, subdivision 7, is amended to read:

Subd. 7. **No commercial establishment within right-of-way; exceptions.** No commercial establishment, including but not limited to automotive service stations, for serving motor vehicle users shall be constructed or located within the right-of-way of, or on publicly owned or publicly leased land acquired or used for or in connection with, a controlled-access highway, except that:

- (1) structures may be built within safety rest and travel information center areas;
- (2) space within state-owned buildings in those areas may be leased for the purpose of providing information to travelers through advertising as provided in section 160.276;
- (3) advertising signs may be erected within the right-of-way of interstate or controlled-access trunk highways by franchise agreements under section 160.80;
- (4) vending machines may be placed in rest areas, travel information centers, or weigh stations constructed or located within trunk highway rights-of-way; ~~and~~
- (5) acknowledgment signs may be erected under sections 160.272 and 160.2735; and
- (6) electric vehicle charging stations may be installed, operated, and maintained in safety rest areas.

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

Sec. 4. Minnesota Statutes 2020, section 168.27, is amended by adding a subdivision to read:

Subd. 2a. **Dealer training; electric vehicles.** (a) A new motor vehicle dealer licensed under this chapter that operates under an agreement or franchise from a manufacturer and sells electric vehicles must maintain at least one employee who is certified as having completed a training course offered by a Minnesota motor vehicle dealership association that addresses at least the following elements:

- (1) fundamentals of electric vehicles;
 - (2) electric vehicle charging options and costs;
 - (3) publicly available electric vehicle incentives;
 - (4) projected maintenance and fueling costs for electric vehicles;
 - (5) reduced tailpipe emissions, including greenhouse gas emissions, produced by electric vehicles;
 - (6) the impacts of Minnesota's cold climate on electric vehicle operation; and
 - (7) best practices to sell electric vehicles.
- (b) For the purposes of this section, "electric vehicle" has the meaning given in section 169.011, subdivision 26a, paragraphs (a) and (b), clause (3).

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

Sec. 5. **[216B.1615] ELECTRIC VEHICLE DEPLOYMENT PROGRAM.**

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

(b) "Battery exchange station" means a physical location deploying equipment that enables a used electric vehicle battery to be removed and exchanged for a fresh electric vehicle battery.

(c) "Electric vehicle" means any device or contrivance that transports persons or property and is capable of being powered by an electric motor drawing current from rechargeable storage batteries, fuel cells, or other portable sources of electricity. Electric vehicle includes but is not limited to:

(1) an electric vehicle, as defined in section 169.011, subdivision 26a;

(2) an electric-assisted bicycle, as defined in section 169.011, subdivision 27;

(3) an off-road vehicle, as defined in section 84.797, subdivision 7;

(4) a motorboat, as defined in section 86B.005, subdivision 9; or

(5) an aircraft, as defined in section 360.013, subdivision 37.

(d) "Electric vehicle charging station" means a physical location deploying equipment that:

(1) transfers electricity to an electric vehicle battery;

(2) dispenses hydrogen into an electric vehicle powered by a fuel cell;

(3) exchanges electric vehicle batteries; or

(4) provides other equipment used to charge or fuel electric vehicles.

(e) "Electric vehicle infrastructure" means electric vehicle charging stations and any associated machinery, equipment, and infrastructure necessary for a public utility to supply electricity or hydrogen to an electric vehicle charging station and to support electric vehicle operation.

(f) "Fuel cell" means a cell that converts the chemical energy of hydrogen directly into electricity through electrochemical reactions.

(g) "Government entity" means the state, a state agency, or a political subdivision, as defined in section 13.02, subdivision 11.

(h) "Public utility" has the meaning given in section 216B.02, subdivision 4.

Subd. 2. **Transportation electrification plan; contents.** (a) By June 1, 2023, and at least every three years thereafter, a public utility must file a transportation electrification plan with the commission that is designed to (1) maximize the overall benefits of electric vehicles and other electrified transportation while minimizing overall costs, and (2) promote the:

(i) purchase of electric vehicles by the public utility's customers; and

(ii) deployment of electric vehicle infrastructure in the public utility's service territory.

(b) A transportation electrification plan may include but is not limited to the following elements:

(1) programs to educate and increase the awareness and benefits of electric vehicles and electric vehicle charging equipment among individuals, electric vehicle dealers, single-family and multifamily housing developers and property management companies, building owners and tenants, vehicle service stations, vehicle fleet owners and managers, and other potential users of electric vehicles;

(2) utility investments and incentives the utility provides and offers to support transportation electrification across all customer classes, including but not limited to investments and incentives to facilitate:

(i) the deployment of electric vehicles for personal and commercial use; customer- and utility-owned electric vehicle charging stations; electric vehicle infrastructure to support light-duty, medium-duty, and heavy-duty vehicle electrification; and other electric utility infrastructure;

(ii) widespread access to publicly available electric vehicle charging stations; and

(iii) the electrification of public transit and vehicle fleets owned or operated by a government entity;

(3) research and demonstration projects to increase access to electricity as a transportation fuel, minimize the system costs of electric transportation, and inform future transportation electrification plans;

(4) rate structures or programs that encourage electric vehicle charging that optimizes electric grid operation, including time-varying rates and charging optimization programs;

(5) programs to increase access to the benefits of electricity as a transportation fuel for low- or moderate-income customers and communities and in neighborhoods most affected by transportation-related air emissions; and

(6) proposals to expedite commission consideration of program adjustments requested during the term of an approved transportation electrification plan.

(c) If funding is limited, a public utility must give priority under this section to investments in communities whose governing body has enacted a resolution or goal supporting electric vehicle adoption. A public utility must cooperate with local communities to identify suitable locations, consistent with a community's local development plans, where electric vehicle infrastructure may be strategically deployed.

Subd. 3. Transportation electrification plan; review and implementation. The commission may approve, modify, or reject a transportation electrification plan. When reviewing a transportation electrification plan, the commission must consider whether the programs, investments, and expenditures as a whole are reasonably expected to:

(1) improve the operation of the electric grid;

(2) increase access to the use of electricity as a transportation fuel for all customers, including those in low- or moderate-income communities, rural communities, and communities most affected by emissions from the transportation sector;

(3) increase access to publicly available electric vehicle charging and destination charging for all types of electric vehicles;

(4) support the electrification of medium-duty and heavy-duty vehicles and associated charging infrastructure;

(5) reduce statewide greenhouse gas emissions, as defined in section 216H.01, and emissions of other air pollutants that impair the environment and public health;

(6) stimulate private capital investment and the creation of skilled jobs;

(7) educate the public about the benefits of electric vehicles and related infrastructure; and

(8) be transparent and incorporate reasonable public reporting of program activities, consistent with existing technology and data capabilities, to inform program design and commission policy with respect to electric vehicles.

Subd. 4. **Cost recovery.** (a) Notwithstanding any other provision of this chapter, the commission may approve, with respect to any prudent and reasonable investments made or expenses incurred by a public utility to administer and implement a transportation electrification plan approved under subdivision 3:

(1) a rider or other tariff mechanism to automatically adjust charges annually;

(2) performance-based incentives;

(3) placing the investment, including rebates, in the public utility's rate base and allowing the public utility to earn a rate of return on the investment at:

(i) the public utility's average weighted cost of capital, including the rate of return on equity, approved by the commission in the public utility's most recent general rate case; or

(ii) another rate determined by the commission; or

(4) any other recovery mechanism that the commission determines is fair, reasonable, and supports the objectives of this section.

(b) Notwithstanding section 216B.16, subdivision 8, paragraph (a), clause (3), the commission must approve recovery costs for expenses reasonably incurred by a public utility to provide public advertisement as part of a transportation electrification plan approved by the commission under subdivision 3.

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

Sec. 6. **[216B.1617] ELECTRIC SCHOOL BUS DEPLOYMENT PROGRAM.**

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

(b) "Battery exchange station" means a physical location where equipment is deployed that enables a used electric vehicle battery to be exchanged for a fully charged battery.

(c) "Electric school bus" means an electric vehicle that is a school bus.

(d) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a.

(e) "Electric vehicle charging station" means a physical location deploying equipment that provides electricity to charge a battery in an electric vehicle.

(f) "Electric vehicle infrastructure" means electric vehicle charging stations and battery exchange stations, and includes any infrastructure necessary to make electricity from a public utility's electric distribution system available to electric vehicle charging stations or battery exchange stations.

(g) "Poor air quality" means: (1) ambient air levels that air monitoring data reveals approach or exceed state or federal air quality standards or chronic health inhalation risk benchmarks for total suspended particulates, particulate matter less than ten microns wide (PM-10), particulate matter less than 2.5 microns wide (PM-2.5), sulfur dioxide, or nitrogen dioxide; or (2) levels of asthma among children that significantly exceed the statewide average.

(h) "School bus" has the meaning given in section 169.011, subdivision 71.

Subd. 2. **Program.** (a) A public utility may file with the commission a program to promote deployment of electric school buses.

(b) The program may include but is not limited to the following elements:

(1) a school district may purchase one or more electric school buses;

(2) the public utility may provide a rebate to the school district for the incremental cost the school district incurs to purchase one or more electric school buses when compared with fossil-fuel-powered school buses;

(3) at the request of a school district, the public utility may deploy on the school district's real property electric vehicle infrastructure required to charge electric school buses;

(4) for any electric school bus purchased by a school district with a rebate provided by the public utility, the school district must enter into a contract with the public utility under which the school district:

(i) accepts any and all liability for operating the electric school bus;

(ii) accepts responsibility to maintain and repair the electric school bus; and

(iii) must allow the public utility an option to own the electric school bus's battery at the time the battery is retired from the electric school bus; and

(5) in collaboration with a school district, prioritize the deployment of electric school buses in areas of the school district that suffer from poor air quality.

Subd. 3. **Program review and implementation.** The commission must approve, modify, or reject a proposal for a program filed under this section within 180 days of the date the proposal is received. The commission's approval, modification, or rejection must be based on the proposal's likelihood to, through prudent and reasonable utility investments:

(1) accelerate deployment of electric school buses in the public utility's service territory, particularly in areas with poor air quality; and

(2) reduce emissions of greenhouse gases and particulates compared to fossil-fuel-powered school buses.

Subd. 4. **Cost recovery.** (a) Any prudent and reasonable investment made by a public utility on electric vehicle infrastructure installed on a school district's real property may be placed in the public utility's rate base and earn a rate of return, as determined by the commission.

(b) Notwithstanding any other provision of this chapter, the commission may approve a tariff mechanism to automatically adjust annual charges for prudent and reasonable investments made by a public utility to implement and administer a program approved by the commission under subdivision 3.

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

Sec. 7. **[216C.402] GRANT PROGRAM; MANUFACTURERS' CERTIFICATION OF AUTO DEALERS TO SELL ELECTRIC VEHICLES.**

Subdivision 1. **Establishment.** A grant program is established in the Department of Commerce to award grants to dealers to offset the costs to obtain the necessary training and equipment that is required by electric vehicle manufacturers in order to certify a dealer to sell electric vehicles produced by the manufacturer.

Subd. 2. **Application.** An application for a grant under this section must be made to the commissioner on a form developed by the commissioner. The commissioner must develop administrative procedures and processes to review applications and award grants under this section.

Subd. 3. **Eligible applicants.** An applicant for a grant awarded under this section must be a dealer of new motor vehicles licensed under chapter 168 operating under a franchise from a manufacturer of electric vehicles.

Subd. 4. **Eligible expenditures.** Appropriations made to support the activities of this section must be used only to reimburse:

(1) a dealer for the reasonable costs to obtain training and certification for the dealer's employees from the electric vehicle manufacturer that awarded the franchise to the dealer;

(2) a dealer for the reasonable costs to purchase and install equipment to service and repair electric vehicles, as required by the electric vehicle manufacturer that awarded the franchise to the dealer; and

(3) the department for the reasonable costs incurred to administer this section.

Subd. 5. **Limitation.** A grant awarded under this section to a single dealer must not exceed \$40,000.

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

Sec. 8. Minnesota Statutes 2020, section 326B.103, is amended by adding a subdivision to read:

Subd. 6a. **Electric vehicle capable space.** "Electric vehicle capable space" means a designated automobile parking space that has electrical infrastructure, including but not limited to raceways, cables, electrical capacity, and panelboard or other electrical distribution space, necessary to install an electric vehicle charging station.

Sec. 9. Minnesota Statutes 2020, section 326B.103, is amended by adding a subdivision to read:

Subd. 6b. **Electric vehicle charging station.** "Electric vehicle charging station" means a designated automobile parking space that has a dedicated connection for charging an electric vehicle.

Sec. 10. Minnesota Statutes 2020, section 326B.103, is amended by adding a subdivision to read:

Subd. 6c. **Electric vehicle ready space.** "Electric vehicle ready space" means a designated automobile parking space that has a branch circuit capable of supporting the installation of an electric vehicle charging station.

Sec. 11. Minnesota Statutes 2020, section 326B.103, is amended by adding a subdivision to read:

Subd. 10a. **Parking facilities.** "Parking facilities" includes parking lots, garages, ramps, or decks.

Sec. 12. Minnesota Statutes 2020, section 326B.106, is amended by adding a subdivision to read:

Subd. 16. **Electric vehicle charging.** The code shall require a minimum number of electric vehicle-ready spaces, electric vehicle capable spaces, and electric vehicle charging stations either within or adjacent to new commercial and multifamily structures that provide on-site parking facilities. Residential structures with fewer than four dwelling units are exempt from this subdivision.

Sec. 13. **ELECTRIC VEHICLE CHARGING STATIONS; INSTALLATIONS IN STATE AND REGIONAL PARKS.**

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

(b) "DC fast charger" means electric vehicle charging station equipment that transfers direct current electricity directly to an electric vehicle's battery.

(c) "Electric vehicle" has the meaning given in Minnesota Statutes, section 169.011, subdivision 26a.

(d) "Electric vehicle charging station" means infrastructure that connects an electric vehicle to a Level 2 or DC fast charger to recharge the electric vehicle's batteries.

(e) "Level 2 charger" means electric vehicle charging station equipment that transfers 208- to 240-volt alternating current electricity to a device in an electric vehicle that converts alternating current to direct current to recharge an electric vehicle battery.

Subd. 2. **Program.** The commissioner of natural resources, in consultation with the commissioners of the Pollution Control Agency, administration, and commerce, must develop and fund the installation of a network of electric vehicle charging stations in Minnesota state parks. The commissioners must issue a request for proposals to entities that have experience installing, owning, operating, and maintaining electric vehicle charging stations. The request for proposal must establish technical specifications that electric vehicle charging stations are required to meet and must request responders to address:

(1) the optimal number and location of charging stations installed in a given state park;

(2) alternative arrangements that may be made to allocate responsibility for electric vehicle charging station (i) ownership, operation, and maintenance, and (ii) billing procedures; and

(3) any other issues deemed relevant by the commissioners.

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

Sec. 14. **ELECTRIC VEHICLE CHARGING STATIONS; INSTALLATIONS AT COUNTY GOVERNMENT CENTERS.**

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

(b) "DC fast charger" means electric vehicle charging station equipment that transfers direct current electricity directly to an electric vehicle's battery.

(c) "Electric vehicle" has the meaning given in Minnesota Statutes, section 169.011, subdivision 26a.

(d) "Electric vehicle charging station" means infrastructure that connects an electric vehicle to a Level 2 or DC fast charger to recharge the electric vehicle's batteries.

(e) "Level 2 charger" means electric vehicle charging station equipment that transfers 208- to 240-volt alternating current electricity to a device in an electric vehicle that converts alternating current to direct current to recharge an electric vehicle battery.

Subd. 2. **Program.** The commissioner of commerce must develop and fund the installation of a network of electric vehicle charging stations in public parking facilities at county government centers located in Minnesota. The commissioner must issue a request for proposals to entities that have experience installing, owning, operating, and maintaining electric vehicle charging stations. The request for proposal must establish technical specifications that electric vehicle charging stations are required to meet and must request responders to address:

(1) the optimal number and location of charging stations installed at each county government center;

(2) alternative arrangements that may be made to allocate responsibility for electric vehicle charging station (i) ownership, operation, and maintenance, and (ii) billing procedures;

(3) software used to allow payment for electricity consumed at the charging stations; and

(4) any other issues deemed relevant by the commissioner.

Subd. 3. **County role.** (a) A county has a right of first refusal with respect to ownership of electric vehicle charging stations receiving funding under this section and installed at the county government center.

(b) A county may enter into agreements to (1) wholly or partially own, operate, or maintain an electric vehicle charging system receiving funding under this section and installed at the county government center, or (2) receive reports on the electric vehicle charging system operations.

(c) A county must authorize and approve the installation and location of an electric vehicle charging station at a county government center under this section.

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

ARTICLE 8 ECONOMIC DEVELOPMENT

Section 1. Minnesota Statutes 2020, section 116C.779, subdivision 1, is amended to read:

Subdivision 1. **Renewable development account.** (a) The renewable development account is established as a separate account in the special revenue fund in the state treasury. Appropriations and transfers to the account shall be credited to the account. Earnings, such as interest, dividends, and any other earnings arising from assets of the account, shall be credited to the account. Funds remaining in the account at the end of a fiscal year are not canceled to the general fund but remain in the account until expended. The account shall be administered by the commissioner of management and budget as provided under this section.

(b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating plant must transfer all funds in the renewable development account previously established under this subdivision and managed by the public utility to the renewable development account established in paragraph (a). Funds awarded to grantees in previous grant cycles that have not yet been expended and unencumbered funds required to be paid in calendar year 2017 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject to transfer under this paragraph.

(c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating plant must transfer to the renewable development account \$500,000 each year for each dry cask containing spent fuel that is located at the Prairie Island power plant for each year the plant is in operation, and \$7,500,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any part of a year.

(d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing each January 15 thereafter, the public utility that owns the Monticello nuclear generating plant must transfer to the renewable development account \$350,000 each year for each dry cask containing spent fuel that is located at the Monticello nuclear power plant for each year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for any part of a year.

(e) Each year, the public utility shall withhold from the funds transferred to the renewable development account under paragraphs (c) and (d) the amount necessary to pay its obligations under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, for that calendar year.

(f) If the commission approves a new or amended power purchase agreement, the termination of a power purchase agreement, or the purchase and closure of a facility under section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity, the public utility subject to this section shall enter into a contract with the city in which the poultry litter plant is located to provide grants to the city for the purposes of economic development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid by the public utility from funds withheld from the transfer to the renewable development account, as provided in paragraphs (b) and (e).

(g) If the commission approves a new or amended power purchase agreement, or the termination of a power purchase agreement under section 216B.2424, subdivision 9, with an entity owned or controlled, directly or indirectly, by two municipal utilities located north of Constitutional Route No. 8, that was previously used to meet the biomass mandate in section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a grant contract with such entity to provide \$6,800,000 per year for five years, commencing 30 days after the commission approves the new or amended power purchase agreement, or the termination of the power purchase agreement, and on each June 1 thereafter through 2021, to assist the transition required by the new, amended, or terminated power purchase agreement. The grant shall be paid by the public utility from funds withheld from the transfer to the renewable development account as provided in paragraphs (b) and (e).

(h) The collective amount paid under the grant contracts awarded under paragraphs (f) and (g) is limited to the amount deposited into the renewable development account, and its predecessor, the renewable development account, established under this section, that was not required to be deposited into the account under Laws 1994, chapter 641, article 1, section 10.

(i) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year in which the commission finds, by the preponderance of the evidence, that the public utility did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a permanent or interim storage site out of the state. This determination shall be made at least every two years.

(j) Funds in the account may be expended only for any of the following purposes:

(1) to stimulate research and development of renewable electric energy technologies;

(2) to encourage grid modernization, including, but not limited to, projects that implement electricity storage, load control, and smart meter technology; and

(3) to stimulate other innovative energy projects that reduce demand and increase system efficiency and flexibility.

Expenditures from the fund must benefit Minnesota ratepayers receiving electric service from the utility that owns a nuclear-powered electric generating plant in this state or the Prairie Island Indian community or its members.

The utility that owns a nuclear generating plant is eligible to apply for grants under this subdivision.

(k) For the purposes of paragraph (j), the following terms have the meanings given:

(1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph (c), clauses (1), (2), (4), and (5); and

(2) "grid modernization" means:

(i) enhancing the reliability of the electrical grid;

(ii) improving the security of the electrical grid against cyberthreats and physical threats; and

(iii) increasing energy conservation opportunities by facilitating communication between the utility and its customers through the use of two-way meters, control technologies, energy storage and microgrids, technologies to enable demand response, and other innovative technologies.

(l) A renewable development account advisory group that includes, among others, representatives of the public utility and its ratepayers, and includes at least one representative of the Prairie Island Indian community appointed by that community's tribal council, shall develop recommendations on account expenditures. The advisory group must design a request for proposal and evaluate projects submitted in response to a request for proposals. The advisory group must utilize an independent third-party expert to evaluate proposals submitted in response to a request for proposal, including all proposals made by the public utility. A request for proposal for research and development under paragraph (j), clause (1), may be limited to or include a request to higher education institutions located in Minnesota for multiple projects authorized under paragraph (j), clause (1). The request for multiple projects may include a provision that exempts the projects from the third-party expert review and instead provides for project evaluation and selection by a merit peer review grant system. In the process of determining request for proposal scope and subject and in evaluating responses to request for proposals, the advisory group must strongly consider, where reasonable, potential benefit to Minnesota citizens and businesses and the utility's ratepayers.

(m) The advisory group shall submit funding recommendations to the public utility, which has full and sole authority to determine which expenditures shall be submitted by the advisory group to the legislature. The commission may approve proposed expenditures, may disapprove proposed expenditures that it finds not to be in compliance with this subdivision or otherwise not in the public interest, and may, if agreed to by the public utility, modify proposed expenditures. The commission shall, by order, submit its funding recommendations to the legislature as provided under paragraph (n).

(n) The commission shall present its recommended appropriations from the account to the senate and house of representatives committees with jurisdiction over energy policy and finance annually by February 15. Expenditures from the account must be appropriated by law. In enacting appropriations from the account, the legislature:

(1) may approve or disapprove, but may not modify, the amount of an appropriation for a project recommended by the commission; and

(2) may not appropriate money for a project the commission has not recommended funding.

(o) A request for proposal for renewable energy generation projects must, when feasible and reasonable, give preference to projects that are most cost-effective for a particular energy source.

(p) The advisory group must annually, by February 15, report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy policy on projects funded by the account for the prior year and all previous years. The report must, to the extent possible and reasonable, itemize the actual and projected financial benefit to the public utility's ratepayers of each project.

(q) By February 1, 2018, and each February 1 thereafter, the commissioner of management and budget shall submit a written report regarding the availability of funds in and obligations of the account to the chairs and ranking minority members of the senate and house committees with jurisdiction over energy policy and finance, the public utility, and the advisory group.

(r) A project receiving funds from the account must produce a written final report that includes sufficient detail for technical readers and a clearly written summary for nontechnical readers. The report must include an evaluation of the project's financial, environmental, and other benefits to the state and the public utility's ratepayers.

(s) Final reports, any mid-project status reports, and renewable development account financial reports must be posted online on a public website designated by the commissioner of commerce.

(t) All final reports must acknowledge that the project was made possible in whole or part by the Minnesota renewable development account, noting that the account is financed by the public utility's ratepayers.

(u) Of the amount in the renewable development account, priority must be given to making the payments required under section 216C.417.

(v) A construction project funded from an appropriation made under this section must comply with sections 177.41 to 177.43.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to appropriations made on or after that date.

Sec. 2. Minnesota Statutes 2020, section 116J.55, subdivision 5, is amended to read:

Subd. 5. **Grant awards; limitations.** ~~(a) The commissioner must award grants under this section to eligible communities through a competitive grant process.~~

~~(b)~~ (a) A grant awarded to an eligible community under this section must not exceed \$500,000 in any calendar year. The commissioner may accept grant applications on an ongoing or rolling basis.

~~(c)~~ (b) Grants funded with revenues from the renewable development account established in section 116C.779 must be awarded to an eligible community located within the retail electric service territory of the public utility that is subject to section 116C.779 or to an eligible community in which an electric generating plant owned by that public utility is located.

Sec. 3. Minnesota Statutes 2020, section 216B.16, subdivision 13, is amended to read:

Subd. 13. **Economic and community development.** The commission may allow a public utility to recover from ratepayers the reasonable expenses incurred (1) for economic and community development, and (2) to employ local workers, as defined in section 216B.2422, subdivision 1, to construct and maintain generation facilities that supply power to the utility's customers.

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

Sec. 4. Minnesota Statutes 2020, section 216B.1645, subdivision 2, is amended to read:

Subd. 2. **Cost recovery.** The expenses incurred by the utility over the duration of the approved contract or useful life of the investment ~~and~~ expenditures made pursuant to section 116C.779 ~~shall be, and the expenses incurred to employ local workers to construct and maintain generation facilities that supply power to the utility's customers are~~ recoverable from the ratepayers of the utility, (1) to the extent ~~they~~ the expenses or expenditures are not offset by utility revenues attributable to the contracts, investments, or expenditures, and (2) if the expenses or expenditures are deemed reasonable by the commission. Upon petition by a public utility, the commission shall approve or approve as modified a rate schedule providing for the automatic adjustment of charges to recover the expenses or costs approved by the commission under subdivision 1, which, in the case of transmission expenditures, are limited to the portion of actual transmission costs that are directly allocable to the need to transmit power from the renewable sources of energy. The commission may not approve recovery of the costs for that portion of the power generated from sources governed by this section that the utility sells into the wholesale market.

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

Sec. 5. Minnesota Statutes 2020, section 216B.1691, subdivision 9, is amended to read:

Subd. 9. **Local benefits.** The commission shall take all reasonable actions within ~~its~~ the commission's statutory authority to ensure this section is implemented to maximize benefits to Minnesota citizens and local workers, as defined in section 216B.2422, subdivision 1, balancing factors such as local ownership of or participation in energy production; local job impacts, as defined in section 216B.2422, subdivision 1; development and ownership of eligible energy technology facilities by independent power producers; Minnesota utility ownership of eligible energy technology facilities; the costs of energy generation to satisfy the renewable standard; and the reliability of electric service to Minnesotans.

Sec. 6. Minnesota Statutes 2020, section 216B.2422, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Utility" means an entity with the capability of generating 100,000 kilowatts or more of electric power and serving, either directly or indirectly, the needs of 10,000 retail customers in Minnesota. Utility does not include federal power agencies.

(c) "Renewable energy" means electricity generated through use of any of the following resources:

(1) wind;

(2) solar;

(3) geothermal;

(4) hydro;

(5) trees or other vegetation;

(6) landfill gas; or

(7) predominantly organic components of wastewater effluent, sludge, or related by-products from publicly owned treatment works, but not including incineration of wastewater sludge.

(d) "Resource plan" means a set of resource options that a utility could use to meet the service needs of its customers over a forecast period, including an explanation of the supply and demand circumstances under which, and the extent to which, each resource option would be used to meet those service needs. These resource options include using, refurbishing, and constructing utility plant and equipment, buying power generated by other entities, controlling customer loads, and implementing customer energy conservation.

(e) "Refurbish" means to rebuild or substantially modify an existing electricity generating resource of 30 megawatts or greater.

(f) "Energy storage system" means a commercially available technology that:

(1) uses mechanical, chemical, or thermal processes to:

(i) store energy, including energy generated from renewable resources and energy that would otherwise be wasted, and deliver the stored energy for use at a later time; or

(ii) store thermal energy for direct use for heating or cooling at a later time in a manner that reduces the demand for electricity at the later time;

(2) is composed of stationary equipment;

(3) if being used for electric grid benefits, is operationally visible and capable of being controlled by the distribution or transmission entity managing it, to enable and optimize the safe and reliable operation of the electric system; and

(4) achieves any of the following:

(i) reduces peak or electrical demand;

(ii) defers the need or substitutes for an investment in electric generation, transmission, or distribution assets;

(iii) improves the reliable operation of the electrical transmission or distribution systems, while ensuring transmission or distribution needs are not created; or

(iv) lowers customer costs by storing energy when the cost of generating or purchasing it is low and delivering it to customers when the costs are high.

(g) "Local job impacts" means the impacts of a certificate of need, a power purchase agreement, or commission approval of a new or refurbished energy facility on the availability of construction employment opportunities to local workers.

(h) "Local workers" means workers who (1) are employed to construct and maintain energy infrastructure; and (2) are Minnesota residents, are residents of the utility's service territory, or permanently reside within 150 miles of a proposed new or refurbished energy facility.

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

Sec. 7. Minnesota Statutes 2020, section 216B.2422, is amended by adding a subdivision to read:

Subd. 4a. **Preference for local job creation.** As part of a resource plan filing, a utility must report on associated local job impacts and the steps the utility and the utility's energy suppliers and contractors are taking to maximize the availability of construction employment opportunities for local workers. The commission must consider local job impacts and give preference to proposals that maximize the creation of construction employment opportunities for local workers, consistent with the public interest, when evaluating any utility proposal that involves the selection or construction of facilities used to generate or deliver energy to serve the utility's customers, including but not limited to an integrated resource plan, a certificate of need, a power purchase agreement, or commission approval of a new or refurbished electric generation facility. The commission must, to the maximum extent possible, prioritize the hiring of workers from communities hosting retiring electric generation facilities, including workers previously employed at the retiring facilities.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to an integrated resource plan filed with the commission on or after that date.

Sec. 8. Minnesota Statutes 2020, section 216B.2422, subdivision 5, is amended to read:

Subd. 5. **Bidding; exemption from certificate of need proceeding.** (a) A utility may select resources to meet its projected energy demand through a bidding process approved or established by the commission. A utility shall use the environmental cost estimates determined under subdivision 3 ~~in~~ and consider local job impacts when evaluating bids submitted in a process established under this subdivision.

(b) Notwithstanding any other provision of this section, if an electric power generating plant, as described in section 216B.2421, subdivision 2, clause (1), is selected in a bidding process approved or established by the commission, a certificate of need proceeding under section 216B.243 is not required.

(c) A certificate of need proceeding is also not required for an electric power generating plant that has been selected in a bidding process approved or established by the commission, or such other selection process approved by the commission, to satisfy, in whole or in part, the wind power mandate of section 216B.2423 or the biomass mandate of section 216B.2424.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to an integrated resource plan filed with the commission on or after that date.

Sec. 9. Minnesota Statutes 2020, section 216C.435, subdivision 8, is amended to read:

Subd. 8. **Qualifying commercial real property.** "Qualifying commercial real property" means a multifamily residential dwelling, ~~or~~ a commercial or industrial building, or farmland, as defined in section 216C.436, subdivision 1b, that the implementing entity has determined, after review of an energy audit ~~or~~ a renewable energy system feasibility study, or agronomic assessment, as defined in section 216C.436, subdivision 1b, can ~~be benefited by~~ benefit from the installation of cost-effective energy improvements or land and water improvements, as defined in section 216C.436, subdivision 1b. Qualifying commercial real property includes new construction.

Sec. 10. Minnesota Statutes 2020, section 216C.436, is amended by adding a subdivision to read:

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

(b) "Agronomic assessment" means a study by an independent third party that assesses the environmental impacts of proposed land and water improvements on farmland.

(c) "Farmland" means land classified as 2a, 2b, or 2c for property tax purposes under section 273.13, subdivision 23.

(d) "Land and water improvement" means:

(1) an improvement to farmland that is permanent, results in improved agricultural profitability or resiliency, and reduces the environmental impact of agricultural production; or

(2) water conservation and quality measures, which include permanently affixed equipment, appliances, or improvements that reduce a property's water consumption or that enable water to be managed more efficiently.

Land and water improvement does not include drainage.

(e) "Resiliency" means the ability of farmland to maintain and enhance profitability, soil health, and water quality.

Sec. 11. Minnesota Statutes 2020, section 216C.436, subdivision 2, is amended to read:

Subd. 2. **Program requirements.** A commercial PACE loan program must:

(1) impose requirements and conditions on financing arrangements to ensure timely repayment;

(2) require an energy audit ~~or~~ renewable energy system feasibility study, or agronomic or soil health assessment to be conducted on the qualifying commercial real property and reviewed by the implementing entity prior to approval of the financing;

(3) require the inspection of all installations and a performance verification of at least ten percent of the cost-effective energy improvements or land and water improvements financed by the program;

(4) not prohibit the financing of all cost-effective energy improvements or land and water improvements not otherwise prohibited by this section;

(5) require that all cost-effective energy improvements or land and water improvements be made to a qualifying commercial real property prior to, or in conjunction with, an applicant's repayment of financing for cost-effective energy improvements or land and water improvements for that property;

(6) have cost-effective energy improvements or land and water improvements financed by the program performed by a licensed contractor as required by chapter 326B or other law or ordinance;

(7) require disclosures to borrowers by the implementing entity of the risks involved in borrowing, including the risk of foreclosure if a tax delinquency results from a default;

(8) provide financing only to those who demonstrate an ability to repay;

(9) not provide financing for a qualifying commercial real property in which the owner is not current on mortgage or real property tax payments;

(10) require a petition to the implementing entity by all owners of the qualifying commercial real property requesting collections of repayments as a special assessment under section 429.101;

(11) provide that payments and assessments are not accelerated due to a default and that a tax delinquency exists only for assessments not paid when due; ~~and~~

(12) require that liability for special assessments related to the financing runs with the qualifying commercial real property; and

(13) prior to financing any improvements to or imposing any assessment upon qualifying commercial real property, require notice to and written consent from the mortgage lender of any mortgage encumbering or otherwise secured by the qualifying commercial real property.

Sec. 12. **[216C.441] MINNESOTA INNOVATION FINANCE AUTHORITY.**

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

(b) "Advisory task force" means the Minnesota Innovation Finance Authority advisory task force.

(c) "Authority" means the Minnesota Innovation Finance Authority.

(d) "Clean energy project" has the meaning given to "qualified project" in paragraph (k), clauses (1) to (4).

(e) "Credit enhancement" means a pool of capital set aside to cover potential losses on loans made by private lenders. Credit enhancement includes but is not limited to loan loss reserves and loan guarantees.

(f) "Energy storage system" has the meaning given in section 216B.2422, subdivision 1, paragraph (f).

(g) "Fuel cell" means a cell that converts the chemical energy of hydrogen directly into electricity through electrochemical reactions.

(h) "Greenhouse gas emissions" has the meaning given to "statewide greenhouse gas emissions" in section 216H.01, subdivision 2.

(i) "Loan loss reserve" means a pool of capital set aside to reimburse a private lender if a customer defaults on a loan, up to an agreed-upon percentage of loans originated by the private lender.

(j) "Microgrid system" means an electrical grid that (1) serves a discrete geographical area from distributed energy resources, and (2) can operate independently from the central electric grid on a temporary basis.

(k) "Qualified project" means a project, technology, product, service, or measure predominantly focused on clean energy, electrification, or energy or climate resilience as follows:

(1) a project, technology, product, service, or measure that:

(i) results in the reduction of energy use while providing the same level of service or output obtained before the project, technology, product, service, function, or measure was applied;

(ii) shifts the use of electricity by retail customers in response to changes in the price of electricity that vary over time or provides other incentives designed to shift electricity demand from times when market prices are high or when system reliability is jeopardized; or

(iii) significantly reduces greenhouse gas emissions relative to greenhouse gas emissions produced before the project is implemented, excluding projects that generate power from the combustion of fossil fuels;

(2) the development, construction, deployment, alteration, or repair of any:

(i) project, technology, product, service, or measure that generates electric power from renewable energy; or

(ii) distributed generation system, energy storage system, smart grid technology, microgrid system, fuel cell system, or combined heat and power system;

(3) the installation, construction, or use of end-use electric technology that replaces existing fossil-fuel-based technology;

(4) a project, technology, product, service, or measure that supports the development and deployment of electric vehicle charging stations and associated infrastructure;

(5) a project that reduces net greenhouse gas emissions or improves climate resiliency, including but not limited to reforestation, afforestation, forestry management, and regenerative agriculture;

(6) the construction or enhancement of infrastructure that is planned, designed, and operated in a manner that anticipates, prepares for, and adapts to current and projected changing climate conditions so that the infrastructure withstands, responds to, and more readily recovers from disruptions caused by the current and projected changing climate conditions; and

(7) the development, construction, deployment, alteration, or repair of any project, technology, product, service, or measure that: (i) reduces water use while providing the same or better level and quality of service or output that was obtained before implementing the water-saving approach; or (ii) protects, restores, or preserves the quality of groundwater and surface waters, including but not limited to actions that further the purposes of the Clean Water Legacy Act, as provided in section 114D.10, subdivision 1.

(l) "Regenerative agriculture" means farming methods that reduce agriculture's contribution to climate change by increasing the soil's ability to absorb atmospheric carbon and convert the atmospheric carbon to soil carbon.

(m) "Renewable energy" has the meaning given in section 216B.2422 and includes fuel cells generated from renewable energy.

(n) "Smart grid" means a digital technology that (1) allows for two-way communication between a utility and the utility's customers, and (2) enables the utility to control power flow and load in real time.

Subd. 2. Establishment; purpose. (a) By September 1, 2022, the department must establish and convene a Minnesota Innovation Finance Authority Advisory Task Force.

(b) By February 1, 2023, the Minnesota Innovation Finance Authority Advisory Task Force convened by the department must establish the Minnesota innovation finance authority as a nonprofit corporation, including the development of the nonprofit board under chapter 317A, and must seek designation as a charitable tax-exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The advisory task force must engage independent legal counsel with relevant experience in nonprofit corporate law to help establish the nonprofit corporation. The nonprofit corporation must be governed by a board of directors.

(c) The authority must establish bylaws, subject to the prior approval by the commissioner.

(d) The initial board of directors must include at least a majority of the members of the advisory task force established under subdivision 5.

(e) When incorporated, the authority must serve as an independent, nonprofit corporation for public benefit whose purpose is to (1) promote investments in qualified clean energy, efficiency, electrification, and other climate-mitigation-related projects, and (2) accelerate the deployment of qualified projects by reducing the up-front and total cost of adoption. The authority may achieve the purposes under this paragraph by leveraging public sources and additional private sources of capital through the strategic deployment of public money in the form of loans, credit enhancements, and other financing mechanisms, along with strategies that stimulate demand.

(f) The authority must:

(1) identify underserved markets for qualified projects in Minnesota, develop programs to overcome market impediments, and provide access to financing to serve the projects and underserved markets;

(2) except in cases of projects within identified disadvantaged communities, as determined by the commissioner, that may limit an investment, strategically prioritize money to leverage private investment in qualified projects, achieving a high ratio of private to public money invested through funding mechanisms that support, enhance, and complement private investment;

(3) coordinate with existing government- and utility-based programs to ensure (i) the most effective use of the authority's resources, (ii) that financing terms and conditions offered are well-suited to qualified projects, (iii) coordination of communication with respect to all financing options under this section and other state and utility programs, and (iv) the authority's activities add to and complement the efforts of state and utility partners;

(4) serve as an informational resource for contractors interested in installing qualified projects by forming partnerships with and educating contractors regarding the authority's financing programs and coordinating multiple contractors on projects that install multiple qualifying technologies;

(5) develop innovative and inclusive marketing strategies to stimulate project owner interest in targeted underserved markets;

(6) serve as a financial resource to reduce the up-front and total costs to borrowers;

(7) prioritize projects that maximize greenhouse gas emission reductions or address disparities in access to clean energy projects for underserved communities;

(8) ensure that workers employed by contractors and subcontractors performing construction work on projects over \$100,000, financed all or in part by the authority, are paid wages not less than the prevailing wage on similar construction projects in the applicable locality;

(9) develop rules, policies, and procedures specifying borrower eligibility and other terms and conditions for financial support offered by the fund that must be met before financing support is provided for any qualified clean energy project;

(10) develop and administer (i) policies to collect reasonable fees for authority services, and (ii) risk management activities that are sufficient to support ongoing authority activities;

(11) subject to review by the department, develop and adopt a work plan to accomplish all of the activities required of the authority and update the work plan on an annual basis;

(12) develop consumer protection standards governing the authority's investments to ensure the authority and partners provide financial support in a responsible and transparent manner that is in the financial interest of participating project owners and serves the defined underserved markets and disadvantaged communities; or

(13) establish and maintain an online and mobile-access portal that provides access to all authority programs and financial products, including rates, terms, and conditions of all financing support programs, unless disclosure of the information constitutes a trade secret or confidential commercial or financial information.

Subd. 3. **Additional department responsibilities.** In addition to the responsibilities listed in this chapter, the department must:

- (1) review consumer protection standards established by the authority; and
- (2) provide standard state oversight to money appropriated under this section.

Subd. 4. **Additional authorized activities.** The authority is authorized to:

- (1) engage in any activities of a Minnesota nonprofit corporation operating under chapter 317A;
- (2) develop and employ financing methods to support qualified projects, including:
 - (i) credit enhancement mechanisms that reduce financial risk for private lenders by providing assurance that a limited portion of a loan is assumed by the fund via a loan loss reserve, loan guarantee, or other mechanism;
 - (ii) co-investment, where the fund invests directly in a clean energy project by providing senior or subordinated debt, equity, or other mechanisms in conjunction with a private financier's investment; and
 - (iii) serving as an aggregator of many small and geographically dispersed qualified projects, where the authority may provide direct lending, investment, or other financial support in order to diversify risk; and
- (3) seek to qualify as a community development financial institution under United States Code, title 12, section 4702, in which case the authority must be treated as a qualified community development entity for the purposes of sections 45D and 1400(m) of the Internal Revenue Code.

Subd. 5. **Advisory task force; membership.** (a) The Minnesota Innovation Finance Authority Advisory Task Force is established and consists of 15 members as follows:

- (1) the commissioner of commerce or the commissioner's designee, who serves as chair of the advisory task force;
 - (2) the commissioner of employment and economic development or the commissioner's designee;
 - (3) the commissioner of the Pollution Control Agency or the commissioner's designee;
 - (4) the commissioner of agriculture or the commissioner's designee;
 - (5) two additional members appointed by the governor;
 - (6) two additional members appointed by the speaker of the house;
 - (7) two additional members appointed by the president of the senate; and
 - (8) five members that have extensive life or work experience within economically disadvantaged communities that the authority aims to serve, appointed by the governor and the commissioners identified in clauses (1) to (4).
- (b) The members appointed to the advisory task force under paragraph (a), clauses (6) and (7), must have expertise in matters relating to energy conservation, clean energy, economic development, banking, law, finance, or other matters relevant to the work of the advisory task force.

(c) When appointing a member to the advisory task force, consideration must be given to whether the advisory task force members collectively reflect the geographical and ethnic diversity of Minnesota.

(d) Members of the advisory task force must abide by the conflict of interest provisions in section 43A.38.

(e) In order to ensure participation, the commissioner may provide a nominal grant to any advisory task force member that demonstrates financial need in order to participate.

Subd. 6. Report; audit. Beginning February 1, 2024, the authority must annually submit a comprehensive report on the authority's activities for the previous fiscal year to the governor and the chairs and ranking minority members of the legislative committees with primary jurisdiction over energy policy. The report must contain, at a minimum, information on:

(1) the amount of authority capital invested, itemized by project type;

(2) the amount of private capital leveraged as a result of authority investments, itemized by project type;

(3) the number of qualified projects supported, itemized by project type and location within Minnesota;

(4) the estimated number of jobs created and tax revenue generated as a result of the authority's activities;

(5) the number of clean energy projects financed in low- and moderate-income households; and

(6) the authority's financial statements.

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

Sec. 13. [216C.46] ENERGY ALLEY START-UP FUND.

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

(b) "Decarbonization technology" means a technology whose implementation results in a reduction in statewide greenhouse gas emissions, as defined in section 216H.01, subdivision 2.

(c) "Emerging energy technology" means carbon-reducing energy technologies, systems, or practices that are not yet at the commercialization stage.

(d) "Qualified equity business" means a minority-, women-, or veteran-owned business, as the terms are defined in section 116J.8737.

(e) "Qualified greater Minnesota business" means a business that is certified by the commissioner as a qualified small business and as a qualified greater Minnesota business under section 116J.8737, subdivision 2.

Subd. 2. Establishment; purpose. An energy alley start-up fund account is established in the Department of Commerce to provide loans and grants to qualified businesses to:

(1) promote the start-up, expansion, and attraction of emerging energy technologies and businesses within Minnesota; and

(2) stimulate other innovative decarbonization technology projects that are capable of being developed at a large scale.

Subd. 3. **Account established.** An energy alley start-up fund account is established in the special revenue fund in the state treasury. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Nonstate money obtained by the commissioner for the purposes of this section must be credited to the account. The commissioner must manage the account. Money in the account is appropriated to the commissioner for the purposes of this section and must be expended only as provided in this section.

Subd. 4. **Nonstate contributions; influence prohibited.** (a) The commissioner must ensure any nonstate money deposited in the account, and the sources of nonstate money, have no influence over (1) awarding grants or loans, or (2) other activities conducted under this section.

(b) The commissioner may retain no more than three percent annually of money credited to the account for the department's administrative expenses.

Subd. 5. **Allocation of funds.** Money in the account must be allocated as follows:

(1) at least 50 percent to qualified greater Minnesota businesses or qualified equity businesses;

(2) up to 65 percent to establish a low-interest loan fund and loan loss reserve;

(3) at least 35 percent to provide grants under this section.

Subd. 6. **Loans.** (a) Loan recipients must repay loan amounts awarded under this section by the end of the loan term. Loan repayment amounts must be credited to the account. The department may use up to ten percent of the low-interest land funds or 6.5 percent of total money available, whichever is greater, under this section to: (1) establish a loan loss reserve in order to leverage additional investments; (2) ensure funding for emerging, innovative energy products; and (3) ensure accessibility by small businesses.

(b) No loans may be awarded under this section after June 30, 2025.

Subd. 7. **Application process.** (a) An application for a grant or loan under this section must be made to the commissioner on a form developed by the commissioner.

(b) An application made under this section must be evaluated by the investment committee established under subdivision 10.

(c) The commissioner must develop administrative procedures necessary to implement this section.

Subd. 8. **Grant awards; limitations.** (a) The commissioner must award grants under this section to eligible applicants through a competitive process.

(b) An eligible entity must be (1) located in Minnesota, or (2) able to demonstrate how the grant directly and significantly benefits Minnesotans in a manner that meets criteria established by the commissioner.

Subd. 9. **Technical advisory committee; membership.** (a) The commissioner must establish and appoint members to the technical advisory committee to assist in the development of criteria governing the award of grants under this section. The technical advisory committee must have expertise in energy research and development, energy conservation, clean energy technology development, economic development, or energy project financing.

(b) The commissioner must appoint members to the technical advisory committee who collectively reflect the geographic and ethnic diversity of Minnesota.

(c) Members of the technical advisory committee must comply with the conflicts of interest provisions under section 43A.38.

Subd. 10. Investment committee; duties; membership. (a) The commissioner, in consultation with the commissioner of employment and economic development, must establish and appoint members to an investment committee to review and recommend applications for grant and loan awards under this section.

(b) The investment committee must consist of seven members with expertise and experience in investments and finance. The commissioner or the commissioner's designee, and the commissioner of employment and economic development or the commissioner of employment and economic development's designee, must serve as members of the investment committee. The commissioner or the commissioner's designee serves as chair of the investment committee.

(c) The commissioner must appoint members of the investment committee who collectively reflect the geographic and ethnic diversity of Minnesota.

(d) Members of the investment committee must comply with the conflicts of interest provisions under section 43A.38. Entities represented by members of the investment committee are ineligible to receive grants under this section.

Subd. 11. Annual report; audit. On or before February 15, 2024, and by February 15 each year thereafter, the commissioner must report on the activities of the fund for the preceding calendar year to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over energy finance and policy and economic development finance. The report must include but is not limited to information specifying:

(1) the number of applications for funding received;

(2) the number of applications selected for grants and loans;

(3) the total amount of grants and loans issued in the previous year and to date, itemized by project type; and

(4) a complete operating and financial statement covering the fund's operations for the preceding year.

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

Sec. 14. **[216C.47] GRANTS FOR RENEWABLE INTEGRATION AND DEMONSTRATION.**

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

(b) "Grid modernization" means:

(1) enhancing electric grid service quality and reliability;

(2) improving the security of the electric grid and critical infrastructure against cyberthreats and physical threats; and

(3) increasing energy conservation opportunities by facilitating communication between the utility and the utility's customers through the use of two-way meters, control technologies, energy storage and microgrids, technologies that enable demand flexibility, and other innovative technologies.

(c) "Renewable energy" has the meaning given in section 216B.2422, subdivision 1, paragraph (c).

Subd. 2. Establishment; purpose. A grants for renewable integration and demonstration program is established in the department. The purpose of the program is to provide grants for projects to:

(1) stimulate research, deployment, and grid integration of renewable electric energy technologies;

(2) encourage grid modernization, including but not limited to projects that implement electricity storage, generation control, load control, and smart meter technology; and

(3) stimulate other innovative energy projects that (i) reduce demand, and (ii) increase system efficiency and flexibility to benefit customers of the utility that owns nuclear generating units in Minnesota.

Subd. 3. **Program account.** A grants for renewable integration and demonstration program account is established as a separate account in the special revenue fund in the state treasury.

Subd. 4. **Expenditures.** Money in the account may be used only:

(1) for grant awards made under this section;

(2) for costs to procure technical evaluation services; and

(3) to pay reasonable costs incurred by the department to administer this section.

Subd. 5. **Eligibility.** The commissioner must determine whether a project is eligible for a grant under this section. When evaluating a project for approval, the commissioner must consider:

(1) diversity, equity, and inclusion;

(2) greenhouse gas emissions;

(3) resiliency value;

(4) grid security;

(5) jobs and economic development; and

(6) other potential benefits to Minnesota citizens and businesses, ratepayers receiving electric service from the utility that owns a nuclear-powered electric generating plant in Minnesota, the Prairie Island Indian community, or Prairie Island Indian community members.

Subd. 6. **Reporting.** (a) A project that receives money from a grant approved under this section must produce a written final report that includes sufficient detail for technical readers and a clearly written summary for nontechnical readers. The report must include an evaluation of the project's financial, environmental, and other benefits to Minnesota and the public utility's ratepayers.

(b) Final reports, any project status reports, and grants for renewable integration and demonstration program balances must be posted on a public website designated by the commissioner.

(c) All final reports must acknowledge that the project was made possible in whole or part by the Minnesota renewable development account, noting that the account is financed by the public utility's ratepayers.

(d) By February 15 each year, the commissioner must report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over energy regarding: (1) grants issued under this section during the previous calendar year; and (2) any remaining balance available under this section.

Subd. 7. **Gifts; grants; donations.** The program may accept gifts and grants on behalf of the state that constitute donations to the state. Money received under this subdivision is appropriated to the commissioner of commerce to support the program under this section.

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

Sec. 15. Minnesota Statutes 2020, section 216E.03, subdivision 7, is amended to read:

Subd. 7. **Considerations in designating sites and routes.** (a) The commission's site and route permit determinations must be guided by the state's goals to conserve resources, minimize environmental impacts, minimize human settlement and other land use conflicts, and ensure the state's electric energy security through efficient, cost-effective power supply and electric transmission infrastructure.

(b) To facilitate the study, research, evaluation, and designation of sites and routes, the commission shall be guided by, but not limited to, the following considerations:

(1) evaluation of research and investigations relating to the effects on land, water and air resources of large electric power generating plants and high-voltage transmission lines and the effects of water and air discharges and electric and magnetic fields resulting from such facilities on public health and welfare, vegetation, animals, materials and aesthetic values, including baseline studies, predictive modeling, and evaluation of new or improved methods for minimizing adverse impacts of water and air discharges and other matters pertaining to the effects of power plants on the water and air environment;

(2) environmental evaluation of sites and routes proposed for future development and expansion and their relationship to the land, water, air and human resources of the state;

(3) evaluation of the effects of new electric power generation and transmission technologies and systems related to power plants designed to minimize adverse environmental effects;

(4) evaluation of the potential for beneficial uses of waste energy from proposed large electric power generating plants;

(5) analysis of the direct and indirect economic impact of proposed sites and routes including, but not limited to, productive agricultural land lost or impaired;

(6) evaluation of adverse direct and indirect environmental effects that cannot be avoided should the proposed site and route be accepted;

(7) evaluation of alternatives to the applicant's proposed site or route proposed pursuant to subdivisions 1 and 2;

(8) evaluation of potential routes that would use or parallel existing railroad and highway rights-of-way;

(9) evaluation of governmental survey lines and other natural division lines of agricultural land so as to minimize interference with agricultural operations;

(10) evaluation of the future needs for additional high-voltage transmission lines in the same general area as any proposed route, and the advisability of ordering the construction of structures capable of expansion in transmission capacity through multiple circuiting or design modifications;

(11) evaluation of irreversible and irretrievable commitments of resources should the proposed site or route be approved; ~~and~~

(12) when appropriate, consideration of problems raised by other state and federal agencies and local entities;

(13) evaluation of the benefits of the proposed facility with respect to protecting and enhancing environmental quality, and to the reliability of state and regional energy supplies;

(14) evaluation of the proposed facility's impact on socioeconomic factors; and

(15) evaluation of the proposed facility's employment and economic impacts in the vicinity of the facility site and throughout the state, including the quantity and quality of construction and permanent jobs and the jobs' compensation levels. The commission must consider a facility's local employment and economic impacts, and may reject or place conditions on a site or route permit based on the factors under this clause.

(c) If the commission's rules are substantially similar to existing regulations of a federal agency to which the utility in the state is subject, the federal regulations must be applied by the commission.

(d) No site or route shall be designated which violates state agency rules.

(e) The commission must make specific findings that it has considered locating a route for a high-voltage transmission line on an existing high-voltage transmission route and the use of parallel existing highway right-of-way and, to the extent those are not used for the route, the commission must state the reasons.

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

Sec. 16. Minnesota Statutes 2020, section 216E.03, subdivision 10, is amended to read:

Subd. 10. **Final decision.** (a) No site permit shall be issued in violation of the site selection standards and criteria established in this section and in rules adopted by the commission. When the commission designates a site, it shall issue a site permit to the applicant with any appropriate conditions. The commission shall publish a notice of its decision in the State Register within 30 days of issuance of the site permit.

(b) No route permit shall be issued in violation of the route selection standards and criteria established in this section and in rules adopted by the commission. When the commission designates a route, it shall issue a permit for the construction of a high-voltage transmission line specifying the design, routing, right-of-way preparation, and facility construction it deems necessary, and with any other appropriate conditions. The commission may order the construction of high-voltage transmission line facilities that are capable of expansion in transmission capacity through multiple circuiting or design modifications. The commission shall publish a notice of its decision in the State Register within 30 days of issuance of the permit.

(c) No site permit may be issued under this chapter for a large electric power generating plant, including the modification of a site permit for a repowering project, as defined in section 216B.243, subdivision 8, paragraph (b), unless the applicant certifies to the commission in writing that all employees who perform construction work on the large electric power generating plant, including the employees of contractors and subcontractors, are paid no less than the prevailing wage, as defined in section 177.42.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to a site permit, or the modification of a site permit for a repowering project, whose application is filed with the commission on or after that date.

Sec. 17. Minnesota Statutes 2020, section 216F.04, is amended to read:

216F.04 SITE PERMIT.

(a) No person may construct an LWECS without a site permit issued by the Public Utilities Commission.

(b) Any person seeking to construct an LWECS shall submit an application to the commission for a site permit in accordance with this chapter and any rules adopted by the commission. The permitted site need not be contiguous land.

(c) The commission shall make a final decision on an application for a site permit for an LWECS within 180 days after acceptance of a complete application by the commission. The commission may extend this deadline for cause.

(d) The commission may place conditions in a permit and may deny, modify, suspend, or revoke a permit.

(e) No site permit may be issued for an LWECS with a combined nameplate capacity of 25,000 kilowatts or more under this chapter, including the modification of a site permit for a repowering project, as defined in section 216B.243, subdivision 8, paragraph (b), unless the applicant certifies in writing to the commission that all employees who perform construction work on the LWECS, including the employees of contractors and subcontractors, are paid no less than the prevailing wage, as defined in section 177.42.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to a site permit, or the modification of a site permit for a repowering project, whose application is filed with the commission on or after that date.

Sec. 18. Laws 2020, chapter 118, section 5, subdivision 1, is amended to read:

Subdivision 1. **Community energy transition grants.** (a) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), \$2,000,000 in fiscal year 2021 is appropriated from the renewable development account established in Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of employment and economic development for deposit in the community energy transition account established in Minnesota Statutes, section 116J.55, subdivision 3. This is a onetime appropriation and is available until June 30, ~~2022~~ 2025.

(b) If another bill is enacted during the 2020 regular legislative session that appropriates money from the renewable development account established in Minnesota Statutes, section 116C.779, subdivision 1, for the same general purpose as provided under Minnesota Statutes, section 116J.55, the appropriation under this subdivision cancels to the renewable development account under Minnesota Statutes, section 116C.779, subdivision 1.

ARTICLE 9
GREENHOUSE GAS EMISSIONS

Section 1. Minnesota Statutes 2020, section 216B.2422, subdivision 3, is amended to read:

Subd. 3. **Environmental costs.** (a) The commission shall, ~~to the extent practicable~~ using the best available scientific and economic information and data, quantify and establish a range of environmental costs associated with each method of electricity generation. The commission must (1) adopt and apply the interim cost of greenhouse gas emissions valuations presented in Technical Support Document: Social Cost of Carbon, Methane, and Nitrous Oxide Interim Estimates, released by the federal government in February 2021, adopting the 300-year time horizon and the full range of discount rates from 2.5 to five percent, with three percent as the central estimate; and (2) update the parameters as necessary to conform with updates released by the federal Interagency Working Group on the Social Cost of Greenhouse Gases, or the working group's successors, that are above the February 2021 interim valuations.

(b) When evaluating and selecting resource options in all proceedings before the commission, including but not limited to proceedings regarding power purchase agreements, resource plans, and certificates of need, a utility shall must use the values established by the commission in conjunction with other external factors, including socioeconomic costs, when evaluating and selecting resource options in all proceedings before the commission, including resource plan and certificate of need proceedings, under this subdivision to quantify and monetize greenhouse gas and other emissions from the full lifecycle of fuels used for in-state or imported electricity generation, including extraction, processing, transport, and combustion.

(c) When evaluating resource options, the commission must include and consider the environmental cost values adopted under this subdivision. When considering the costs of a nonrenewable energy facility under this section, the commission must consider only nonzero values for the environmental costs analyzed under this subdivision, including both the low and high values of any cost range adopted by the commission.

(b) The commission shall establish interim environmental cost values associated with each method of electricity generation by March 1, 1994. These values expire on the date the commission establishes environmental cost values under paragraph (a).

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to dockets initiated at the Public Utilities Commission on or after that date.

Sec. 2. **ENVIRONMENTAL STANDARDS PROCUREMENT TASK FORCE.**

(a) No later than June 30, 2022, the commissioners of administration and transportation must establish an environmental standards procurement task force to examine issues surrounding the implementation of a program requiring vendors of certain construction materials purchased by the state to:

(1) submit environmental product declarations that assess the lifecycle environmental impacts of the construction materials to state officials as part of the procurement process; and

(2) meet standards established by the commissioner of administration that limit greenhouse gas emissions impacts of the construction materials.

(b) The task force must examine, at a minimum, the following issues:

(1) which construction materials should be subject to the program requirements;

(2) what factors should be considered in establishing greenhouse gas emissions standards;

(3) a schedule to develop standards for specific materials and incorporate the standards into the purchasing process;

(4) the development and use of financial incentives to reward vendors for developing products whose greenhouse gas emissions are below the standards;

(5) the provision of grants to defer a vendor's cost to obtain environmental product declarations;

(6) how the issues in clauses (1) to (5) are addressed by existing programs in other states and countries; and

(7) any other issues the task force deems relevant.

(c) The advisory committee must include two members of the house of representatives appointed by the speaker of the house of representatives and two members of the senate appointed by the senate majority leader. The commissioners of administration and transportation must appoint additional members of the advisory committee, who must include but may not be limited to representatives of:

- (1) the Departments of Administration and Transportation;
- (2) the Center for Sustainable Building Research at the University of Minnesota;
- (3) manufacturers of eligible materials;
- (4) suppliers of eligible materials;
- (5) building and transportation construction firms;
- (6) organized labor in the construction trades;
- (7) organized labor representing materials manufacturing workers; and
- (8) environmental advocacy organizations.

(d) The Department of Administration must provide meeting space and serve as staff to the advisory committee.

(e) The commissioner of administration, or the commissioner's designee, shall serve as chair of the advisory committee. The advisory committee must meet at least four times annually and must convene additional meetings at the call of the chair.

(f) The commissioner of administration must summarize the findings and recommendations of the task force in a report submitted to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over state government, transportation, and energy no later than January 1, 2023.

(g) The advisory committee is subject to section 15.059, subdivision 6.

(h) For the purposes of this section, "environmental product declaration" means a supply-chain-specific type III environmental product declaration that:

(1) contains a lifecycle assessment of the environmental impacts of manufacturing a specific product by a specific firm, including the impacts of extracting and producing the raw materials and components that compose the product;

(2) is verified and registered by a third party; and

(3) meets the ISO 14025 standard developed and maintained by the International Organization for Standardization (ISO).

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

Sec. 3. **LOCAL CLIMATE ACTION GRANT PROGRAM.**

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

(1) "climate change" means a change in global or regional climate patterns associated with increased levels of greenhouse gas emissions entering the atmosphere largely as a result of human activity;

(2) "commissioner" means the commissioner of the Pollution Control Agency;

(3) "greenhouse gas emission" means an emission of carbon dioxide, methane, nitrous oxide, chlorofluorocarbons, hydrofluorocarbons, sulfur hexafluoride, and other gases that trap heat in the atmosphere; and

(4) "political subdivision" means a county, home rule charter or statutory city, town, or school district.

Subd. 2. **Establishment.** The commissioner must establish a local climate action grant program in the Pollution Control Agency. The purpose of the program is to provide grants to encourage political subdivisions to address climate change by developing and implementing plans of action or creating new organizations and institutions to devise policies and programs that:

(1) seek to mitigate the impacts of climate change on the political subdivision; or

(2) reduce the political subdivision's contributions to the causes of climate change.

Subd. 3. **Application.** (a) Application for a grant under this section must be made to the commissioner on a form developed by the commissioner. The commissioner must develop procedures to (1) solicit and review applications, and (2) award grants under this section.

(b) Eligible applicants for a grant under this section must be located in or conduct the preponderance of the applicant's work in the locality where the grant activities are to take place. Eligible applicants include political subdivisions, organizations that are exempt from taxation under section 501(c)(3) of the Internal Revenue Code, and educational institutions.

Subd. 4. **Awarding grants.** When awarding grants under this section, the commissioner must give preference to proposals that seek to involve a broad array of community residents, organizations, and institutions in the political subdivision's efforts to address climate change.

Subd. 5. **Grant amounts.** (a) A grant awarded under this section must not exceed \$50,000.

(b) A grant awarded under this section for activities taking place at a county-wide level or in a city or town with a population that exceeds 20,000 must be matched 100 percent with local funding.

(c) A grant awarded under this section for activities taking place in a city or town with a population that is less than 20,000 or in a school district must be matched a minimum of five percent with local funding or equivalent in-kind services.

Subd. 6. **Eligible expenditures.** Appropriations made to support the activities of this section may be used only to:

(1) provide grants under this section; and

(2) reimburse the reasonable expenses incurred by the Pollution Control Agency to administer the grant program.

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

ARTICLE 10
MISCELLANEOUS

Section 1. Minnesota Statutes 2020, section 116C.779, subdivision 1, is amended to read:

Subdivision 1. **Renewable development account.** (a) The renewable development account is established as a separate account in the special revenue fund in the state treasury. Appropriations and transfers to the account shall be credited to the account. Earnings, such as interest, dividends, and any other earnings arising from assets of the account, shall be credited to the account. Funds remaining in the account at the end of a fiscal year are not canceled to the general fund but remain in the account until expended. The account shall be administered by the commissioner of management and budget as provided under this section.

(b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating plant must transfer all funds in the renewable development account previously established under this subdivision and managed by the public utility to the renewable development account established in paragraph (a). Funds awarded to grantees in previous grant cycles that have not yet been expended and unencumbered funds required to be paid in calendar year 2017 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject to transfer under this paragraph.

(c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating plant must transfer to the renewable development account \$500,000 each year for each dry cask containing spent fuel that is located at the Prairie Island power plant for each year the plant is in operation, and \$7,500,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any part of a year.

(d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing each January 15 thereafter, the public utility that owns the Monticello nuclear generating plant must transfer to the renewable development account \$350,000 each year for each dry cask containing spent fuel that is located at the Monticello nuclear power plant for each year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for any part of a year.

(e) Each year, the public utility shall withhold from the funds transferred to the renewable development account under paragraphs (c) and (d) the amount necessary to pay its obligations under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, for that calendar year.

(f) If the commission approves a new or amended power purchase agreement, the termination of a power purchase agreement, or the purchase and closure of a facility under section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity, the public utility subject to this section shall enter into a contract with the city in which the poultry litter plant is located to provide grants to the city for the purposes of economic development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid by the public utility from funds withheld from the transfer to the renewable development account, as provided in paragraphs (b) and (e).

(g) If the commission approves a new or amended power purchase agreement, or the termination of a power purchase agreement under section 216B.2424, subdivision 9, with an entity owned or controlled, directly or indirectly, by two municipal utilities located north of Constitutional Route No. 8, that was previously used to meet the biomass mandate in section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a grant contract with such entity to provide \$6,800,000 per year for five years, commencing 30 days after the commission approves the new or amended power purchase agreement, or the termination of the power purchase agreement, and on each June 1 thereafter through 2021, to assist the transition required by the new, amended, or terminated power purchase agreement. The grant shall be paid by the public utility from funds withheld from the transfer to the renewable development account as provided in paragraphs (b) and (e).

(h) The collective amount paid under the grant contracts awarded under paragraphs (f) and (g) is limited to the amount deposited into the renewable development account, and its predecessor, the renewable development account, established under this section, that was not required to be deposited into the account under Laws 1994, chapter 641, article 1, section 10.

(i) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year in which the commission finds, by the preponderance of the evidence, that the public utility did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a permanent or interim storage site out of the state. This determination shall be made at least every two years.

(j) Funds in the account may be expended only for any of the following purposes:

(1) to stimulate research and development of renewable electric energy technologies;

(2) to encourage grid modernization, including, but not limited to, projects that implement electricity storage, load control, and smart meter technology; and

(3) to stimulate other innovative energy projects that reduce demand and increase system efficiency and flexibility.

Expenditures from the fund must benefit Minnesota ratepayers receiving electric service from the utility that owns a nuclear-powered electric generating plant in this state or the Prairie Island Indian community or its members.

The utility that owns a nuclear generating plant is eligible to apply for grants under this subdivision.

(k) For the purposes of paragraph (j), the following terms have the meanings given:

(1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph (c), clauses (1), (2), (4), and (5); and

(2) "grid modernization" means:

(i) enhancing the reliability of the electrical grid;

(ii) improving the security of the electrical grid against cyberthreats and physical threats; and

(iii) increasing energy conservation opportunities by facilitating communication between the utility and its customers through the use of two-way meters, control technologies, energy storage and microgrids, technologies to enable demand response, and other innovative technologies.

(l) A renewable development account advisory group that includes, among others, representatives of the public utility and its ratepayers, and includes at least one representative of the Prairie Island Indian community appointed by that community's Tribal council, shall develop recommendations on account expenditures. The advisory group must design a request for proposal and evaluate projects submitted in response to a request for proposals. The advisory group must utilize an independent third-party expert to evaluate proposals submitted in response to a request for proposal, including all proposals made by the public utility. A request for proposal for research and development under paragraph (j), clause (1), may be limited to or include a request to higher education institutions located in Minnesota for multiple projects authorized under paragraph (j), clause (1). The request for multiple projects may include a provision that exempts the projects from the third-party expert review and instead provides

for project evaluation and selection by a merit peer review grant system. In the process of determining request for proposal scope and subject and in evaluating responses to request for proposals, the advisory group must strongly consider, where reasonable:

(1) potential benefit to Minnesota citizens and businesses and the utility's ratepayers; and

(2) the proposer's commitment to increasing the diversity of the proposer's workforce and vendors.

(m) The advisory group shall submit funding recommendations to the public utility, which has full and sole authority to determine which expenditures shall be submitted by the advisory group to the legislature. The commission may approve proposed expenditures, may disapprove proposed expenditures that it finds not to be in compliance with this subdivision or otherwise not in the public interest, and may, if agreed to by the public utility, modify proposed expenditures. The commission shall, by order, submit its funding recommendations to the legislature as provided under paragraph (n).

(n) The commission shall present its recommended appropriations from the account to the senate and house of representatives committees with jurisdiction over energy policy and finance annually by February 15 following any year in which the commission has acted on recommendations submitted by the advisory group and the public utility. Expenditures from the account must be appropriated by law. In enacting appropriations from the account, the legislature:

(1) may approve or disapprove, but may not modify, the amount of an appropriation for a project recommended by the commission; and

(2) may not appropriate money for a project the commission has not recommended funding.

(o) A request for proposal for renewable energy generation projects must, when feasible and reasonable, give preference to projects that are most cost-effective for a particular energy source.

(p) The advisory group must annually, by February 15, report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy policy on projects funded by the account for the prior year and all previous years. The report must, to the extent possible and reasonable, itemize the actual and projected financial benefit to the public utility's ratepayers of each project.

(q) By February 1, 2018, and each February 1 thereafter, the commissioner of management and budget shall submit a written report regarding the availability of funds in and obligations of the account to the chairs and ranking minority members of the senate and house committees with jurisdiction over energy policy and finance, the public utility, and the advisory group.

(r) A project receiving funds from the account must produce a written final report that includes sufficient detail for technical readers and a clearly written summary for nontechnical readers. The report must include an evaluation of the project's financial, environmental, and other benefits to the state and the public utility's ratepayers. A project receiving money from the account must submit a report that meets the requirements of section 216C.51, subdivisions 3 and 4, each year the project funded by the account is in progress.

(s) Final reports, any mid-project status reports, and renewable development account financial reports must be posted online on a public website designated by the commissioner of commerce.

(t) All final reports must acknowledge that the project was made possible in whole or part by the Minnesota renewable development account, noting that the account is financed by the public utility's ratepayers.

(u) Of the amount in the renewable development account, priority must be given to making the payments required under section 216C.417.

Sec. 2. **[216C.391] MINNESOTA STATE COMPETITIVENESS FUND.**

Subdivision 1. **Establishment; purpose.** (a) A state competitiveness fund account is created in the special revenue fund of the state treasury. The commissioner must credit to the account appropriations and transfers to the account. Earnings, such as interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money remaining in the account at the end of a fiscal year does not cancel to the general fund but remains in the account until expended. The commissioner must manage the account.

(b) The money in the account must be used to:

(1) meet requirements to match federal funds awarded to the state by the United States Department of Energy or another federal entity;

(2) increase Minnesota's ability to successfully compete for federal funds;

(3) assist eligible entities to access available federal funds; or

(4) pay the reasonable costs incurred by the department to:

(i) pursue and administer energy-related federal funds; and

(ii) assist eligible grantees in the pursuit and management of energy-related federal funds.

(c) State matching grants may be awarded to eligible entities, as defined by the federal fund source, with priority given in the following order:

(1) federal formula funds directed to the state that require a match;

(2) federal formula or competitive funds in which a state match allows disadvantaged communities, utilities, or businesses to be competitive in the pursuit of funding; and

(3) all other competitive or formula grant opportunities in which matching state funds enhance or enable federal dollars to be leveraged.

(d) By August 1, 2022, the department must establish and convene a Minnesota State Competitiveness Fund Advisory Task Force.

(e) By October 1, 2022, the advisory task force must develop administrative procedures governing the determination of state grants so that the grant money is prioritized, to the extent practicable, in an equitable manner.

Subd. 2. **Advisory task force; membership.** (a) The Minnesota State Competitiveness Fund Advisory Task Force is established and consists of 13 members as follows:

(1) the commissioner of commerce or the commissioner's designee, who serves as a nonvoting chair of the advisory task force;

(2) the chair of the house of representatives committee having jurisdiction over energy finance and policy or the chair's designee;

(3) the chair of the senate committee having jurisdiction over energy finance and policy or the chair's designee;

(4) the chair of the Public Utilities Commission or the chair's designee, as a nonvoting member; and

(5) nine members determined by the commissioner and chairs that represent the following interests and entities:

(i) two members representing Minnesota utilities;

(ii) one member representing labor;

(iii) two members representing energy justice, rural, low-income, or historically disadvantaged communities;

(iv) one member representing clean energy businesses;

(v) one member representing manufacturing;

(vi) one member representing higher education; and

(vii) one member with policy or implementation expertise on workforce development for displaced energy workers or persons from low-income or environmental justice communities.

(b) A voting member serving on the Minnesota State Competitiveness Fund Advisory Task Force and the voting member's respective organization are ineligible from receiving state matching funds authorized under this section. A nominal stipend may be provided from grant funds to participating members who would otherwise be unable to attend.

Subd. 3. **Report; audit.** Beginning February 15, 2024, and each year thereafter until February 15, 2035, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy finance and policy regarding: (1) grants and amounts awarded under this section during the previous year; and (2) the remaining balance available under this section and any additional funding opportunities that require additional funding beyond the remaining balance.

Sec. 3. [216C.45] RESIDENTIAL ELECTRIC PANEL UPGRADE GRANTS; PILOT PROGRAM.

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

(b) "Contractor" means a person licensed under section 326B.33 to perform work required under this section, or the licensed person's employer.

(c) "Electric panel" means a panel, including any subpanels, that consists of a main circuit breaker that regulates several other circuit breakers to prevent overloading and distributes electricity throughout a building.

(d) "Income eligible" means:

(1) a single-family residence whose residents received assistance from the federal Low-Income Home Energy Assistance Program during the most recent program year or who the commissioner determines are eligible to receive assistance under the federal Low-Income Home Energy Assistance Program; or

(2) a multifamily building in which at least 66 percent of the units are occupied by households whose income is 60 percent or less of the state median individual or household income, as applicable.

(e) "Multifamily building" means a building that contains two or more units.

(f) "Phase I" means the phase of the program established in this section that begins when the first grant application is received by the department and ends the later of one year after the date the first grant application is received or when 40 percent of funds appropriated to the program have been expended.

(g) "Phase II" means the phase of the program established in this section that begins when Phase I terminates and ends when the appropriation made under article 1, section 2, subdivision 2, paragraph (d), is exhausted.

(h) "Single-family residence" means a building that contains one unit or a manufactured home, as defined in section 327.31, subdivision 6.

(i) "Unit" means a residential living space occupied by an individual or a household.

(j) "Upgrade" means:

(1) for a single-family residence:

(i) the installation of equipment or devices required to bring an electrical panel to a total rating of not less than 200 amperes; and

(ii) the repair or replacement of the wiring attached to the equipment or devices in item (i) to ensure safe operation; or

(2) for a multifamily building:

(i) the installation of equipment or devices required to bring an electrical panel to a rating that allows for full electrification of the building, as described in National Electrical Code Section 220; and

(ii) the repair or replacement of the wiring attached to the equipment or devices in item (i) to ensure safe operation.

Subd. 2. **Program establishment.** A residential electric panel upgrade grant program is established as a pilot program in the department to provide financial assistance to owners of single-family residences and multifamily buildings to upgrade a residence's electric panel.

Subd. 3. **Application process.** An applicant seeking a grant under this section must submit an application to the commissioner on a form developed by the commissioner. The commissioner must develop administrative procedures to govern how eligibility is determined, applications are reviewed, and grants are awarded. The commissioner is the fiscal agent for the grant program and is responsible for reviewing applications and awarding grants under this section. The commissioner may contract with a third party to conduct some or all of the pilot program's operations.

Subd. 4. **Eligibility.** (a) In Phase I, an owner of a single-family residence that is income-eligible is eligible to receive a grant under this section.

(b) In Phase I, an owner of a multifamily building that is income-eligible is eligible to receive a grant under this section.

(c) In Phase II, all owners of single-family residences and multifamily buildings are eligible to receive a grant under this section, regardless of the income of the occupants of the building.

Subd. 5. **Grant awards.** (a) A grant may be awarded under this section to:

(1) an owner of a single-family residence or multifamily building;

(2) a contractor performing an upgrade, provided that the contractor submits to the commissioner written consent from the owner of the single-family residence or multifamily building receiving the upgrade to receive a grant on behalf of the owner; or

(3) a third party, provided that the third party submits to the commissioner written consent from the owner of the single-family residence or multifamily building receiving the upgrade to receive a grant on behalf of the owner.

(b) At the discretion of the commissioner, a grant may be awarded for a single-family home or multifamily building that is not income eligible under this section to reimburse the cost of an upgrade that has previously been installed.

Subd. 6. **Grant amount.** (a) A grant issued under this section must be used only to pay the full equipment and installation costs of an upgrade made by an owner, subject to the limits established in this subdivision.

(b) The maximum grant amount under this section that may be awarded per single-family residence that is:

(1) income eligible is \$10,000; and

(2) not income eligible is \$1,000.

(c) The grant amount under this section that may be awarded per multifamily building that is:

(1) income eligible is the sum of (i) \$9,500, plus (ii) \$500 multiplied by the number of units containing a separate electric panel that received an upgrade in the multifamily building, not to exceed \$50,000 per multifamily building; and

(2) not income eligible is the sum of (i) \$1,000, plus (ii) \$500 multiplied by the number of units containing a separate electric panel that received an upgrade in the multifamily building, not to exceed \$10,000 per multifamily building.

Subd. 7. **Limitation.** No more than one grant may be awarded to an owner under this section for work conducted at the same single-family residence or multifamily building.

Subd. 8. **Outreach.** The department must publicize the availability of grants under this section to, at a minimum:

(1) income-eligible households;

(2) community action agencies and other public and private nonprofit organizations that provide weatherization and other energy services to income-eligible households; and

(3) multifamily property owners and property managers.

Subd. 9. **Report.** (a) No later than 120 days after the date each of Phases I and II of the pilot program ends, the department must submit a report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over climate and energy policy.

(b) The report must summarize program outcomes and must report separately, at a minimum:

(1) the number of units in multifamily buildings and the number of single-family residences whose owners received grants;

(2) the median income of the households in multifamily buildings and in single-family residences whose owners received grants; and

(3) the average amount of grants awarded in multifamily buildings and in single-family residences.

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

Sec. 4. **[216C.51] UTILITY DIVERSITY REPORTING.**

Subdivision 1. **Policy.** It is the policy of the state of Minnesota to encourage each utility that serves Minnesota residents to focus on and improve the diversity of the utility's workforce and suppliers.

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

(b) "Certification" means official recognition by a governmental unit that a business is a preferred vendor as a result of the characteristics of the business owner or owners or the location of the business.

(c) "Utility" has the meaning given in section 216C.06, subdivision 18.

Subd. 3. **Annual report.** (a) Beginning March 15, 2023, and each March 15 thereafter, each utility authorized to do business in Minnesota must file an annual diversity report to the commissioner on:

(1) the utility's goals and efforts to increase diversity in the workplace, including current workforce representation numbers and percentages; and

(2) all procurement goals and actual spending for female-owned, minority-owned, veteran-owned, and small business enterprises during the previous calendar year.

(b) The goals under paragraph (a), clause (2), must be expressed as a percentage of the total work performed by the utility submitting the report. The actual spending for female-owned, minority-owned, veteran-owned, and small business enterprises must also be expressed as a percentage of the total work performed by the utility submitting the report.

Subd. 4. **Report elements.** Each utility required to report under this section must include the following in the annual report:

(1) an explanation of the plan to increase diversity in the utility's workforce and suppliers during the next year;

(2) an explanation of the plan to increase the goals;

(3) an explanation of the challenges faced to increase workforce and supplier diversity, including suggestions regarding actions the department could take to help identify potential employees and vendors;

(4) a list of the certifications the company recognizes;

(5) a point of contact for a potential employee or vendor that wishes to work for or do business with the utility; and

(6) a list of successful actions taken to increase workforce and supplier diversity, in order to encourage other companies to emulate best practices.

Subd. 5. **State data.** Each annual report must include as much state-specific data as possible. If a utility does not submit state-specific data, the utility must include any relevant national data the utility possesses, explain why the utility could not submit state-specific data, and explain how the utility intends to include state-specific data in future reports, if possible.

Subd. 6. **Publication; retention.** The department must publish an annual report on the department's website and must maintain each annual report for at least five years.

Sec. 5. Minnesota Statutes 2020, section 216E.03, subdivision 1, is amended to read:

Subdivision 1. **Site permit.** No person may construct a large electric power generating plant without a site permit from the commission. A large electric generating plant may be constructed only on a site approved by the commission. The commission must incorporate into one proceeding the route selection for a high-voltage transmission line that is directly associated with and necessary to interconnect the large electric generating plant to the transmission system and whose need is certified under section 216B.243.

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

Sec. 6. **DECOMMISSIONING AND DEMOLITION PLAN FOR COAL-FIRED PLANT.**

As a part of the next resource plan filing under Minnesota Statutes, section 216B.2422, subdivision 2, but no later than December 31, 2025, the public utility that owns an electric generation facility that is powered by coal, scheduled for retirement in 2028, and located within the St. Croix National Scenic Riverway must provide, to the extent known, the public utility's plan and detailed timeline to decommission and demolish the electric generation facility and remediate pollution at the electric generation facility site. The public utility must also provide a copy of the plan and timeline to the governing body of the municipality where the electric generation facility is located on the same date the plan and timeline are submitted to the Public Utilities Commission. If a resource plan is not filed or required before December 31, 2025, the plan and timeline must be submitted to the Public Utilities Commission and the municipality as a separate filing by December 31, 2025.

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

Sec. 7. **TRIBAL ADVOCACY COUNCIL ON ENERGY; DEPARTMENT OF COMMERCE SUPPORT.**

(a) The Department of Commerce must provide technical support and subject matter expertise to help facilitate efforts taken by the 11 federally recognized Indian Tribes in Minnesota to establish and operate a Tribal advocacy council on energy.

(b) When requested by a Tribal advocacy council on energy, the Department of Commerce must assist the council to:

(1) assess and evaluate common Tribal energy issues, including:

(i) identifying and prioritizing energy issues;

(ii) facilitating idea sharing among the Tribes to generate solutions to energy issues; and

(iii) assisting decision making with respect to resolving energy issues;

(2) develop new statewide energy policies or proposed legislation, including:

(i) organizing stakeholder meetings;

(ii) gathering input and other relevant information;

(iii) assisting with policy proposal development, evaluation, and decision making; and

(iv) helping facilitate actions taken to submit, and obtain approval for or have enacted, policies or legislation approved by the council;

(3) make efforts to raise awareness of and provide educational opportunities with respect to Tribal energy issues among Tribal members by:

(i) identifying information resources;

(ii) gathering feedback on issues and topics the council identifies as areas of interest; and

(iii) identifying topics for and helping to facilitate educational forums; and

(4) identify, evaluate, disseminate, and implement successful energy-related practices.

(c) Nothing in this section requires or otherwise obligates the 11 federally recognized Indian Tribes in Minnesota to establish a Tribal advocacy council on energy, nor does it require or obligate a federally recognized Indian Tribe in Minnesota to participate in or implement a decision or support an effort made by a Tribal advocacy council on energy.

(d) Any support provided by the Department of Commerce to a Tribal advocacy council on energy under this section must be provided only upon request of the council and is limited to issues and areas where the Department of Commerce's expertise and assistance is requested.

Sec. 8. **REPEALER.**

Laws 2017, chapter 5, section 1, is repealed."

Delete the title and insert:

"A bill for an act relating to energy; establishing a supplemental budget for energy and climate change needs; adding and modifying provisions governing energy conservation, Public Utility Commission proceedings, energy storage, renewable energy, electric vehicles, energy-related economic development, greenhouse gas emissions, and other energy and climate policy; creating accounts; establishing grant programs; authorizing rulemaking; requiring reports; making technical changes; appropriating and transferring money; amending Minnesota Statutes 2020, sections 16B.32, subdivisions 1, 1a; 16C.137, subdivision 1; 116C.779, subdivision 1; 116J.55, subdivision 5; 160.08, subdivision 7; 168.27, by adding a subdivision; 216B.16, subdivision 13; 216B.1611, by adding a subdivision; 216B.1641; 216B.1645, subdivision 2; 216B.1691, subdivision 9; 216B.17, subdivision 1; 216B.2422, subdivisions 1, 3, 5, 7, by adding subdivisions; 216B.2425, subdivision 8; 216B.243, subdivision 8; 216B.50, subdivision 1; 216C.264, subdivision 5, by adding a subdivision; 216C.435, subdivision 8; 216C.436, subdivision 2, by adding a subdivision; 216E.01, subdivision 9a; 216E.03, subdivisions 1, 5, 7, 10, 11; 216E.04, subdivision 2; 216F.04; 326B.103, by adding subdivisions; 326B.106, subdivision 1, by adding a subdivision; Minnesota Statutes

2021 Supplement, sections 16C.135, subdivision 3; 116C.7792; 216C.375, subdivision 1; Laws 2020, chapter 118, section 5, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 116C; 216B; 216C; 500; repealing Minnesota Statutes 2020, sections 16B.323, subdivisions 1, 2; 16B.326; 216B.16, subdivision 10; Laws 2017, chapter 5, section 1."

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Moran from the Committee on Ways and Means to which was referred:

H. F. No. 3438, A bill for an act relating to legacy; appropriating money from outdoor heritage fund, clean water fund, parks and trails fund, and arts and cultural heritage fund; modifying terms of Clean Water Council; modifying prior appropriations; amending Minnesota Statutes 2020, section 114D.30, subdivisions 2, 7; Laws 2019, First Special Session chapter 2, article 4, section 2, subdivision 4; Laws 2021, First Special Session chapter 1, article 3, sections 2, subdivision 1; 3; 4; 7; article 4, section 2.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

Stephenson from the Committee on Commerce Finance and Policy to which was referred:

H. F. No. 3607, A bill for an act relating to commerce; modifying department enforcement powers; regulating market conduct examinations; requiring a report; amending Minnesota Statutes 2020, sections 45.027, subdivisions 1a, 6, by adding a subdivision; 60A.031, subdivision 3, by adding a subdivision; 60A.033, subdivision 9, by adding subdivisions; 70A.06, by adding a subdivision; 72A.19, subdivision 1; repealing Minnesota Statutes 2020, section 60A.033, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
SUPPLEMENTAL APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023. If an appropriation in this act is enacted more than once in the 2022 legislative session, the appropriation must be given effect only once. Appropriations for the fiscal year ending June 30, 2022, are effective the day following final enactment. The appropriations made under this article supplement, and do not supersede or replace, the appropriations made under Laws 2021, First Special Session chapter 4, article 1.

APPROPRIATIONS
Available for the Year
Ending June 30
2022 2023

Sec. 2. **DEPARTMENT OF COMMERCE**

Subdivision 1. **Total Appropriation**

\$-0- **\$6,153,000**

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
General	<u>-0-</u>	<u>5,653,000</u>
Special Revenue	<u>-0-</u>	<u>500,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Administrative Services**

-0- 392,000

\$301,000 in fiscal year 2023 is for the senior fraud prevention program.

\$91,000 in fiscal year 2023 is for the licensing disqualification and preliminary application requirements under article 2, section 52.

Subd. 3. **Financial Services**

-0- 533,000

\$300,000 in fiscal year 2023 is for additional securities staff.

\$233,000 in fiscal year 2023 is to establish and operate a student loan advocate under Minnesota Statutes, section 58B.011. The base for this appropriation is \$233,000 in fiscal year 2024 and \$233,000 in fiscal year 2025.

Subd. 4. **Insurance**

-0- 633,000

\$108,000 in fiscal year 2023 is for a study and report on disparities in geographic rating areas in individual and small group market health insurance under article 3, section 34. This is a onetime appropriation.

\$525,000 in fiscal year 2023 is for additional staff in the insurance division. The additional staff must focus on property- and casualty-related insurance products.

Subd. 5. **Enforcement**

-0- 4,595,000

\$4,095,000 in fiscal year 2023 is for the automobile theft prevention program under Minnesota Statutes, section 65B.84. This is a onetime appropriation.

\$500,000 in fiscal year 2023 is appropriated from the auto theft prevention account in the special revenue fund to the commissioner of commerce to reimburse law enforcement agencies for investigation and enforcement activities to combat automobile theft. This appropriation does not cancel and remains available until expended. This is a onetime appropriation.

Sec. 3. **BOARD OF ACCOUNTANCY**

\$-0-

\$6,000

Licensing Disqualifications; Preliminary Applications.

\$6,000 in fiscal year 2023 is to the Board of Accountancy for the licensing disqualification and preliminary application requirements under article 2, section 52. This is a onetime appropriation.

Sec. 4. **ATTORNEY GENERAL**

\$-0-

\$27,000

Licensing Disqualifications; Preliminary Applications.

\$27,000 in fiscal year 2023 is to the attorney general for the licensing disqualification and preliminary application requirements under article 2, section 52.

Sec. 5. **PROFESSIONAL EDUCATOR LICENSING AND STANDARDS BOARD**

\$-0-

\$514,000

Licensing Disqualifications; Preliminary Applications.

\$514,000 in fiscal year 2023 is to the Professional Educator Licensing and Standards Board for the licensing disqualification and preliminary application requirements under article 2, section 52. The base for this appropriation is \$142,000 in fiscal year 2024 and \$142,000 in fiscal year 2025.

Sec. 6. **DEPARTMENT OF REVENUE**

\$-0-

\$19,000

Licensing Disqualifications; Preliminary Applications.

\$19,000 in fiscal year 2023 is to the Department of Revenue for the licensing disqualification and preliminary application requirements under article 2, section 52. The base for this appropriation is \$3,000 in fiscal year 2024 and \$3,000 in fiscal year 2025.

Sec. 7. **GAMBLING CONTROL BOARD**

\$-0-

\$3,000

Licensing Disqualifications; Preliminary Applications.

\$3,000 in fiscal year 2023 is from the lawful gambling regulation account in the special revenue fund to the Gambling Control Board for the licensing disqualification and preliminary application requirements under article 2, section 52.

Sec. 8. **COMMERCE FRAUD BUREAU; TRANSFER.**

\$870,000 in fiscal year 2023 is transferred from the general fund to the insurance fraud prevention account for five additional peace officers in the Commerce Fraud Bureau. The base for this transfer is \$811,000 in fiscal year 2024 and \$811,000 in fiscal year 2025.

ARTICLE 2
COMMERCE POLICY

Section 1. Minnesota Statutes 2020, section 45.0135, subdivision 2a, is amended to read:

Subd. 2a. **Authorization.** (a) The commissioner may appoint peace officers, as defined in section 626.84, subdivision 1, paragraph (c), and establish a law enforcement agency, as defined in section 626.84, subdivision 1, paragraph (f), known as the Commerce Fraud Bureau, to conduct investigations, and to make arrests under sections 629.30 and 629.34. The primary jurisdiction of the law enforcement agency is limited to offenses ~~related to insurance fraud~~ with a nexus to insurance-related crimes or financial crimes.

(b) Upon request and at the commissioner's discretion, the Commerce Fraud Bureau may respond to a law enforcement agency's request to exercise law enforcement duties in cooperation with the law enforcement agency that has jurisdiction over the particular matter.

(c) The Commerce Fraud Bureau must allocate at least 70 percent of its work to insurance-related crimes.

Sec. 2. Minnesota Statutes 2020, section 45.0135, subdivision 2b, is amended to read:

Subd. 2b. **Duties.** The Commerce Fraud Bureau shall:

(1) review notices and reports of insurance fraud within the Commerce Fraud Bureau's primary jurisdiction submitted by authorized insurers, their employees, and agents or producers;

(2) respond to notifications or complaints of suspected insurance fraud within the Commerce Fraud Bureau's primary jurisdiction generated by other law enforcement agencies, state or federal governmental units, or any other person;

(3) initiate inquiries and conduct investigations when the bureau has reason to believe that insurance fraud an offense within the Commerce Fraud Bureau's primary jurisdiction has been or is being committed; and

(4) report incidents of alleged insurance fraud crimes disclosed by its the Commerce Fraud Bureau's investigations to appropriate law enforcement agencies, including, but not limited to, the attorney general, county attorneys, or any other appropriate law enforcement or regulatory agency, and shall assemble evidence, prepare charges, and otherwise assist any law enforcement authority having jurisdiction.

Sec. 3. Minnesota Statutes 2020, section 45.25, is amended by adding a subdivision to read:

Subd. 9a. **Live course.** "Live course" means any learning experience that is actively led by an instructor, either online or in a classroom setting, that offers person-to-person, real-time feedback. A live course offered online must:

(1) specify the minimum system requirements;

(2) provide encryption that ensures that all personal information, including the student's name, address, and credit card number, cannot be read as it passes across the Internet;

(3) include technology to guarantee seat time;

(4) include the ability for the student to get technical support within a reasonable amount of time;

(5) include a statement that the student's information will not be sold or distributed to any third party without the prior written consent of the student. Taking the course does not constitute consent; and

(6) include a process to authenticate the student's identity.

Sec. 4. Minnesota Statutes 2020, section 45.25, is amended by adding a subdivision to read:

Subd. 9b. **On-demand course.** "On-demand course" means an online learning experience that enables a student to review learning material at a time and location that is convenient for the student. On-demand course includes but is not limited to asynchronous online courses, text-based courses, and other courses not offered live that include prerecorded videos, class recordings, documents, or other learning activities.

Sec. 5. Minnesota Statutes 2020, section 45.25, subdivision 12, is amended to read:

Subd. 12. **Proctor.** (a) "Proctor" means a ~~disinterested third party with no conflict of interest~~ person who (1) verifies a student's identity, and (2) processes an affidavit testifying that the student received no outside assistance with the course or examination.

(b) A proctor must be 18 years of age or older. A proctor must not have a financial or other conflict of interest with respect to a student's successful completion of the course or the examination. A proctor must not be:

(1) a relative of the student;

(2) the student's supervisor at work;

(3) a person the student supervises at work; or

(4) a student who is completing the same course.

Sec. 6. Minnesota Statutes 2020, section 45.25, subdivision 13, is amended to read:

Subd. 13. **Professional designation.** "Professional designation" means ~~a written, proctored, and graded examination, the passage of which leads to a bona fide~~ an industry-recognized professional designation used by licensees a licensee after completing a series of courses and passing a graded, proctored examination.

Sec. 7. **[45.301] ON-DEMAND CONTINUING EDUCATION; REQUIREMENTS.**

Subdivision 1. **On-demand course requirements.** An on-demand continuing education course offered online must:

(1) specify the minimum system requirements;

(2) provide encryption that ensures that all personal information, including the student's name, address, and credit card number, cannot be read as it passes across the Internet;

(3) include technology to guarantee seat time;

- (4) include a high level of interactivity;
 - (5) include graphics that reinforce the content;
 - (6) include the ability for the student to contact an instructor within a reasonable amount of time;
 - (7) include the ability for the student to get technical support within a reasonable amount of time;
 - (8) include a statement that the student's information will not be sold or distributed to any third party without prior written consent of the student. Taking the course does not constitute consent;
 - (9) be available 24 hours a day, seven days a week, excluding minimal down time for updating and administration;
 - (10) provide viewing access to the online course at all times to the commissioner, excluding minimal down time for updating and administration;
 - (11) include a process to authenticate the student's identity;
 - (12) inform the student and the commissioner how long a course is accessible after the course is purchased;
 - (13) inform the student that license education credit is not awarded for taking the course after the course loses status as an approved course;
 - (14) provide clear instructions on how to navigate through the course;
 - (15) provide automatic bookmarking at any point in the course;
 - (16) provide questions after each unit or chapter that must be answered before the student can proceed to the next unit or chapter;
 - (17) include a reinforcement response when a quiz question is answered correctly;
 - (18) include a response when a quiz question is answered incorrectly;
 - (19) include a final examination;
 - (20) allow the student to return to and review any unit at any time, except during the final examination;
 - (21) provide a course evaluation at the end of the course. At a minimum, the evaluation must ask the student to report any difficulties caused by the online education delivery method; and
 - (22) provide a completion certificate when the course and exam have been completed and the provider has verified the completion. An electronic certificate is sufficient.
- Subd. 2. **Final examination.** The final examination must be either an encrypted online examination or a paper examination that is monitored by a proctor who certifies that the student took the examination. The student must not be allowed to review the course content once the examination has begun.

Sec. 8. Minnesota Statutes 2020, section 45.31, subdivision 2, is amended to read:

Subd. 2. **Approval.** (a) ~~The commissioner must approve as a coordinator a person meeting one or more of the following criteria: at least three years of full-time experience in the administration of an education program during the five-year period immediately before the date of application, or a degree in education plus two years experience during the immediately preceding five-year period in one of the regulated industries for which courses are being approved, or a minimum of five years experience within the previous six years in the regulated industry for which courses are held.~~ A person applying for approval as a course coordinator must:

(1) be qualified or have experience in the applicable subject matter of courses offered by the education provider or have experience administering an education program; and

(2) make available upon request such records and data required by the commissioner to administer the provisions and further the purposes of this chapter.

(b) Coordinator approval may not be transferred to an individual who has not already been approved as an additional coordinator for the applicable license type for the providership in question. An individual must be approved as a coordinator by the commissioner before acting on behalf of an approved education provider.

Sec. 9. Minnesota Statutes 2020, section 45.31, subdivision 3, is amended to read:

Subd. 3. **Responsibilities.** ~~A coordinator~~ An education provider is responsible for:

(1) assuring compliance with all laws and rules relating to educational offerings governed by the commissioner;

(2) assuring that students are provided with current and accurate information relating to the laws and rules governing their licensed activity;

(3) supervising and evaluating courses and instructors. Supervision includes assuring, especially when a course will be taught by more than one instructor, that all areas of the curriculum are addressed without redundancy and that continuity is present throughout the entire course;

(4) ensuring that instructors are qualified to teach the course offering;

(5) furnishing the commissioner, upon request, with copies of course and instructor evaluations and qualifications of instructors. Evaluations must be completed by students and coordinators;

(6) investigating complaints related to course offerings and instructors and forwarding a copy of the written complaints to the Department of Commerce;

(7) maintaining accurate records relating to course offerings, instructors, tests taken by students, and student attendance for a period of three years from the date on which the course was completed. These records must be made available to the commissioner upon request. In the event that an education provider ceases operation for any reason, the coordinator is responsible for maintaining the records or providing a custodian for the records acceptable to the commissioner. The coordinator must notify the commissioner of the name and address of that person. In order to be acceptable to the commissioner, custodians must agree to make copies of acknowledgments available to students at a reasonable fee. Under no circumstances will the commissioner act as custodian of the records;

(8) ensuring that the coordinator is available to instructors and students throughout course offerings and providing to the students and instructor the name of the coordinator and a telephone number at which the coordinator can be reached;

(9) attending workshops or instructional programs as reasonably required by the commissioner;

(10) providing course completion certificates within ten days of, but not before, completion of the entire course. Course completion certificates must be completed in their entirety. It is not necessary to provide a written course completion certificate if the course completion certificate has been electronically delivered to the department or its designated licensing contractor. A coordinator may require payment of the course tuition as a condition for receiving the course completion certificate;

(11) notifying the commissioner immediately of any change in an application for the course, coordinator, or instructor approval application; and

(12) in conjunction with the instructor, assuring and certifying attendance of students enrolled in courses.

Sec. 10. Minnesota Statutes 2020, section 46.131, subdivision 2, is amended to read:

Subd. 2. **Assessment authority.** Each ~~bank, trust company, savings bank, savings association, regulated lender, industrial loan and thrift company, credit union, motor vehicle sales finance company, debt management services provider, debt settlement services provider, insurance premium finance company, and residential PACE administrator, as defined in section 216C.435, subdivision 10a,~~ financial institution governed by chapters 46 to 59A, 216C, and 332 to 332B that is organized under the laws of this state or required to be administered by the commissioner of commerce shall pay into the state treasury its proportionate share of the cost of maintaining the Department of Commerce. This subdivision does not apply to student loan servicers or collection agencies.

Sec. 11. Minnesota Statutes 2020, section 46.131, subdivision 4, is amended to read:

Subd. 4. **General assessment basis.** (a) Assessments shall be made by the commissioner against each institution within the industry on an equitable basis, according to the total assets or business volume of each institution as of the end of the previous calendar year.

(b) Assessments against residential PACE administrators, as defined in section 216C.435, subdivision 10a, must be made by the commissioner according to the total business volume as of the end of the previous calendar year.

Sec. 12. Minnesota Statutes 2020, section 46.131, subdivision 11, is amended to read:

Subd. 11. **Financial institutions account; appropriation.** (a) The financial institutions account is created as a separate account in the special revenue fund. Earnings, including interest, dividends, and any other earnings arising from account assets, must be credited to the account.

(b) The account consists of funds received from assessments under subdivision 7, examination fees under subdivision 8, and funds received pursuant to subdivision 10 and the following provisions: sections 46.04; 46.041; 46.048, subdivision 1; 47.101; 47.54, subdivision 1; 47.60, subdivision 3; 47.62, subdivision 4; 48.61, subdivision 7, paragraph (b); 49.36, subdivision 1; 52.203; 53B.09; 53B.11, subdivision 1; 53C.02; 56.02; 58.10; 58A.045, subdivision 2; and 59A.03; 216C.437, subdivision 12; 332A.04; and 332B.04.

(c) Funds in the account are annually appropriated to the commissioner of commerce for activities under this section.

Sec. 13. Minnesota Statutes 2020, section 47.08, is amended to read:

47.08 ARTICLES OF INCORPORATION FILED WITH COMMISSIONER.

All persons proposing to incorporate and organize any financial institution, whether defined or described as such by the laws of the state, shall, before doing any business in the state as a corporation, ~~and before filing their articles of incorporation with the secretary of state or with any other officer with whom the law requires such articles to be filed or recorded,~~ file a copy of such the proposed articles of incorporation with the commissioner of commerce.

Sec. 14. Minnesota Statutes 2020, section 47.16, subdivision 1, is amended to read:

Subdivision 1. **Filing.** The certificate of a corporation must be filed for record with the ~~secretary of state~~ commissioner of commerce. If the ~~secretary of state~~ commissioner of commerce finds that it conforms to law and that the required fee has been paid, the ~~secretary of state~~ commissioner of commerce must record it and certify that fact on it. ~~The secretary of state may not accept a certificate for filing unless the certificate also contains the endorsement of the commissioner of commerce.~~

Sec. 15. Minnesota Statutes 2020, section 47.16, subdivision 2, is amended to read:

Subd. 2. **Certificate of authority.** If the commissioner of commerce is satisfied that the corporation has been organized for legitimate purposes, and under such conditions as to merit and have public confidence, and that all provisions of law applicable to every branch of business in which, by the terms of its certificate, it is authorized to engage, have been complied with, the commissioner shall so certify. When the original ~~certificate and the~~ certificate of incorporation ~~from the secretary of state~~ is filed with the commissioner of commerce, the commissioner shall, within 60 days thereafter, execute and deliver to it a certificate of authority.

Sec. 16. Minnesota Statutes 2020, section 47.172, subdivision 2, is amended to read:

Subd. 2. **Effect.** The certificate to be filed to accomplish a restated certificate of incorporation must be entitled "restated certificate of incorporation of (name of financial corporation)" and must contain a statement that the restated certificate supersedes and takes the place of the existing certificate of incorporation and all amendments to it. The restated certificate of incorporation when executed, filed and recorded in the manner prescribed for certificate of amendment supersedes and takes the place of an existing certificate of incorporation and amendments to it. ~~The secretary of state upon request must certify the restated certificate of incorporation.~~

Sec. 17. Minnesota Statutes 2020, section 47.28, subdivision 3, is amended to read:

Subd. 3. **Recording.** Upon receipt of the fees required for filing and recording amended articles of incorporation of savings banks, the ~~secretary of state~~ commissioner of commerce shall record the amended articles of incorporation and certify that fact thereon, whereupon the conversion of such savings bank into a savings association shall become final and complete and thereafter said corporation shall have the powers and be subject to the duties and obligations prescribed by the laws of this state applicable to savings associations.

Sec. 18. Minnesota Statutes 2020, section 47.30, subdivision 5, is amended to read:

Subd. 5. **Recording.** Upon receipt of the fees required for filing and recording amended articles of incorporation of savings associations, the ~~secretary of state~~ commissioner of commerce shall record the amended articles of incorporation and certify that fact thereon, whereupon the conversion of such savings association into a savings bank shall become final and complete and thereafter the signers of said amended articles and their successors shall be a corporation, and have the powers and be subject to the duties and obligations prescribed by the laws of this state applicable to savings banks.

Sec. 19. Minnesota Statutes 2020, section 48A.15, subdivision 1, is amended to read:

Subdivision 1. **Authorization.** (a) A trust company organized under the laws of this state or a state bank and trust may, after completing the notification procedure required by this subdivision, establish and maintain a trust service office at any office in this state or of any other state or national bank. A state bank may, after completing the notification procedure required by this subdivision, permit a trust company organized under the laws of this state or a state bank and trust or a national bank in this state that is authorized to exercise trust powers to establish and maintain a trust service office at any of its banking offices.

(b) The trust company or state bank and trust and a state bank at which a trust service office is to be established according to this section shall jointly file, on forms provided by the commissioner, a notification of intent to establish a trust service office. The notification must be accompanied by a filing fee of \$100 payable to the commissioner, to be deposited in the ~~general fund of the state~~ financial institutions account under section 46.131, subdivision 11. No trust service office shall be established according to this section if disallowed by order of the commissioner within 30 days of the filing of a complete and acceptable notification of intent to establish a trust service office. An order of the commissioner to disallow the establishment of a trust service office under this section is subject to judicial review under sections 14.63 to 14.69.

Sec. 20. Minnesota Statutes 2020, section 53.03, subdivision 1, is amended to read:

Subdivision 1. **Application, fee, notice.** Any corporation hereafter organized as an industrial loan and thrift company, shall, after compliance with the requirements set forth in sections 53.01 and 53.02, file a written application with the Department of Commerce for a certificate of authorization. A corporation that will not sell or issue thrift certificates for investment as permitted by this chapter need not comply with subdivision 2b. The application must be in the form prescribed by the Department of Commerce. The application must be made in the name of the corporation, executed and acknowledged by an officer designated by the board of directors of the corporation, requesting a certificate authorizing the corporation to transact business as an industrial loan and thrift company, at the place and in the name stated in the application. At the time of filing the application the applicant shall pay \$1,500 filing fee if the corporation will not sell or issue thrift certificates for investment, and a filing fee of \$8,000 if the corporation will sell or issue thrift certificates for investment. The fees must be ~~turned over by the commissioner to the commissioner of management and budget and credited to the general fund~~ collected by the commissioner and deposited in the financial institutions account under section 46.131, subdivision 11. The applicant shall also submit a copy of the bylaws of the corporation, its articles of incorporation and all amendments thereto at that time. An application for powers under subdivision 2b must also require that a notice of the filing of the application must be published once within 30 days of the receipt of the form prescribed by the Department of Commerce, at the expense of the applicant, in a qualified newspaper published in the municipality in which the proposed industrial loan and thrift company is to be located, or, if there be none, in a qualified newspaper likely to give notice in the municipality in which the company is proposed to be located. If the Department of Commerce receives a written objection to the application from any person within 15 days of the notice having been fully published, the commissioner shall proceed in the same manner as required under section 46.041, subdivisions 3 and 4, relating to state banks.

Sec. 21. Minnesota Statutes 2020, section 53.03, subdivision 5, is amended to read:

Subd. 5. **Place of business.** Not more than one place of business may be maintained under any certificate of authorization issued subsequent to the enactment of Laws 1943, chapter 67, pursuant to the provisions of this chapter, but the Department of Commerce may issue more than one certificate of authorization to the same corporation upon compliance with all the provisions of this chapter governing an original issuance of a certificate of authorization. To the extent that previously filed applicable information remains unchanged, the applicant need not refile this information, unless requested. The filing fee for a branch application shall be \$500 and the investigation

fee \$250. An industrial loan and thrift corporation with deposit liabilities may change one or more of its locations upon the written approval of the commissioner of commerce. A fee of \$100 must accompany each application to the commissioner for approval to change the location of an established office. An industrial loan and thrift corporation that does not sell and issue thrift certificates for investment may change one or more locations by giving 30 days' written notice to the Department of Commerce which shall promptly amend the certificate of authorization accordingly. No change in place of business of a company to a location outside of its current trade area or more than 25 miles from its present location, whichever distance is greater, shall be permitted under the same certificate unless all of the applicable requirements of this section have been met. All money collected by the commissioner under this chapter must be deposited into the financial institutions account under section 46.131, subdivision 11.

Sec. 22. Minnesota Statutes 2020, section 53C.02, is amended to read:

53C.02 SALES FINANCE COMPANY; LICENSE, FEES, REFUND.

(a) No person shall engage in the business of a sales finance company in this state without a license therefor as provided in sections 53C.01 to 53C.14 provided, however, that no bank, trust company, savings bank, savings association, or credit union, whether state or federally chartered, industrial loan and thrift company, or licensee under the Minnesota Regulated Loan Act authorized to do business in this state shall be required to obtain a license under sections 53C.01 to 53C.14.

(b) The application for a license shall be in writing, under oath and in the form prescribed by the commissioner. The application shall contain the name of the applicant; date of incorporation, if incorporated; the address where the business is or is to be conducted and similar information as to any branch office of the applicant; the name and resident address of the owner or partners, or, if a corporation or association, of the directors, trustees and principal officers, and other pertinent information the commissioner requires.

(c) The licensee fee for the fiscal year beginning July 1 and ending June 30 of the following year, or any part thereof shall be the sum of \$250 for the principal place of business of the licensee, and the sum of \$125 for each branch of the licensee. Any licensee who proves to the satisfaction of the commissioner, by affidavit or other proof satisfactory to the commissioner, that during the 12 calendar months of the immediately preceding fiscal year, for which the license has been paid that the licensee has not held retail installment contracts exceeding \$15,000 in amount, shall be entitled to a refund of that portion of each license fee paid in excess of \$25. The commissioner shall certify ~~to the commissioner of management and budget~~ that the licensee is entitled to a refund, and payment ~~thereof of the refund~~ shall be made by the commissioner ~~of management and budget~~. The amount necessary to pay for the refundment of the license fee is appropriated ~~out of the general fund~~ from the financial institutions account under section 46.131, subdivision 11. All license fees received by the commissioner under sections 53C.01 to 53C.14 shall be deposited with the commissioner of management and budget.

(d) Each license shall specify the location of the office or branch and must be conspicuously displayed there. In case the location be changed, the commissioner shall endorse the change of location on the license.

(e) Upon the filing of such application, and the payment of the fee, the commissioner shall issue a license to the applicant to engage in the business of a sales finance company under and in accordance with the provisions of sections 53C.01 to 53C.14 for a period which shall expire the last day of June next following the date of its issuance. The license shall not be transferable or assignable. No licensee shall transact any business provided for by sections 53C.01 to 53C.14 under any other name.

(f) Section 58A.04, subdivisions 2 and 3, apply to this section.

Sec. 23. Minnesota Statutes 2020, section 55.10, subdivision 1, is amended to read:

Subdivision 1. **Permitting access, removal, or delivery.** When a safe deposit box shall have been hired from any licensed safe deposit company in the name of two or more persons, including ~~husband and wife~~ a married couple, with the right of access being given to either, or with access to either or the survivor or survivors of the person, or property is held for safekeeping by any licensed safe deposit company for two or more persons, including ~~husband and wife~~ a married couple, with the right of delivery being given to either, or with the right of delivery to either of the survivor or survivors of these persons, any one or more of these persons, whether the other or others be living or not, shall have the right of access to the safe deposit box and the right to remove all, or any part, of the contents thereof, or to have delivered to all or any one of them, or any part of the valuable personal property so held for safekeeping; and, in case of this access, removal, or delivery, the safe deposit company shall be exempt from any liability for permitting the access, removal, or delivery.

Sec. 24. Minnesota Statutes 2020, section 56.02, is amended to read:

56.02 APPLICATION FEE.

(a) Application for license shall be in writing, under oath, and in the form prescribed by the commissioner, and contain the name and the address, both of the residence and place of business, of the applicant and, if the applicant is a copartnership or association, of every member thereof, and if a corporation, of each officer and director thereof; also the county and municipality, with street and number, if any, where the business is to be conducted, and such further information as the commissioner may require. The applicant at the time of making application, shall pay to the commissioner the sum of \$500 as a fee for investigating the application, and the additional sum of \$250 as an annual license fee for a period terminating on the last day of the current calendar year. In addition to the annual license fee, every licensee hereunder shall pay to the commissioner the actual costs of each examination, as provided for in section 56.10. All ~~moneys~~ money collected by the commissioner under this chapter shall be ~~turned over to the commissioner of management and budget and credited by the commissioner of management and budget to the general fund of the state~~ deposited in the financial institutions account under section 46.131, subdivision 11.

(b) Every applicant shall also prove, in form satisfactory to the commissioner, that the applicant has available for the operation of the business at the location specified in the application, liquid assets of at least \$50,000.

(c) Section 58A.04, subdivisions 2 and 3, apply to this section.

Sec. 25. Minnesota Statutes 2020, section 60A.033, subdivision 8, is amended to read:

Subd. 8. **Costs.** All bills for examination costs being charged to an insurance company pursuant to subdivision 5 or section 60A.031, subdivision 3, paragraph (c), must:

(1) be itemized and, with respect to examiner billings, contain activity detail on a quarterly hourly basis by an individual examiner and disclose the applicable hourly billing rates, together with per-charge detail for related travel or other expenses; and

(2) provide a due date no less than ~~30~~ 60 days from receipt of the bill.

Sec. 26. Minnesota Statutes 2020, section 60A.033, subdivision 9, is amended to read:

Subd. 9. **Completion of examination.** An examination under section 60A.031 must not exceed 18 months from the date the commissioner receives the insurance company's first submission pursuant to a scheduling order, unless:

(1) the commissioner determines that there has been a material lack of cooperation by the insurance company and advises the company in writing of the specific instances demonstrating a lack of cooperation;

(2) the examination is a multistate examination; or

(3) the commissioner determines that additional time is necessary to complete the examination and the commissioner notifies the insurance company in writing of the reasons why the examination requires additional time.

Sec. 27. Minnesota Statutes 2020, section 60A.033, is amended by adding a subdivision to read:

Subd. 11. Informal disposition. (a) The commissioner must make an attempt to informally resolve any alleged violations of law identified during the examination or investigation. An attempt to informally resolve a violation may consist of a consent order, nonpublic letter of reprimand, or other informal resolution or disposition.

(b) The terms of a consent order or other informal disposition that prescribes compliance requirements must be consistent with the requirements of Minnesota law.

Sec. 28. Minnesota Statutes 2020, section 60A.033, is amended by adding a subdivision to read:

Subd. 12. Report to the legislature. Each year by February 1, the commissioner must report the following information to the chairs and ranking minority members of the house of representatives and senate committees having jurisdiction over commerce:

(1) a listing of the number of pending market conduct exams and the year the exams were commenced;

(2) the number of exams closed during the prior year and the current total of costs charged to the companies for each exam;

(3) whether the exam is being conducted, in whole or in part, by third-party examiners; and

(4) other information that the chairs or ranking minority members may reasonably request, subject to the limitations of section 60A.031, subdivision 4, paragraph (f).

Sec. 29. Minnesota Statutes 2020, section 60A.952, subdivision 2, is amended to read:

Subd. 2. Notice to and cooperation with the Commerce Fraud Bureau. Any insurer or insurance professional that has reasonable belief that an act of insurance fraud will be, is being, or has been committed, ~~shall~~ may furnish and disclose all relevant information to the Commerce Fraud Bureau or to any authorized person and cooperate fully with any investigation conducted by the Commerce Fraud Bureau. Any person that has a reasonable belief that an act of insurance fraud will be, is being, or has been committed, or any person who collects, reviews, or analyzes information concerning insurance fraud may furnish and disclose any information in its possession concerning the act to the Commerce Fraud Bureau, any authorized person, or to an authorized representative of an insurer that requests the information for the purpose of detecting, prosecuting, or preventing insurance fraud. The insurer may also release relevant information to any person authorized to receive the information under section 72A.502, subdivision 2. If disclosure is made to an authorized person other than the Commerce Fraud Bureau, a copy of the disclosure must be sent to the Commerce Fraud Bureau.

Sec. 30. Minnesota Statutes 2020, section 60A.953, is amended to read:

60A.953 ENFORCEMENT; REFUSAL TO COOPERATE WITH AN INVESTIGATION.

The intentional failure to provide relevant information as required by section 60A.952, subdivision 1, ~~or to provide notification of insurance fraud as required by section 60A.952, subdivision 2,~~ is punishable as a misdemeanor. It is unlawful for any person to knowingly or intentionally interfere with the enforcement of the provisions of sections 60A.951 to 60A.956 or investigation of suspected or actual violations of sections 60A.951 to 60A.956 and is punishable as a misdemeanor.

Sec. 31. Minnesota Statutes 2020, section 60A.954, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** An insurer shall institute, implement, and maintain an antifraud plan. For the purpose of this section, the term insurer does not include reinsurers, the Workers' Compensation Reinsurance Association, self-insurers, and excess insurers. Within 30 days after instituting or materially modifying an antifraud plan, the insurer shall notify the commissioner in writing. The notice must include the name of the person responsible for administering the plan. An antifraud plan shall establish procedures to:

(1) prevent insurance fraud, including: internal fraud involving the insurer's officers, employees, or agents; fraud resulting from misrepresentations on applications for insurance; and claims fraud;

(2) report insurance fraud to appropriate law enforcement authorities; and

(3) cooperate with the prosecution of insurance fraud cases.

Sec. 32. Minnesota Statutes 2020, section 65B.84, subdivision 1, is amended to read:

Subdivision 1. **Program described; commissioner's duties; appropriation.** (a) The commissioner of commerce shall:

(1) develop and sponsor the implementation of statewide plans, programs, and strategies to combat automobile theft, improve the administration of the automobile theft laws, and provide a forum for identification of critical problems for those persons dealing with automobile theft;

(2) coordinate the development, adoption, and implementation of plans, programs, and strategies relating to interagency and intergovernmental cooperation with respect to automobile theft enforcement;

(3) annually audit the plans and programs that have been funded in whole or in part to evaluate the effectiveness of the plans and programs and withdraw funding should the commissioner determine that a plan or program is ineffective or is no longer in need of further financial support from the fund;

(4) develop a plan of operation including:

(i) an assessment of the scope of the problem of automobile theft, including areas of the state where the problem is greatest;

(ii) an analysis of various methods of combating the problem of automobile theft;

(iii) a plan for providing financial support to combat automobile theft;

(iv) a plan for eliminating car hijacking; and

(v) an estimate of the funds required to implement the plan; and

(5) distribute money, in consultation with the commissioner of public safety, pursuant to subdivision 3 from the automobile theft prevention special revenue account for automobile theft prevention activities, including:

(i) paying the administrative costs of the program;

(ii) providing financial support to the State Patrol and local law enforcement agencies for automobile theft enforcement teams;

(iii) providing financial support to state or local law enforcement agencies for programs designed to reduce the incidence of automobile theft and for improved equipment and techniques for responding to automobile thefts;

(iv) providing financial support to local prosecutors for programs designed to reduce the incidence of automobile theft;

(v) providing financial support to judicial agencies for programs designed to reduce the incidence of automobile theft;

(vi) providing financial support for neighborhood or community organizations or business organizations for programs designed to reduce the incidence of automobile theft and to educate people about the common methods of automobile theft, the models of automobiles most likely to be stolen, and the times and places automobile theft is most likely to occur; and

(vii) providing financial support for automobile theft educational and training programs for state and local law enforcement officials, driver and vehicle services exam and inspections staff, and members of the judiciary.

(b) The commissioner may not spend in any fiscal year more than ~~ten~~ 7.5 percent of the money in the fund for the program's administrative and operating costs. The commissioner is annually appropriated and must distribute the amount of the proceeds credited to the automobile theft prevention special revenue account each year, less the transfer of \$1,300,000 each year to the insurance fraud prevention account described in section 297I.11, subdivision 2.

(c) At the end of each fiscal year, the commissioner may transfer any unobligated balances in the auto theft prevention account to the insurance fraud prevention account under section 45.0135, subdivision 6.

Sec. 33. Minnesota Statutes 2020, section 65B.84, subdivision 2, is amended to read:

Subd. 2. **Annual report.** By ~~January 15~~ of September 30 each year, the commissioner shall report to the governor and the chairs and ranking minority members of the house of representatives and senate committees having jurisdiction over the Departments of Commerce and Public Safety on the activities and expenditures in the preceding year.

Sec. 34. Minnesota Statutes 2020, section 80A.61, is amended to read:

80A.61 SECTION 406; REGISTRATION BY BROKER-DEALER, AGENT, FUNDING PORTAL, INVESTMENT ADVISER, AND INVESTMENT ADVISER REPRESENTATIVE.

(a) **Application for initial registration by broker-dealer, agent, investment adviser, or investment adviser representative.** A person shall register as a broker-dealer, agent, investment adviser, or investment adviser representative by filing an application and a consent to service of process complying with section 80A.88, and paying the fee specified in section 80A.65 and any reasonable fees charged by the designee of the administrator for processing the filing. The application must contain:

(1) the information or record required for the filing of a uniform application; and

(2) upon request by the administrator, any other financial or other information or record that the administrator determines is appropriate.

(b) **Amendment.** If the information or record contained in an application filed under subsection (a) is or becomes inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting amendment.

(c) **Effectiveness of registration.** If an order is not in effect and a proceeding is not pending under section 80A.67, registration becomes effective at noon on the 45th day after a completed application is filed, unless the registration is denied. A rule adopted or order issued under this chapter may set an earlier effective date or may defer the effective date until noon on the 45th day after the filing of any amendment completing the application.

(d) **Registration renewal.** A registration is effective until midnight on December 31 of the year for which the application for registration is filed. Unless an order is in effect under section 80A.67, a registration may be automatically renewed each year by filing such records as are required by rule adopted or order issued under this chapter, by paying the fee specified in section 80A.65, and by paying costs charged by the designee of the administrator for processing the filings.

(e) **Additional conditions or waivers.** A rule adopted or order issued under this chapter may impose such other conditions, not inconsistent with the National Securities Markets Improvement Act of 1996. An order issued under this chapter may waive, in whole or in part, specific requirements in connection with registration as are in the public interest and for the protection of investors.

(f) **Funding portal registration.** A funding portal that has its principal place of business in the state of Minnesota shall register with the state of Minnesota by filing with the administrator a copy of the information or record required for the filing of an application for registration as a funding portal in the manner established by the Securities and Exchange Commission and/or the Financial Institutions Regulatory Authority (FINRA), along with any rule adopted or order issued, and any amendments thereto.

(g) **Application for investment adviser representative registration.**

(1) The application for initial registration as an investment adviser representative pursuant to section 80A.58 is made by completing Form U-4 (Uniform Application for Securities Industry Registration or Transfer) in accordance with the form instructions and by filing the form U-4 with the IARD. The application for initial registration must also include the following:

(i) proof of compliance by the investment adviser representative with the examination requirements of:

(A) the Uniform Investment Adviser Law Examination (Series 65); or

(B) ~~the General Securities Representative Examination (Series 7) and~~ the Uniform Combined State Law Examination (Series 66);

(ii) any other information the administrator may reasonably require.

(2) The application for the annual renewal registration as an investment adviser representative shall be filed with the IARD.

(3)(i) The investment adviser representative is under a continuing obligation to update information required by Form U-4 as changes occur;

(ii) An investment adviser representative and the investment adviser must file promptly with the IARD any amendments to the representative's Form U-4; and

(iii) An amendment will be considered to be filed promptly if the amendment is filed within 30 days of the event that requires the filing of the amendment.

(4) An application for initial or renewal of registration is not considered filed for purposes of section 80A.58 until the required fee and all required submissions have been received by the administrator.

(5) The application for withdrawal of registration as an investment adviser representative pursuant to section 80A.58 shall be completed by following the instructions on Form U-5 (Uniform Termination Notice for Securities Industry Registration) and filed upon Form U-5 with the IARD.

Sec. 35. Minnesota Statutes 2020, section 80C.05, subdivision 2, is amended to read:

Subd. 2. **Commissioner's powers.** The commissioner shall have power to place such conditions, limitations, and restrictions on any registration as may be necessary to carry out the purposes of sections 80C.01 to 80C.22. Upon compliance with the provisions of sections 80C.01 to 80C.22 and other requirements of the commissioner, and if the commissioner finds no ground for denial of the registration, the commissioner shall register the franchise. ~~Registration shall be by entry in a book called Register of Franchises, which entry shall show the franchise registered and for whom registered, and shall specify the conditions, limitations, and restrictions upon such registration, if any, or shall make proper reference to a formal order of the commissioner on file showing such conditions, limitations, and restrictions. The registration shall become effective upon issuance by the commissioner of an order for registration.~~

Sec. 36. Minnesota Statutes 2020, section 80C.08, subdivision 1, is amended to read:

Subdivision 1. **Filing; fee.** ~~Within 120 days after the fiscal year end of the registrant, the registrant shall~~ A registration is effective for 12 months from the date the commissioner's order is issued. A registrant must file a report in the form prescribed by rule of the commissioner before the end of the registration effective period. A fee of \$200 shall accompany the annual report.

EFFECTIVE DATE; APPLICABILITY. This section is effective January 1, 2023, and applies to initial registrations filed on or after that date.

Sec. 37. Minnesota Statutes 2020, section 80G.01, subdivision 3, is amended to read:

Subd. 3. **Dealer.** (a) Subject to the exceptions in paragraph (b), a "dealer" means any person who buys, sells, solicits, or markets bullion products or investments in bullion products to consumers and ~~conducts Minnesota transactions.~~

~~(1) is incorporated, registered, domiciled, or otherwise located in this state;~~

~~(2) has a dealer representative located in this state; or~~

~~(3) does business with a consumer at a location in this state, or delivers or ships a bullion product or makes a payment to a consumer at an address in this state, unless the transaction occurs when the consumer is at a business location outside of this state.~~

(b) A dealer does not include any of the following persons:

(1) a person who engages only in wholesale bullion product transactions with other persons who engage only in wholesale bullion product transactions or with dealers who buy or sell at retail and are properly registered under this chapter;

(2) a person who engages only in transactions at occasional garage or yard sales held at the seller's residence, farm auctions held at the seller's residence, or estate sales held at the decedent's residence;

(3) a person who is properly registered pursuant to chapter 80A, or the federal Securities Exchange Act of 1934 and rules promulgated thereunder as a securities broker dealer or broker dealer agent;

(4) an auctioneer who auctions bullion products on behalf of an owner, if the auctioneer does not take title or ownership of the bullion products, or the operator of an Internet website that allows users to offer the sale of bullion products through that website, does not set the price, is not the seller of record, and does not take possession of any bullion products to be offered; or

~~(5) a person who engages only in transactions at no more than 12 trade shows per year in this state where the consumer is present and the transaction is made at the trade show; or~~

~~(6)~~ (5) a federally or state-chartered bank, bank and trust, savings bank, savings association, or credit union or any operating subsidiary of them.

Sec. 38. Minnesota Statutes 2020, section 80G.01, is amended by adding a subdivision to read:

Subd. 5a. **Minnesota transaction.** "Minnesota transaction" means a bullion product transaction conducted:

(1) by a dealer that is incorporated, registered, domiciled, or otherwise located in Minnesota;

(2) by a dealer representative at a location in Minnesota;

(3) between a dealer and a consumer who lives in Minnesota; or

(4) between a dealer and a Minnesota consumer when the transaction involves:

(i) delivering or shipping a bullion product to an address in Minnesota;

(ii) delivering to or shipping from a precious metal depository on behalf of a Minnesota resident; or

(iii) making payment to a consumer or receiving a payment from a consumer at an address in Minnesota, unless the transaction occurs when the consumer is at a business location outside of Minnesota.

Sec. 39. Minnesota Statutes 2020, section 80G.02, subdivision 1, is amended to read:

Subdivision 1. **Registration required.** It is unlawful for a dealer or dealer representative to ~~solicit, market, buy, sell, or deliver bullion products or investments in bullion products to a consumer~~ conduct a Minnesota transaction without being registered by the commissioner as provided for in this chapter. A dealer must submit an application to register itself and each of its dealer representatives within 45 days of reaching \$25,000 in the aggregate of ~~bullion product transactions with consumers~~ Minnesota transactions between July 1 and June 30 of any year, as determined by the transactions' sale or purchase prices. Once a dealer is required to register itself and its dealer representatives, the dealer must thereafter renew its registration and the registration of each of its dealer representatives in accordance with this chapter, ~~regardless of the aggregate annual amount of transactions~~, unless the person ceases to be a dealer. A dealer representative may not buy, sell, solicit, or market bullion products or investments in bullion products on behalf of a dealer unless the dealer is properly registered with the commissioner under this section.

Sec. 40. Minnesota Statutes 2020, section 80G.02, subdivision 4, is amended to read:

Subd. 4. **Notice of change in registration information.** A registered dealer must provide the commissioner written notice of a change in the dealer's name, assumed names, doing business as names, business addresses, including all business addresses at which it or its dealer representatives conduct business, owners, e-mail addresses, website domain names, or primary telephone number used by it or its dealer representatives to buy, sell, solicit, or market to consumers bullion products or investments in bullion products no later than 30 days after the change occurs.

Sec. 41. Minnesota Statutes 2020, section 80G.03, subdivision 2, is amended to read:

Subd. 2. **Dealer responsibility for actions of dealer representatives.** The commissioner may take action against a dealer for any violations of this chapter by its dealer representatives conducting ~~activities~~ Minnesota transactions on behalf of or at the direction of the dealer. The commissioner may also take action against the dealer representative.

Sec. 42. Minnesota Statutes 2020, section 80G.04, subdivision 1, is amended to read:

Subdivision 1. **Dealer registration precluded.** The commissioner must deny an application for registration or renewal of a dealer, or revoke such registration, if the ~~bullion coin~~ product dealer or its owners or officers have within the last ten years been convicted in any court of any financial crime or other crime involving fraud or theft.

Sec. 43. Minnesota Statutes 2020, section 80G.05, subdivision 1, is amended to read:

Subdivision 1. **Screening process required.** Each registered dealer must establish procedures to screen each of its owners and officers and each of its dealer representatives prior to submitting the application to the commissioner for initial registration and at each renewal. The results of such screenings shall be kept on file by the dealer and, if requested by the commissioner, provided to the commissioner as part of the initial registration and all renewal registrations.

Sec. 44. Minnesota Statutes 2021 Supplement, section 80G.06, subdivision 1, is amended to read:

Subdivision 1. **Surety bond requirement.** (a) Every dealer shall maintain a current, valid surety bond issued by a surety company admitted to do business in Minnesota in an amount based on the Minnesota transactions conducted with Minnesota consumers (purchases from and sales to consumers at retail) during the 12-month period prior to registration, or renewal, whichever is applicable.

(b) The amount of the surety bond shall be as specified in the table below:

Transaction Amount in Preceding 12-month Period	Surety Bond Required
\$0 <u>\$25,000</u> to \$200,000	\$25,000
\$200,000.01 to \$500,000	\$50,000
\$500,000.01 to \$1,000,000	\$100,000
\$1,000,000.01 to \$2,000,000	\$150,000
Over \$2,000,000	\$200,000

Sec. 45. Minnesota Statutes 2020, section 80G.06, subdivision 2, is amended to read:

Subd. 2. **Action on bond permitted.** A consumer involved in a Minnesota transaction who is injured in money or property by a dealer's or dealer representative's failure to provide bullion products that the consumer has paid for or failure to remit money or goods owed to the consumer in connection with the consumer's sale of bullion products comply with this chapter may file a claim with the surety and if the claim is not paid, is authorized to bring an action based on the bond and recover against the surety. The commissioner or attorney general may also file a claim and bring an action on the bond and recover against the surety on behalf of a consumer so injured.

Sec. 46. Minnesota Statutes 2020, section 80G.07, subdivision 1, is amended to read:

Subdivision 1. **Sales practices.** ~~Ne~~ When conducting a Minnesota transaction, a dealer or dealer representative ~~shall~~ must not:

(1) prior to a transaction regarding bullion products, or concurrent with the delivery thereof, fail to provide to the consumer an invoice, which, in a clear and conspicuous manner, discloses the dealer's registration number, the Department of Commerce's e-mail address and telephone number, the sale or purchase price, the quantity of the bullion products, and specifically identifies and describes the bullion products, as well as their precious metal content, but only if it differs from the precious metal content specified by a government mint issuing the product and struck on the product, or if the product is not issued by a government mint;

(2) fail to investigate any consumer complaint and retain records of all consumer complaints, the results of its investigations, and the dealer's response and resolution of the complaint;

(3) fail to deliver by common carrier bullion products to a consumer within the time agreed upon with the consumer or, if no such agreement exists, within 30 days after the consumer has paid for the bullion products;

(4) fail to pay a consumer for purchased bullion products within the time agreed upon with the consumer or, if no such agreement exists, within 30 days after the consumer has provided the bullion products;

(5) misrepresent the delivery date of bullion products or payment for bullion products, or the dealer or representative's professional qualifications, affiliations, or registration;

(6) misrepresent any material aspect of a bullion product, including its performance, efficacy, nature, investment value, central characteristics, liquidity, earnings potential, or profitability;

(7) misrepresent the manner in which any bullion products a consumer provides will be stored or otherwise handled once received;

(8) renegotiate the terms of a sale or purchase after receiving a consumer's payment or bullion products without first obtaining the consumer's agreement to renegotiate and offering the consumer the option to have the payment fully refunded or the entirety of the bullion products returned;

(9) fail to respond within three business days to a consumer inquiry about the delivery status of bullion products that the consumer has paid for but not yet received or the status of a payment for bullion products that the consumer has already provided;

(10) telephone or solicit a consumer, or sell or provide the consumer's name to any other dealer or dealer representative, after the consumer requests not to be contacted;

(11) violate a subpoena or order of the commissioner or a court;

(12) make any communication to a potential buyer or seller of bullion products that misrepresents the relationship, if any, between the dealer or dealer representative and any government agency or mint;

(13) improperly withhold, misappropriate, or convert any money or properties received in the course of buying, selling, soliciting, or marketing bullion products or investments in bullion products to consumers;

(14) misrepresent the terms of an actual or proposed purchase or sale of bullion products or investment in bullion products to a consumer; or

(15) violate any other federal, state, or local law or rule related to selling, purchasing, soliciting, or marketing of bullion products, investments in bullion products, or precious metals, or any federal, state, or local law related to fraudulent, coercive, or dishonest practices, or federal, state, or local law related to taxation or labor standards.

Sec. 47. Minnesota Statutes 2021 Supplement, section 80G.11, is amended to read:

80G.11 NOTIFICATION TO COMMISSIONER.

A registered dealer must notify the commissioner of any dealer representative termination within ten days of the termination if the termination is based in whole or in part on a violation of this chapter.

Sec. 48. Minnesota Statutes 2020, section 82B.03, is amended by adding a subdivision to read:

Subd. 4. **Minimum damage acquisition report.** A real estate appraiser may provide a minimum damage acquisition report for purposes of section 117.036. When providing a minimum damage acquisition report, a real estate appraiser is not engaged in real estate appraisal activity and is not subject to this chapter.

EFFECTIVE DATE. This section is effective September 1, 2022.

Sec. 49. Minnesota Statutes 2020, section 82B.19, is amended by adding a subdivision to read:

Subd. 5. **Out-of-state continuing education credit.** (a) For purposes of this subdivision, the following terms have the meanings given:

(1) "asynchronous educational offering" has the meaning given in the most recent version of the Real Property Appraiser Qualification Criteria, as established by the Appraiser Qualifications Board; and

(2) "synchronous educational offering" has the meaning given in the most recent version of the Real Property Appraiser Qualification Criteria, as established by the Appraiser Qualifications Board, and includes an educational process based on live or real-time instruction where there is no geographic separation of instructor and student.

(b) Notwithstanding section 45.30, subdivisions 1 and 6, a real estate appraiser may submit, in a form prescribed by the commissioner, an application for continuing education credit for a synchronous educational offering that has not been submitted for prior approval in Minnesota. The commissioner must grant a real estate appraiser continuing education credit if:

(1) the application is submitted on or before August 1 of the year in which the real estate appraiser license is due for renewal;

(2) the synchronous educational offering has been approved for continuing education credit by the regulator of real estate appraisers in at least one other state or United States territory; and

(3) an application is submitted by the real estate appraiser to the commissioner within 30 days of successful completion of the synchronous education offering.

(c) The application must include a certificate of successful completion from the synchronous education offering provider. The commissioner must grant a real estate appraiser the same number of continuing education credits for the successful completion of the synchronous educational offering as was approved for the offering by the out-of-state real estate appraiser regulatory authority. The commissioner must grant a real estate appraiser continuing education credit within 60 days of the submission of the completed application for out-of-state continuing education credit.

(d) The commissioner may charge a fee to a real estate appraiser, in an amount determined by the commissioner, to submit an application under this subdivision.

(e) This subdivision does not apply to asynchronous educational offerings.

EFFECTIVE DATE. This section is effective September 1, 2022.

Sec. 50. Minnesota Statutes 2021 Supplement, section 82B.25, subdivision 2, is amended to read:

Subd. 2. **Education.** ~~Within two years of receiving a license under this chapter and as required by the Appraiser Qualifications Board,~~ A real property appraiser shall provide to the commissioner evidence of satisfactory completion of a continuing education course on the valuation bias of real property. An appraiser licensed after September 1, 2021, must complete the course required by this section prior to the appraiser's first license renewal.

EFFECTIVE DATE. This section is effective September 1, 2022.

Sec. 51. Minnesota Statutes 2020, section 82C.17, subdivision 2, is amended to read:

Subd. 2. **Evidence.** (a) An appraisal management company can evidence that the fees paid to an appraiser were reasonable and customary through:

(1) objective third-party information, including, but not limited to, government agency fee schedules or academic studies. An academic study used must exclude appraisal assignments ordered by an appraisal management company. ~~The commissioner may establish a fee scheduled for use by an appraisal management company; or~~

(2) reviewing each of the following factors and making adjustments to recent fees paid for appraisal services performed in the market area:

- (i) the type of property appraised;
- (ii) the scope of the appraisal work;
- (iii) the time in which the appraisal service must be performed;
- (iv) appraiser qualifications;
- (v) appraiser experience and professional record; and
- (vi) appraiser work quality.

(b) The fees paid for a complex appraisal assignment shall reflect the increased time, difficulty, and scope of work required.

(c) An appraisal management company shall maintain written documentation describing and substantiating all methods and information used to determine the customary and reasonable fees required by this section.

EFFECTIVE DATE. This section is effective September 1, 2022.

Sec. 52. **[214.035] LICENSING DISQUALIFICATIONS; PRELIMINARY APPLICATIONS; REPORTS.**

Subdivision 1. Definition. As used in this section, "state licensor" or "licensor" means any state agency or examining and licensing board that issues occupational or professional licenses, registrations, or certificates. State licensor or licensor does not include the Department of Health, Department of Human Services, or any health-related licensing board, as defined in section 214.01, subdivision 2.

Subd. 2. Preliminary applications. (a) Notwithstanding any law to the contrary, all state licensors shall permit a person to submit a preliminary application for a determination pursuant to this section as to whether a criminal conviction or any other record of alleged misconduct that may be considered by the state licensor under state law would make the person ineligible to receive an occupational or professional license, registration, or certificate issued by the state licensor.

(b) An applicant shall submit a preliminary application and any other supporting documents to the appropriate state licensor in a form and manner approved by the licensor. The state licensor may require that the applicant provide a copy of the applicant's criminal record or complete a background check or background study if required by statute in the form and manner approved by the licensor to obtain a professional or occupational license, registration, or certificate from the licensor.

(c) A state licensor may charge a fee to cover any expenses incurred in connection with processing a preliminary application, provided the fee does not exceed the actual cost to the state licensor of processing the application or the initial fee for the applicable license, registration, or certificate. If the applicant subsequently applies for the license, registration, or certificate, the amount of the preliminary application fee paid by the applicant must be credited toward the applicant's initial fee for the license, registration, or certificate. An applicant may request a waiver of this fee. A fee collected under this paragraph for the expenses incurred by the state licensor shall be deposited in the fund in the state treasury in which the state licensor deposits fees collected for issuing occupational or professional licenses, registrations, or certificates. If the state licensor does not collect a fee for issuing occupational or professional licenses, registrations, or certificates, any fee collected under this paragraph shall be deposited pursuant to section 214.06, subdivision 1.

(d) Upon receipt of a completed preliminary application and any necessary supporting documents, the state licensor must determine under state law whether a criminal conviction or other record of alleged misconduct that may be considered under state law would make the applicant ineligible to receive a professional or occupational license, registration, or certificate from the licensor. The state licensor must issue a written decision within 60 days of receiving a completed preliminary application. If the state licensor determines that a criminal conviction or other record of alleged misconduct would make the applicant ineligible to receive a professional or occupational license, registration, or certificate, the written decision must:

(1) state all reasons the professional or occupational license, registration, or certificate would be denied, including the standard used to make the decision;

(2) notify the applicant of the right to appeal the decision or seek reconsideration of the results of a background check or background study, if applicable; and

(3) inform the applicant of any action or additional steps the applicant could take to qualify for a professional or occupational license, registration, or certificate.

(e) If a state licensor determines that no criminal convictions or other records of alleged misconduct would make the applicant ineligible to receive a professional or occupational license, registration, or certificate, that decision is binding on the licensor unless the decision is clearly erroneous under state law or the applicant:

(1) is convicted of a crime or commits any other disqualifying act that may be considered by the state licensor under state law after submission of the preliminary application;

(2) provided incomplete information in the preliminary application; or

(3) provided inaccurate or fraudulent information in the preliminary application.

(f) This section does not apply to a state licensor that does not require an applicant to provide a criminal record, complete a background check, or complete a background study.

Subd. 3. **Reports.** (a) By January 15 of each year, every state licensor shall report to the Department of Employment and Economic Development on:

(1) the number of individuals who applied for a professional or occupational license, registration, or certificate from the licensor;

(2) the number of individuals described in clause (1) who were found to be ineligible due to a criminal conviction or other record of alleged misconduct;

(3) the number of individuals who submitted a preliminary application under this section; and

(4) the number of individuals described in clause (3) who were found to be ineligible due to a criminal conviction or other record of alleged misconduct.

(b) On or before February 15 of each year, the commissioner of employment and economic development shall compile the reports received under paragraph (a) and provide the compiled reports to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over employment. The commissioner of employment and economic development must make the report readily available on the department's public website.

Sec. 53. Minnesota Statutes 2020, section 239.761, subdivision 3, is amended to read:

Subd. 3. **Gasoline.** (a) Gasoline that is not blended with biofuel must not be contaminated with water or other impurities and must comply with ASTM specification D4814-11b. Gasoline that is not blended with biofuel must also comply with the volatility requirements in Code of Federal Regulations, title 40, part ~~80~~ 1090.

(b) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal, a person responsible for the product:

(1) may blend the gasoline with agriculturally derived ethanol as provided in subdivision 4;

(2) shall not blend the gasoline with any oxygenate other than biofuel;

(3) shall not blend the gasoline with other petroleum products that are not gasoline or biofuel;

(4) shall not blend the gasoline with products commonly and commercially known as casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline; and

(5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive designed to replace tetra-ethyl lead, that is registered by the EPA.

Sec. 54. Minnesota Statutes 2020, section 239.761, subdivision 4, is amended to read:

Subd. 4. **Gasoline blended with ethanol; general.** (a) Gasoline may be blended with agriculturally derived, denatured ethanol that complies with the requirements of subdivision 5.

(b) A gasoline-ethanol blend must:

(1) comply with the volatility requirements in Code of Federal Regulations, title 40, part ~~80~~ 1090;

(2) comply with ASTM specification D4814-11b, or the gasoline base stock from which a gasoline-ethanol blend was produced must comply with ASTM specification D4814-11b; and

(3) not be blended with casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline after the gasoline-ethanol blend has been sold, transferred, or otherwise removed from a refinery or terminal.

Sec. 55. Minnesota Statutes 2020, section 239.791, subdivision 2a, is amended to read:

Subd. 2a. **Federal Clean Air Act waivers; conditions.** (a) Before a waiver granted by the United States Environmental Protection Agency under United States Code, title 42, section 7545, may alter the minimum content level required by subdivision 1, paragraph (a), clause (1), item (ii), the waiver must:

(1) apply to all gasoline-powered motor vehicles irrespective of model year; and

(2) allow for special regulatory treatment of Reid vapor pressure under Code of Federal Regulations, title 40, ~~section 80.27~~ part 1090.215, paragraph ~~(d)~~ (b), for blends of gasoline and ethanol up to the maximum percent of denatured ethanol by volume authorized under the waiver.

(b) The minimum biofuel requirement in subdivision 1, paragraph (a), clause (1), item (ii), shall, upon the grant of the federal waiver, be effective the day after the commissioner of commerce publishes notice in the State Register. In making this determination, the commissioner shall consider the amount of time required by refiners, retailers, pipeline and distribution terminal companies, and other fuel suppliers, acting expeditiously, to make the operational and logistical changes required to supply fuel in compliance with the minimum biofuel requirement.

Sec. 56. Minnesota Statutes 2020, section 296A.01, subdivision 23, is amended to read:

Subd. 23. **Gasoline.** (a) "Gasoline" means:

(1) all products commonly or commercially known or sold as gasoline regardless of their classification or uses, except casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline that under the requirements of section 239.761, subdivision 3, must not be blended with gasoline that has been sold, transferred, or otherwise removed from a refinery or terminal; and

(2) any liquid prepared, advertised, offered for sale or sold for use as, or commonly and commercially used as, a fuel in spark-ignition, internal combustion engines, and that when tested by the Weights and Measures Division meets the specifications in ASTM specification D4814-11b.

(b) Gasoline that is not blended with ethanol must not be contaminated with water or other impurities and must comply with both ASTM specification D4814-11b and the volatility requirements in Code of Federal Regulations, title 40, part ~~80~~ 1090.

(c) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal, a person responsible for the product:

(1) may blend the gasoline with agriculturally derived ethanol, as provided in subdivision 24;

(2) must not blend the gasoline with any oxygenate other than denatured, agriculturally derived ethanol;

(3) must not blend the gasoline with other petroleum products that are not gasoline or denatured, agriculturally derived ethanol;

(4) must not blend the gasoline with products commonly and commercially known as casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline; and

(5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive designed to replace tetra-ethyl lead, that is registered by the EPA.

Sec. 57. Minnesota Statutes 2020, section 332.33, subdivision 3, is amended to read:

Subd. 3. **Term.** Licenses issued or renewed and registrations received by the commissioner of commerce under sections 332.31 to 332.44 shall expire on June 30. Each collection agency license shall plainly state the name and business address of the licensee, and shall be posted in a conspicuous place in the office where the business is transacted. The fee for each collection agency license is \$500, and renewal is \$400. The fee for each collector registration and renewal is \$10, which entitles the individual collector to work at a licensee's business location or in another location as provided under subdivision 5b. An additional branch license is not required for a location used under subdivision 5b. A collection agency licensee who desires to carry on business in more than one place shall procure a license for each place where the business is to be conducted.

EFFECTIVE DATE. This section is effective June 1, 2022.

Sec. 58. Minnesota Statutes 2020, section 332.33, is amended by adding a subdivision to read:

Subd. 5b. **Work from home.** An employee of a licensed collection agency may work from a location other than the licensee's business location if the licensee and employee comply with all requirements under this section that would apply if the employee were working at the business location.

EFFECTIVE DATE. This section is effective June 1, 2022.

Sec. 59. Minnesota Statutes 2020, section 336.9-510, is amended to read:

336.9-510 EFFECTIVENESS OF FILED RECORD.

(a) **Filed record effective if authorized.** A filed record is effective only to the extent that it was filed by a person that may file it under section 336.9-509 or by the filing office under section 336.9-5135.

(b) **Authorization by one secured party of record.** A record authorized by one secured party of record does not affect the financing statement with respect to another secured party of record.

(c) **Continuation statement not timely filed.** A continuation statement that is not filed within the six-month period prescribed by section 336.9-515(d) is ineffective.

Sec. 60. **[336.9-5135] TERMINATION OF WRONGFULLY FILED FINANCING STATEMENT; REINSTATEMENT.**

(a) **Intent to harass.** "Intent to harass" means that from the totality of the information provided in the record, it appears obvious to the filing office that there is no valid basis for the filing of the record.

(b) **Affidavit of wrongful filing.** A person identified as the debtor in a filed financing statement may deliver to the filing office a notarized affidavit that identifies the financing statement by file number, indicates the person's mailing address, and states that the person believes the filed record identifying the person as the debtor was not authorized to be filed and was communicated or caused to be communicated to the office with the intent to harass or defraud the person identified as the debtor. The office may reject an affidavit that is incomplete or that the office believes was delivered with the intent to harass or defraud the secured party. The secretary of state must provide a form of affidavit for use under this section.

(c) **Termination statement by filing office.** If an affidavit is delivered to the filing office under subsection (b) and is not rejected under subsection (b), the office must promptly file a termination statement with respect to the financing statement identified in the affidavit. The termination statement must identify by its file number the initial financing statement it relates to and must indicate that it was filed pursuant to this section. A termination statement filed under this subsection is not effective until 20 days after the date it is filed.

(d) **No fee charged or refunded.** The filing office must not charge a fee to file an affidavit under subsection (b) or a termination statement under subsection (c). The office must not return any fee paid to file the financing statement identified in the affidavit, whether or not the financing statement is reinstated under subsection (g).

(e) **Notice of termination statement.** Within two business days of the date a filing office files a termination statement under subsection (c), it must send to the secured party of record for the financing statement the termination statement relates to a notice stating the termination statement has been filed and becomes effective 20 days after the date the termination statement was filed. The notice must be sent by certified mail, return receipt requested, to the address provided for the secured party of record in the financing statement, with a copy sent by e-mail to the e-mail address provided by the secured party of record, if any.

(f) **Administrative review; action for reinstatement.** If a secured party believes in good faith the filed record identified in an affidavit and delivered to the filing office under subsection (b) was authorized to be filed and was not communicated or caused to be communicated to the filing office with the intent to harass or defraud, the secured party may do the following:

(1) before the termination statement takes effect, request that the filing office conduct an expedited review of the filed record and any documentation provided by the secured party. The filing office may, as a result of the review, remove from the record the termination statement the filing office filed under subsection (c) before the termination statement takes effect; or

(2) at any time, commence an action against the filing office seeking reinstatement of the financing statement the filed record relates to. The action must be commenced before the expiration of six months after the date the termination statement was filed under subsection (c) becomes effective. If the person identified as the debtor is not named as a defendant in the action, the secured party must send a copy of the complaint to the person identified as the debtor at the address indicated in the affidavit. The exclusive venue for the action is the district court for the county where the filing office in which the financing statement was filed is located. The action must be considered by the court on an expedited basis.

(g) **Office to file notice of action for reinstatement.** Within ten days after the date the filing office is served with process in an action under subsection (f), the filing office must file in the central filing system a notice indicating the action has been commenced. The notice must indicate the file number of the initial financing statement it relates to.

(h) **Action for reinstatement successful.** In an action under subsection (f), if the court determines the financing statement was authorized to be filed and was not communicated or caused to be communicated to the filing office with the intent to harass or defraud the person identified as the debtor, the court must order that the financing statement is reinstated. If a reinstatement order is issued by the court, the filing office must promptly file a record that identifies by its file number the initial financing statement the record relates to and indicates the financing statement has been reinstated.

(i) **Effect of reinstatement.** Upon the filing of a record reinstating a financing statement under subsection (h), the effectiveness of the financing statement is reinstated and the financing statement is considered to never have been terminated under this section. A continuation statement filed under section 336.9-515(d) after the effective date of a termination statement filed under subsection (c) becomes effective if the financing statement is reinstated.

(j) **Liability for wrongful filing.** In an action under subsection (f), if the court determines the filed record identified in an affidavit delivered to the filing office under subsection (b) was not authorized to be filed and was communicated or caused to be communicated to the filing office with the intent to harass or defraud the person identified as the debtor, the filing office and the person identified as the debtor may recover from the secured party that filed the action the costs and expenses, including reasonable attorney fees, that the filing office and the person identified as the debtor incurred in the action. The recovery is under this subsection in addition to any recovery the person identified as the debtor is entitled to under section 336.9-625.

Sec. 61. Minnesota Statutes 2020, section 336.9-516, is amended to read:

336.9-516 WHAT CONSTITUTES FILING; EFFECTIVENESS OF FILING.

(a) **What constitutes filing.** Except as otherwise provided in subsection (b), communication of a record to a filing office and tender of the filing fee or acceptance of the record by the filing office constitutes filing.

(b) **Refusal to accept record; filing does not occur.** Filing does not occur with respect to a record that a filing office refuses to accept because:

(1) the record is not communicated by a method or medium of communication authorized by the filing office. For purposes of filing office authorization, transmission of records using the Extensible Markup Language (XML) format is authorized by the filing office after the later of July 1, 2007, or the determination of the secretary of state that the central filing system is capable of receiving and processing these records;

(2) an amount equal to or greater than the applicable filing fee is not tendered;

(3) the filing office is unable to index the record because:

(A) in the case of an initial financing statement, the record does not provide a name for the debtor;

(B) in the case of an amendment or information statement, the record:

(i) does not identify the initial financing statement as required by section 336.9-512 or 336.9-518, as applicable; or

(ii) identifies an initial financing statement whose effectiveness has lapsed under section 336.9-515;

(C) in the case of an initial financing statement that provides the name of a debtor identified as an individual or an amendment that provides a name of a debtor identified as an individual which was not previously provided in the financing statement to which the record relates, the record does not identify the debtor's surname; or

(D) in the case of a record filed or recorded in the filing office described in section 336.9-501 (a)(1), the record does not provide a sufficient description of the real property to which it relates;

(4) in the case of an initial financing statement or an amendment that adds a secured party of record, the record does not provide a name and mailing address for the secured party of record;

(5) in the case of an initial financing statement or an amendment that provides a name of a debtor which was not previously provided in the financing statement to which the amendment relates, the record does not:

(A) provide a mailing address for the debtor; or

(B) indicate whether the name provided as the name of the debtor is the name of an individual or an organization;

(6) in the case of an assignment reflected in an initial financing statement under section 336.9-514 (a) or an amendment filed under section 336.9-514 (b), the record does not provide a name and mailing address for the assignee; or

(7) in the case of a continuation statement, the record is not filed within the six-month period prescribed by section 336.9-515 (d); or

(8) in the case of an initial financing statement or an amendment that provides a name of a debtor not previously provided in the financing statement to which the amendment relates, the office reasonably believes the record was communicated or caused to be communicated (i) with the intent to harass or defraud the person identified as the debtor, or (ii) for another unlawful purpose. The office has no duty to form a belief as to whether a record was communicated or caused to be communicated with the intent to harass or defraud the person identified as the debtor or for another unlawful purpose, and has no duty to investigate or ascertain facts relevant to whether the intent or purpose was present. The secretary of state is not required to return an image of a filing rejected under this clause.

(c) **Rules applicable to subsection (b).** For purposes of subsection (b):

(1) a record does not provide information if the filing office is unable to read or decipher the information; and

(2) a record that does not indicate that it is an amendment or identify an initial financing statement to which it relates, as required by section 336.9-512, 336.9-514, or 336.9-518, is an initial financing statement.

(d) **Refusal to accept record; record effective as filed record.** A record that is communicated to the filing office with tender of the filing fee, but which the filing office refuses to accept for a reason other than one set forth in subsection (b), is effective as a filed record except as against a purchaser of the collateral which gives value in reasonable reliance upon the absence of the record from the files.

(e) **Effectiveness of record; purchaser in good faith.** A record that the filing office initially refuses to accept under subsection (b)(8) but later accepts after receiving additional information is effective as if the office had not initially refused to accept the record, except as against a purchaser of the collateral that gives value in reasonable reliance upon the absence of the record from the files.

Sec. 62. Minnesota Statutes 2020, section 515B.3-102, is amended to read:

515B.3-102 POWERS OF UNIT OWNERS' ASSOCIATION.

(a) Except as provided in subsections (b), (c), (d), ~~and~~ (e), (f), (g), and (h) and subject to the provisions of the declaration or bylaws, the association shall have the power to:

(1) adopt, amend and revoke rules and regulations not inconsistent with the articles of incorporation, bylaws and declaration, as follows: (i) regulating the use of the common elements; (ii) regulating the use of the units, and

conduct of unit occupants, which may jeopardize the health, safety or welfare of other occupants, which involves noise or other disturbing activity, or which may damage the common elements or other units; (iii) regulating or prohibiting animals; (iv) regulating changes in the appearance of the common elements and conduct which may damage the common interest community; (v) regulating the exterior appearance of the common interest community, including, for example, balconies and patios, window treatments, and signs and other displays, regardless of whether inside a unit; (vi) implementing the articles of incorporation, declaration and bylaws, and exercising the powers granted by this section; and (vii) otherwise facilitating the operation of the common interest community;

(2) adopt and amend budgets for revenues, expenditures and reserves, and levy and collect assessments for common expenses from unit owners;

(3) hire and discharge managing agents and other employees, agents, and independent contractors;

(4) institute, defend, or intervene in litigation or administrative proceedings (i) in its own name on behalf of itself or two or more unit owners on matters affecting the common elements or other matters affecting the common interest community or, (ii) with the consent of the owners of the affected units on matters affecting only those units;

(5) make contracts and incur liabilities;

(6) regulate the use, maintenance, repair, replacement, and modification of the common elements and the units;

(7) cause improvements to be made as a part of the common elements, and, in the case of a cooperative, the units;

(8) acquire, hold, encumber, and convey in its own name any right, title, or interest to real estate or personal property, but (i) common elements in a condominium or planned community may be conveyed or subjected to a security interest only pursuant to section 515B.3-112, or (ii) part of a cooperative may be conveyed, or all or part of a cooperative may be subjected to a security interest, only pursuant to section 515B.3-112;

(9) grant or amend easements for public utilities, public rights-of-way or other public purposes, and cable television or other communications, through, over or under the common elements; grant or amend easements, leases, or licenses to unit owners for purposes authorized by the declaration; and, subject to approval by a vote of unit owners other than declarant or its affiliates, grant or amend other easements, leases, and licenses through, over or under the common elements;

(10) impose and receive any payments, fees, or charges for the use, rental, or operation of the common elements, other than limited common elements, and for services provided to unit owners;

(11) impose interest and late charges for late payment of assessments and, after notice and an opportunity to be heard before the board or a committee appointed by it, levy reasonable fines for violations of the declaration, bylaws, and rules and regulations of the association;

(12) impose reasonable charges for the review, preparation and recordation of amendments to the declaration, resale certificates required by section 515B.4-107, statements of unpaid assessments, or furnishing copies of association records;

(13) provide for the indemnification of its officers and directors, and maintain directors' and officers' liability insurance;

(14) provide for reasonable procedures governing the conduct of meetings and election of directors;

(15) exercise any other powers conferred by law, or by the declaration, articles of incorporation or bylaws; and

(16) exercise any other powers necessary and proper for the governance and operation of the association.

(b) Notwithstanding subsection (a) the declaration or bylaws may not impose limitations on the power of the association to deal with the declarant which are more restrictive than the limitations imposed on the power of the association to deal with other persons.

(c) An association levying a fine pursuant to subsection (a)(11), or an assessment pursuant to section 515B.3-115(g) or 515B.3-1151(g), must provide written notice to a unit owner that:

(1) if applicable, indicates the amount, date, and reason for the levy;

(2) identifies the violation for which a fine is being levied and the specific section of the declaration, bylaws, or rules and regulations allegedly violated;

(3) states that all unpaid fines and assessments are liens which, if not satisfied, could lead to foreclosure of the unit;

(4) describes the right of the unit owner to be heard by the board or a committee appointed by the board;

(5) states that if the assessment, fees, charges, or fine is not paid, the amount owed may increase as a result of the imposition of attorney fees and other costs of collection; and

(6) informs the unit owner that homeownership assistance is available from, and includes the contact information for, the Minnesota Homeownership Center.

(d) No further collection or enforcement action may be taken by the association for the 15-day period following delivery of the notice required under paragraph (c).

(e) No attorney fees are chargeable or may be collected from a unit owner who disputes the levy or assessment and prevails at a hearing held by the board or a committee appointed by the board.

~~(e)~~ (f) Notwithstanding subsection (a), powers exercised under this section must comply with section 500.215.

~~(d)~~ (g) Notwithstanding subsection (a)(4) or any other provision of this chapter, the association, before instituting litigation or arbitration involving construction defect claims against a development party, shall:

(1) mail or deliver written notice of the anticipated commencement of the action to each unit owner at the addresses, if any, established for notices to owners in the declaration and, if the declaration does not state how notices are to be given to owners, to the owner's last known address. The notice shall specify the nature of the construction defect claims to be alleged, the relief sought, and the manner in which the association proposes to fund the cost of pursuing the construction defect claims; and

(2) obtain the approval of owners of units to which a majority of the total votes in the association are allocated. Votes allocated to units owned by the declarant, an affiliate of the declarant, or a mortgagee who obtained ownership of the unit through a foreclosure sale are excluded. The association may obtain the required approval by a vote at an annual or special meeting of the members or, if authorized by the statute under which the association is created and taken in compliance with that statute, by a vote of the members taken by electronic means or mailed ballots. If the association holds a meeting and voting by electronic means or mailed ballots is authorized by that statute, the association shall also provide for voting by those methods. Section 515B.3-110(c) applies to votes taken by electronic means or mailed ballots, except that the votes must be used in combination with the vote taken at a

meeting and are not in lieu of holding a meeting, if a meeting is held, and are considered for purposes of determining whether a quorum was present. Proxies may not be used for a vote taken under this paragraph unless the unit owner executes the proxy after receipt of the notice required under subsection ~~(d)~~ (g) (1) and the proxy expressly references this notice.

~~(e)~~ (h) The association may intervene in a litigation or arbitration involving a construction defect claim or assert a construction defect claim as a counterclaim, crossclaim, or third-party claim before complying with subsections ~~(d)~~ (g) (1) and ~~(d)~~ (g) (2) but the association's complaint in an intervention, counterclaim, crossclaim, or third-party claim shall be dismissed without prejudice unless the association has complied with the requirements of subsection ~~(d)~~ (g) within 90 days of the association's commencement of the complaint in an intervention or the assertion of the counterclaim, crossclaim, or third-party claim.

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

Sec. 63. Minnesota Statutes 2020, section 549.30, subdivision 3, is amended to read:

Subd. 3. **Applicable law.** "Applicable law" means: (1) the laws of the United States; (2) the laws of this state, including principles of equity applied in the courts of this state; and (3) the laws of any other jurisdiction: (i) which is the domicile of the payee ~~or any other interested party~~; (ii) under whose laws a structured settlement agreement was approved by a court or responsible administrative authority; or (iii) in whose courts a settled claim was pending when the parties entered into a structured settlement agreement.

Sec. 64. Minnesota Statutes 2020, section 549.30, is amended by adding a subdivision to read:

Subd. 3a. **Assignee.** "Assignee" means a person acquiring or proposing to acquire structured settlement payment rights from a transferee.

Sec. 65. Minnesota Statutes 2020, section 549.30, is amended by adding a subdivision to read:

Subd. 5a. **Effective equivalent annual interest rate.** "Effective equivalent annual interest rate" means the annualized rate of interest on the net advance amount, calculated by treating the transferred settlement payments as if the transferred settlement payments were installment payments on a loan, with each payment applied first to the accrued unpaid interest and then to the principal.

Sec. 66. Minnesota Statutes 2020, section 549.30, subdivision 6, is amended to read:

Subd. 6. **Independent professional advice.** "Independent professional advice" means advice of an attorney, certified public accountant, actuary, financial adviser, or other licensed professional adviser: (1) who is engaged by a payee to render advice concerning the legal, tax, and financial implications of a transfer of structured settlement payment rights; (2) to whom the payee is not referred directly or indirectly and who is not in any manner affiliated with or compensated by the transferee of the transfer; and (3) whose compensation for providing the advice is not affected by whether a transfer occurs or does not occur.

Sec. 67. Minnesota Statutes 2020, section 549.30, subdivision 15, is amended to read:

Subd. 15. **Structured settlement payment rights.** "Structured settlement payment rights" means rights to receive periodic payments, including lump-sum payments, under a structured settlement, whether from the settlement obligor or the annuity issuer, where: (1) the payee ~~or any other interested party~~ is domiciled in the state; (2) the structured settlement agreement was approved by a court or responsible administrative authority in the state; or (3) the settled claim was pending before the courts of this state when the parties entered into the structured settlement agreement.

Sec. 68. Minnesota Statutes 2020, section 549.30, subdivision 19, is amended to read:

Subd. 19. **Transferee.** "Transferee" means a person ~~who is receiving or will receive~~ acquiring or proposing to acquire structured settlement payment rights ~~resulting from a transfer.~~

Sec. 69. Minnesota Statutes 2020, section 549.31, is amended to read:

549.31 CONDITIONS TO TRANSFERS OF STRUCTURED SETTLEMENT PAYMENT RIGHTS AND STRUCTURED SETTLEMENT AGREEMENTS.

Subdivision 1. **Generally.** No direct or indirect transfer of structured settlement payment rights is effective and no structured settlement obligor or annuity issuer is required to make a payment directly or indirectly to a transferee of structured settlement payment rights unless the transfer has been authorized in advance in a final order of a court of competent jurisdiction or responsible administrative authority, based on the court's or responsible administrative authority's written express findings, after notice and hearing, that:

(a) the transfer complies with the requirements of sections 549.31 to 549.34 and will not contravene other applicable law;

(b) not less than ten days before the date on which the payee first incurred an obligation with respect to the transfer, the transferee has provided to the payee, an attorney representing the payee or advising the payee, or any other professional known to be advising the payee a disclosure statement in bold type, no smaller than 14 points, specifying:

(1) the amounts and due dates of the structured settlement payments to be transferred;

(2) the aggregate amount of the payments;

(3) the discounted present value of the payments, together with the discount rate used in determining the discounted present value;

(4) the gross amount payable to the payee in exchange for the payments;

(5) an itemized listing of all brokers' commissions, service charges, application fees, processing fees, closing costs, filing fees, referral fees, administrative fees, legal fees, notary fees, and other commissions, fees, costs, expenses, and any other charges payable by the payee or deductible from the gross amount otherwise payable to the payee, and verification that the total fees and charges do not exceed two percent of the total compensation payable to the payee;

(6) the net amount payable to the payee after deduction of all commissions, fees, costs, expenses, and charges described in clause (5);

(7) the quotient, expressed as a percentage, obtained by dividing the net payment amount by the discounted present value of the payments; ~~and~~

(8) the amount of any penalty and the aggregate amount of any liquidated damages, including penalties, payable by the payee in the event of a breach of the transfer agreement by the payee;

(9) the effective equivalent annual interest rate, disclosed in the following form: "Based on the net amount that you will receive from us and the amounts and timing of the structured settlement payments you are transferring to us, in effect you will be paying us at an interest rate of% per year"; and

(10) that the payee is advised to obtain independent professional advice about the transfer, disclosed in the following form: "Before agreeing to sell any of your payment rights, you should seek guidance from an attorney, accountant, actuary, financial adviser, or tax or other licensed professional adviser who is not associated with the buyer. It is illegal for the buyer to refer you to anyone for this advice and for anyone associated with or paid for by the buyer to give you advice.";

(c) based on the files, records, disclosures, and evidence presented at the hearing, the payee court has established that the financial terms of the proposed transfer are fair and reasonable and the proposed transfer is in the best interests of the payee and the payee's dependents; after considering:

(1) the payee's age, legal knowledge, and apparent maturity level, and any other relevant factors and the stated purpose of the transfer;

(2) whether the payee has the capacity to fully understand the financial terms and implications of the transfer agreement;

(3) whether the payee is employed or employable;

(4) the payee's ability to meet (i) ongoing and known future living expenses, including medical expenses, and (ii) the current and future financial obligations of the payee and the payee's dependents, including child support and spousal maintenance;

(5) whether the payee completed previous transactions involving the payee's structured settlement payments, and the timing, size, stated purpose, and actual use of the proceeds;

(6) the impact of the proposed transfer on current or future eligibility of the payee or the payee's dependents for public benefits; and

(7) any other factors or facts the court determines are relevant and should be considered;

(d) the payee has or has not received independent professional advice regarding the legal, tax, and financial implications of the transfer;

(e) the transferee has given written notice of the transferee's name, address, and taxpayer identification number to the annuity issuer and the structured settlement obligor and has filed a copy of the notice with the court or responsible administrative authority; and

(f) that the transfer agreement provides that any disputes between the parties will be governed, interpreted, construed, and enforced in accordance with the laws of this state and that the domicile state of the payee is the proper place of venue to bring any cause of action in district court arising out of a breach of the agreement. The transfer agreement must also provide that the parties agree to the jurisdiction of any court of competent jurisdiction located in this state and that no predispute arbitration is required by the agreement.

~~If the transfer would contravene the terms of the structured settlement, upon the filing of a written objection by any interested party and after considering the objection and any response to it, the court or responsible administrative authority may grant, deny, or impose conditions upon the proposed transfer as the court or responsible administrative authority deems just and proper under the facts and circumstances in accordance with established principles of law. Any order approving a transfer must require that the transferee indemnify the annuity issuer and the structured settlement obligor for any liability including reasonable costs and attorney fees arising from compliance by the issuer or obligor with the order of the court or responsible administrative authority.~~

Subd. 1a. **Appointment of evaluator.** The court may, in its discretion in any case, appoint an attorney to make an independent assessment and advise the court whether the financial terms of the proposed transfer agreement are fair and reasonable, and whether the transfer is in the best interests of the payee and the payee's dependents. The evaluator must present the findings of the evaluation to the court at or prior to a hearing on the application. All costs and reasonable fees for the evaluator shall be borne by the transferee.

Subd. 1b. **Obligations of annuity issuers and structured settlement obligors; liability of transferees.** (a) The annuity issuer and the structured settlement obligor may rely on the court order approving the transfer of structured settlement payment rights in redirecting periodic payments and, as to all parties except the transferee or an assignee, be discharged and released from any and all liability for the redirected payments. The failure of any party to the transfer to comply with sections 549.30 to 549.34 or with the court order approving the transfer has no effect on the discharge and release.

(b) The transferee is liable to the structured settlement obligor and annuity issuer:

(1) if the transfer contravenes the terms of the structured settlement, and for any taxes incurred by the structured settlement obligor or annuity issuer resulting from the transfer; or

(2) for any other liabilities or costs, including reasonable attorney fees, arising from compliance by the annuity issuer or the structured settlement obligor with the court order approving the transfer, or from the failure of any party to the transfer to comply with sections 549.30 to 549.34.

(c) Compliance with the requirements in sections 549.30 to 549.34 regarding any transfer of structured settlement payment rights is solely the responsibility of the transferee, and neither the annuity issuer nor the structured settlement obligor bears any responsibility for, or any liability arising from, the failure to comply with the requirements or failure to fulfill the conditions of the transfer.

(d) Neither the annuity issuer nor the structured settlement obligor is required to divide any periodic payment between the payee and any transferee or assignee or between two or more transferees or assignees.

Subd. 2. Unenforceable confessions of judgment. A provision in a transfer agreement giving a transferee power to confess judgment against a payee is unenforceable ~~to the extent the amount of the judgment would exceed the amount paid by the transferee to the payee, less any payments received from the structured settlement obligor or the payee.~~

Subd. 3. Initial disclosure of structured settlement terms. In negotiating a structured settlement of claims brought by or on behalf of a claimant who is domiciled in this state, the structured settlement obligor shall disclose in writing to the claimant or the claimant's legal representative all of the following information that is not otherwise specified in the structured settlement agreement:

(1) the amounts and due dates of the periodic payments to be made under the structured settlement agreement. In the case of payments that will be subject to periodic percentage increases, the amounts of future payments may be disclosed by identifying the base payment amount, the amount and timing of scheduled increases, and the manner in which increases will be compounded;

(2) the amount of the premium payable to the annuity issuer;

(3) the discounted present value of all periodic payments that are not life-contingent, together with the discount rate used in determining the discounted present value;

(4) the nature and amount of any cost that may be deducted from any of the periodic payments;

(5) where applicable, that any transfer of the periodic payments is prohibited by the terms of the structured settlement and may otherwise be prohibited or restricted under applicable law; and

(6) that any transfer of the periodic payments by the claimant may subject the claimant to serious adverse tax consequences.

Sec. 70. **[549.315] DISCOUNT RATE.**

The discount rate used in determining the net amount payable to the payee under the transfer agreement may not exceed an annual percentage rate of prime plus five percentage points calculated as if the net amount payable to the payee was the principal of a consumer loan made by the transferee to the payee, and if the structured settlement payments to be transferred to the transferee were the payee's payments of principal plus interest on such loan. For purposes of this subdivision, the prime rate shall be as reported by the Federal Reserve Statistical Release H.15 on the first Monday of the month in which the transfer agreement is signed by both the payee and the transferee, except when the transfer agreement is signed prior to the first Monday of that month then the prime rate shall be as reported by the Federal Reserve Statistical Release H.15 on the first Monday of the preceding month.

Sec. 71. Minnesota Statutes 2020, section 549.32, is amended to read:

549.32 JURISDICTION APPLICATION; PROCEDURE FOR APPROVAL OF TRANSFERS.

Subdivision 1. **Jurisdiction; venue.** ~~The district court has nonexclusive jurisdiction over~~ (a) An application for authorization under section 549.31 of a transfer of structured settlement payment rights must be filed in the district court in the county in which the payee resides.

(b) The payee must appear in person at the hearing unless the court determines that good cause exists to excuse the payee from appearing in person.

Subd. 2. **Notice.** Not less than 20 days before the scheduled hearing on an application for authorization of a transfer of structured settlement payment rights under section 549.31, the transferee shall file with the court or responsible administrative authority and serve on: any other government authority that previously approved the structured settlement; and all interested parties, a notice of the proposed transfer and the application for its authorization. The notice must include:

(1) a copy of the transferee's application to the court or responsible administrative authority, which must contain the payee's name and age;

(2) a copy of the transfer agreement;

(3) a copy of the disclosure statement required under section 549.31, subdivision 1, paragraph (b), and proof that the disclosure statement has been delivered to the payee, to an attorney representing or advising the payee, and to any other professional known to be advising the payee;

(4) notification that an interested party is entitled to support, oppose, or otherwise respond to the transferee's application, either in person or by counsel, by submitting written comments to the court or responsible administrative authority or by participating in the hearing;

(5) notification of the time and place of the hearing and notification of the manner in which and the time by which written responses to the application must be filed, in order to be considered by the court or responsible administrative authority. Written responses to the application must be filed within 15 days after service of the transferee's notice; and

(6) notification of the date and ~~judicial district court, and details~~ of any prior application for transfer filed by the transferee, an affiliate or assignee of the transferee, or any other transferee relating to a prior proposed transfer with the payee, including whether the prior application was granted or denied. If any prior application was granted, the notice shall provide the amount and due dates of any structured settlement payments that were transferred, the aggregate amount of the payments, the discounted present value of the payments, and the gross amount that was payable to the payee in exchange for the payments.

Sec. 72. **[549.325] PROHIBITED PRACTICES.**

Subdivision 1. Prohibitions. No transferee shall:

(1) represent the payee;

(2) intervene in a pending structured settlement transfer proceeding, if the transferee is not a party to such proceeding or an interested party relative to the proposed transfer that is the subject of the pending structured settlement transfer proceeding;

(3) offer or provide any gift, loan, extension of credit, or advance as an inducement to enter into a transfer agreement or pay a fee to any person to refer a potential payee to the transferee or any affiliate of the transferee;

(4) communicate with a payee or a person associated with the payee with excessive frequency, at unusual hours, or in any other manner as reasonably may be expected to abuse or harass the payee in connection with a proposed transfer;

(5) solicit a prospective payee through the conveyance of a document in any way resembling a check or other form of payment;

(6) provide in a transfer agreement or related document that gives to the transferee the first choice or option to purchase any remaining structured settlement rights belonging to the payee; or

(7) solicit or petition for a transfer of a structured settlement from a minor or a parent or guardian of a minor.

Subd. 2. Enforcement. A violation of this section is a deceptive practice in violation of section 325F.69.

Sec. 73. Minnesota Statutes 2020, section 549.34, is amended to read:

549.34 CONSTRUCTION.

(a) Nothing contained in sections 549.30 to 549.34 may be construed to authorize the transfer of workers' compensation payment rights in contravention of applicable law or to give effect to the transfer of workers' compensation payment rights that is invalid under applicable law.

(b) No transfer of structured settlement payment rights shall extend to any payments that are life contingent unless, prior to the date on which the payee signs the transfer agreement, the transferee has established and has agreed to maintain procedures reasonably satisfactory to the annuity issuer and the structured settlement obligor for:

(1) periodically confirming the payee's survival; and

(2) giving the annuity issuer and the structured settlement obligor prompt written notice in the event of the payee's death.

Sec. 74. **REVISOR INSTRUCTION.**

(a) The revisor of statutes shall change the term "self-study course" to "on-demand course" wherever it appears in Minnesota Statutes, chapter 45. The revisor shall also make grammatical changes related to the change in term.

(b) The revisor of statutes shall change the term "classroom course" to "live course" wherever it appears in Minnesota Statutes, chapter 45. The revisor shall also make grammatical changes related to the change in term.

Sec. 75. **REPEALER.**

(a) Minnesota Statutes 2020, section 45.25, subdivisions 2a and 14, are repealed.

(b) Minnesota Statutes 2020, section 60A.033, subdivision 3, is repealed.

ARTICLE 3
INSURANCE

Section 1. Minnesota Statutes 2020, section 61A.02, is amended by adding a subdivision to read:

Subd. 7. Regulatory flexibility. (a) Notwithstanding any other requirement of this section, the commissioner may authorize long-term care insurance to be sold as part of or in conjunction with life insurance, if the proposed policy:

(1) is not permitted under current law;

(2) represents an innovative and reasonable approach to provide both life insurance and long-term care insurance;

(3) provides reasonable coverage; and

(4) is in the best interest of insureds.

(b) The insurer filing for authorization under this section must demonstrate that the proposed policy satisfies the requirements of paragraph (a).

Sec. 2. Minnesota Statutes 2021 Supplement, section 62J.26, subdivision 2, is amended to read:

Subd. 2. Evaluation process and content. (a) The commissioner, in consultation with the commissioners of health and management and budget, must evaluate all mandated health benefit proposals as provided under subdivision 3.

(b) The purpose of the evaluation is to provide the legislature with a complete and timely analysis of all ramifications of any mandated health benefit proposal. The evaluation must include, in addition to other relevant information, the following to the extent applicable:

(1) scientific and medical information on the mandated health benefit proposal, on the potential for harm or benefit to the patient, and on the comparative benefit or harm from alternative forms of treatment, and must include the results of at least one professionally accepted and controlled trial comparing the medical consequences of the proposed therapy, alternative therapy, and no therapy;

(2) public health, economic, and fiscal impacts of the mandated health benefit proposal on persons receiving health services in Minnesota, on the relative cost-effectiveness of the proposal, and on the health care system in general;

(3) the extent to which the treatment, service, equipment, or drug is generally utilized by a significant portion of the population;

(4) the extent to which insurance coverage for the mandated health benefit proposal is already generally available;

(5) the extent to which the mandated health benefit proposal, by health plan category, would apply to the benefits offered to the health plan's enrollees;

(6) the extent to which the mandated health benefit proposal will increase or decrease the cost of the treatment, service, equipment, or drug;

(7) the extent to which the mandated health benefit proposal may increase enrollee premiums; and

(8) if the proposal applies to a qualified health plan as defined in section 62A.011, subdivision 7, the cost to the state to defray the cost of the mandated health benefit proposal using commercial market reimbursement rates in accordance with Code of Federal Regulations, title 45, section 155.70.

(c) The commissioner shall consider actuarial analysis done by health plan companies and any other proponent or opponent of the mandated health benefit proposal in determining the cost of the proposal.

(d) The commissioner must summarize the nature and quality of available information on these issues, and, if possible, must provide preliminary information to the public. The commissioner may conduct research on these issues or may determine that existing research is sufficient to meet the informational needs of the legislature. The commissioner may seek the assistance and advice of researchers, community leaders, or other persons or organizations with relevant expertise.

(e) The commissioner shall not make public any information submitted under this section if that information is trade secret information under section 13.37, subdivision 1, paragraph (b). Trade secret information submitted by a health plan company or other proponent or opponent of the mandated health benefit proposal must be clearly and specifically identified as trade secret information. If the commissioner disagrees with the classification of the information as trade secret, the commissioner must notify in writing the health plan company or other proponent or opponent of the mandated health benefit proposal that the information will be made public at least 30 days prior to the information being made public.

(f) When requesting information from a health plan company or other proponent or opponent of the mandated health benefit proposal pursuant to this section, the commissioner must provide at least 60 days' notice.

Sec. 3. Minnesota Statutes 2020, section 62Q.733, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** For purposes of sections 62Q.732 to ~~62Q.739~~ 62Q.7391, the following definitions apply.

Sec. 4. Minnesota Statutes 2020, section 62Q.735, subdivision 1, is amended to read:

Subdivision 1. **Contract disclosure.** (a) Before requiring a health care provider to sign a contract, a health plan company shall give to the provider a complete copy of the proposed contract, including:

(1) all attachments and exhibits;

(2) operating manuals;

(3) a general description of the health plan company's health service coding guidelines and requirement for procedures and diagnoses with modifiers, and multiple procedures; and

(4) all guidelines and treatment parameters incorporated or referenced in the contract.

(b) The health plan company shall make available to the provider the fee schedule or a method or process that allows the provider to determine the fee schedule for each health care service to be provided under the contract.

~~(c) Notwithstanding paragraph (b), a health plan company that is a dental plan organization, as defined in section 62Q.76, shall disclose information related to the individual contracted provider's expected reimbursement from the dental plan organization. Nothing in this section requires a dental plan organization to disclose the plan's aggregate maximum allowable fee table used to determine other providers' fees. The contracted provider must not release this information in any way that would violate any state or federal antitrust law.~~

Sec. 5. Minnesota Statutes 2020, section 62Q.735, subdivision 5, is amended to read:

Subd. 5. **Fee schedules.** ~~(a)~~ A health plan company shall provide, upon request, any additional fees or fee schedules relevant to the particular provider's practice beyond those provided with the renewal documents for the next contract year to all participating providers, excluding claims paid under the pharmacy benefit. Health plan companies may fulfill the requirements of this section by making the full fee schedules available through a secure web portal for contracted providers.

~~(b) A dental organization may satisfy paragraph (a) by complying with section 62Q.735, subdivision 1, paragraph (c).~~

Sec. 6. **[62Q.7391] HEALTH CARE PROVIDER CONTRACT TERMINATION.**

Subdivision 1. Termination for cause. (a) A contract between a health care provider and a health plan company may be terminated by the health plan company for cause only if the contract includes an appeal process for the provider to appeal the termination. The health plan company must provide the provider with written notice of termination that includes:

(1) the reasons for the termination;

(2) the date upon which the termination is effective; and

(3) a statement that the provider has the right to appeal the termination decision and a description of the appeal process available to the provider to request an appeal.

(b) The process must permit the provider with the opportunity to request an appeal and present any relevant documents and arguments against termination. The process must also include (1) an internal review, and (2) an external review that occurs if the internal review upholds the decision to terminate. The external review must be conducted by an independent external review entity agreed to by the provider. The decision of the external review entity is final. If the external review entity determines that the reason for termination is not supported the provider's contract with the health plan company must be reinstated.

(c) A health plan company regulated by the commissioner of commerce must submit to the commissioner of commerce for approval the appeal process required under this subdivision. A health plan company regulated by the commissioner of health must submit to the commissioner of health for approval the appeal process required under this subdivision. If the health plan company fails to submit the process or the appeal process is not approved, the commissioner of commerce or commissioner of health, as appropriate, may take regulatory action against the health plan company.

Subd. 2. **Termination not for cause.** A health plan company is prohibited from terminating a contract with a health care provider without cause.

Sec. 7. Minnesota Statutes 2020, section 62Q.76, is amended by adding a subdivision to read:

Subd. 9. **Third party.** "Third party" means a person or entity that enters into a contract with a dental organization or with another third party to gain access to the dental care services or contractual discounts under a dental provider contract. Third party does not include an enrollee of a dental organization or an employer or other group for whom the dental organization provides administrative services.

EFFECTIVE DATE. This section is effective January 1, 2023, and applies to dental plans and dental provider agreements offered, issued, or renewed on or after that date.

Sec. 8. Minnesota Statutes 2020, section 62Q.78, is amended by adding a subdivision to read:

Subd. 7. **Network leasing.** (a) A dental organization may grant a third party access to a dental provider contract, or a provider's dental care services or contractual discounts provided pursuant to a dental provider contract, if at the time the dental provider contract is entered into or renewed the dental organization allows a dentist to choose not to participate in third-party access to the dental provider contract, without any penalty to the dentist. The third-party access provision of the dental provider contract must be clearly identified. A dental organization must not grant a third party access to the dental provider contract of any dentist who does not participate in third-party access to the dental provider contract.

(b) Notwithstanding paragraph (a), if a dental organization exists solely for the purpose of recruiting dentists for dental provider contracts that establish a network to be leased to third parties, the dentist waives the right to choose whether to participate in third-party access.

(c) A dental organization may grant a third party access to a dental provider contract, or a dentist's dental care services or contractual discounts under a dental provider contract, if the following requirements are met:

(1) the dental organization lists all third parties that may have access to the dental provider contract on the dental organization's website, which must be updated at least once every 90 days;

(2) the dental provider contract states that the dental organization may enter into an agreement with a third party that would allow the third party to obtain the dental organization's rights and responsibilities as if the third party were the dental organization, and the dentist chose to participate in third-party access at the time the dental provider contract was entered into; and

(3) the third party accessing the dental provider contract agrees to comply with all applicable terms of the dental provider contract.

(d) A dentist is not bound by and is not required to perform dental care services under a dental provider contract granted to a third party in violation of this section.

(e) This subdivision does not apply when:

(1) the dental provider contract is for dental services provided under a public health plan program, including but not limited to medical assistance, MinnesotaCare, Medicaid, or Medicare Advantage; or

(2) access to a dental provider contract is granted to a dental organization, an entity operating in accordance with the same brand licensee program as the dental organization or other entity, or to an entity that is an affiliate of the dental organization, provided the entity agrees to substantially similar terms and conditions of the originating dental provider contract between the dental organization and the dentist or dental clinic. A list of the dental organization's affiliates must be posted on the dental organization's website.

Sec. 9. Minnesota Statutes 2020, section 62Q.79, is amended by adding a subdivision to read:

Subd. 7. **Method of payments.** A dental provider contract must include a method of payment for dental care services in which no fees associated with the method of payment, including credit card fees and fees related to payment in the form of digital or virtual currency, are incurred by the dentist or dental clinic. Any fees that may be incurred from a payment must be disclosed to a dentist prior to entering into or renewing a dental provider contract. For purposes of this section, fees related to a provider's electronic claims processing vendor, financial institution, or other vendor used by a provider to facilitate the submission of claims are excluded.

Sec. 10. Minnesota Statutes 2020, section 72A.20, is amended by adding a subdivision to read:

Subd. 41. **Discrimination based on status as a living organ or bone marrow donor prohibited.** A life insurance, long-term care insurance, or disability insurance carrier is prohibited from declining or limiting coverage of an insured or otherwise discriminating in the premium rating, offering, issuance, cancellation, amount of coverage, or any other condition based solely upon the status of an insured as a living organ or bone marrow donor and without additional actuarial risks.

EFFECTIVE DATE. This section is effective for insurance policies issued and renewed on or after August 1, 2022.

Sec. 11. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision to read:

Subd. 3a. **Cash compensation.** "Cash compensation" means any discount, concession fee, service fee, commission, sales charge, loan, override, or cash benefit received by an insurance producer from an insurer, intermediary, or consumer in connection with recommending or selling an annuity.

Sec. 12. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision to read:

Subd. 3b. **Consumer profile information.** "Consumer profile information" means information that is reasonably appropriate to determine whether a recommendation addresses the consumer's financial situation, insurance needs, and financial objectives, including at a minimum the following:

(1) age;

(2) annual income and anticipated material changes in annual income;

(3) financial situation and needs, including debts and other obligations, and anticipated material changes in financial situation and needs;

(4) financial experience;

(5) insurance needs;

(6) financial objectives;

(7) intended use of the annuity;

(8) financial time horizon;

(9) existing assets or financial products, including investment, annuity, and insurance holdings, and anticipated material changes in existing assets;

(10) liquidity needs and anticipated material changes in liquidity needs;

(11) liquid net worth and anticipated material changes in liquid net worth;

(12) risk tolerance, including but not limited to willingness to accept nonguaranteed elements in the annuity;

(13) financial resources used to fund the annuity;

(14) tax status; and

(15) whether or not the consumer has a reverse mortgage.

Sec. 13. Minnesota Statutes 2020, section 72A.2031, subdivision 8, is amended to read:

Subd. 8. **Insurance producer.** "Insurance producer" means a person required to be licensed under the laws of this state to sell, solicit, or negotiate insurance, including annuities. For purposes of sections 72A.203 to 72A.2036, insurance producer includes an insurer where no insurance producer is involved.

Sec. 14. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision to read:

Subd. 8a. **Intermediary.** "Intermediary" means an entity contracted directly with an insurer or with another entity contracted with an insurer to facilitate the sale of the insurer's annuities by insurance producers.

Sec. 15. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision to read:

Subd. 8b. **Material conflict of interest.** "Material conflict of interest" means a financial interest of the insurance producer in the sale of an annuity that a reasonable person would expect to influence the impartiality of a recommendation. The payment of compensation, including both cash and noncash compensation, does not in and of itself constitute a material conflict of interest.

Sec. 16. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision to read:

Subd. 8c. **Noncash compensation.** "Noncash compensation" means any form of compensation that is not cash compensation, including but not limited to health insurance, office rent, office support, and retirement benefits.

Sec. 17. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision to read:

Subd. 8d. **Nonguaranteed elements.** "Nonguaranteed elements" means the premiums and credited interest rates, including any bonus, benefits, values, dividends, noninterest-based credits, charges, or elements of formulas used to determine any of the elements in this subdivision, that are subject to company discretion and are not guaranteed at issue. An element is considered nonguaranteed if any of the underlying nonguaranteed elements are used in the element's calculation.

Sec. 18. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision to read:

Subd. 8e. **Recommendation.** "Recommendation" means advice provided by an insurance producer to an individual consumer that was intended to result or does result in a purchase, exchange, or replacement of an annuity in accordance with the advice rendered. Recommendation does not include a general communication to the public, generalized customer services, assistance or administrative support, general educational information and tools, prospectuses, or other product and sales material.

Sec. 19. Minnesota Statutes 2020, section 72A.2031, subdivision 10, is amended to read:

Subd. 10. **Replacement.** "Replacement" means a transaction in which a new ~~policy or contract~~ annuity is to be purchased; and it is known or should be known to the proposing insurance producer; or the proposing insurer, whether or not ~~there is an insurance producer is involved~~, that by reason of the transaction, an existing annuity or other insurance policy ~~or contract~~ has been or is to be any of the following:

(1) lapsed, forfeited, surrendered or partially surrendered, assigned to the replacing insurer, or otherwise terminated;

(2) converted to reduced paid-up insurance, continued as extended term insurance, or otherwise reduced in value by the use of nonforfeiture benefits or other policy values;

(3) amended so as to effect either a reduction in benefits or in the term for which coverage would otherwise remain in force or for which benefits would be paid;

(4) reissued with any reduction in cash value; or

(5) used in a financed purchase.

Sec. 20. Minnesota Statutes 2020, section 72A.2032, is amended by adding a subdivision to read:

Subd. 1a. **Best interest obligations.** An insurance producer, when recommending an annuity, shall act in the best interest of the consumer under the circumstances known at the time the recommendation is made. An insurance producer shall not place the insurance producer's or the insurer's financial interest ahead of the consumer's interest. An insurance producer has acted in the best interest of the consumer if the insurance producer has satisfied obligations regarding care, disclosure, conflict of interest, and documentation specified in subdivisions 1b, 1c, 1d, and 1e.

Sec. 21. Minnesota Statutes 2020, section 72A.2032, is amended by adding a subdivision to read:

Subd. 1b. **Care obligation.** (a) The insurance producer, in making a recommendation, shall exercise reasonable diligence, care, and skill to:

(1) know the consumer's financial situation, insurance needs, and financial objectives;

(2) understand the available recommendation options after making a reasonable inquiry into the options available to the insurance producer;

(3) have a reasonable basis to believe the recommended option effectively addresses the consumer's financial situation, insurance needs, and financial objectives over the life of the product, as evaluated in light of the consumer profile information; and

(4) communicate the basis or rationale supporting the recommendation.

(b) The requirements under paragraph (a) include making reasonable efforts to obtain consumer profile information from the consumer prior to recommending an annuity.

(c) Paragraph (a) requires an insurance producer to consider the types of products the insurance producer is authorized and licensed to recommend or sell that address the consumer's financial situation, insurance needs, and financial objectives. This paragraph does not require an insurance producer to analyze or consider (1) any products

outside the insurance producer's authority and license, or (2) other possible alternative products or strategies available in the market at the time of the recommendation. Insurance producers shall be held to standards applicable to insurance producers with similar authority and licensure.

(d) This subdivision does not create a fiduciary obligation or relationship and only creates a statutory obligation under sections 72A.203 to 72A.2036.

(e) The consumer profile information; characteristics of the insurer; and product costs, rates, benefits, and features are the factors generally relevant in determining whether an annuity effectively addresses the consumer's financial situation, insurance needs, and financial objectives. The level of importance of each factor under paragraph (a) may vary depending on the facts and circumstances of a particular case. Each factor must not be considered in isolation.

(f) The requirements under paragraph (a) include having a reasonable basis to believe the consumer benefits from certain features of the annuity, including but not limited to annuitization, death or living benefit, or other insurance-related features.

(g) Paragraph (a) applies to the particular annuity as a whole and the underlying subaccounts to which funds are allocated at the time of the purchase or exchange of an annuity, riders, and similar product enhancements, if any.

(h) Paragraph (a) does not require that the annuity with the lowest onetime or multiple-occurrence compensation structure must be recommended.

(i) Paragraph (a) does not require the insurance producer to assume ongoing monitoring obligations. An ongoing monitoring obligation may be separately owed under the terms of a fiduciary, consulting, investment advising, or financial planning agreement between the consumer and the insurance producer.

(j) When an annuity is being exchanged or replaced, the insurance producer shall consider the whole transaction, which includes considering whether:

(1) the consumer incurs a surrender charge; is subject to the commencement of a new surrender period; loses existing benefits such as death, living, or other contractual benefits; or is subject to increased fees, investment advisory fees, or charges for riders and similar product enhancements;

(2) the replacing product substantially benefits the consumer in comparison to the replaced product over the life of the product; and

(3) the consumer had another annuity exchange or replacement and, in particular, an annuity exchange or replacement within the preceding 60 months.

(k) If a person is 65 years of age or older, neither an insurance producer nor an insurer shall recommend replacing or exchanging an annuity that requires the insured to pay a surrender charge for the annuity being replaced or exchanged if the replacement or exchange does not confer a substantial financial benefit over the life of the annuity to the consumer, so that a reasonable person would believe the purchase is unnecessary.

(l) Nothing in sections 72A.203 to 72A.2036 requires an insurance producer to obtain any license other than an insurance producer license with the appropriate line of authority to sell, solicit, or negotiate insurance in Minnesota, including but not limited to any securities license in order to fulfill the duties and obligations contained in sections 72A.203 to 72A.2036, provided that the insurance producer does not give advice or provide services that are subject to other securities law or engage in any other activity requiring other professional licenses.

Sec. 22. Minnesota Statutes 2020, section 72A.2032, is amended by adding a subdivision to read:

Subd. 1c. **Disclosure obligation.** (a) Prior to recommending and selling an annuity, the insurance producer shall prominently disclose to the consumer the information required under this paragraph on a form prescribed by the commissioner. The form prescribed by the commissioner must contain:

(1) a description of (i) the scope and terms of the relationship with the consumer, and (ii) the role of the insurance producer in the transaction;

(2) an affirmative statement indicating whether the insurance producer is licensed and authorized to sell the following products:

(i) fixed annuities;

(ii) fixed indexed annuities;

(iii) variable annuities;

(iv) life insurance;

(v) mutual funds;

(vi) stocks and bonds; and

(vii) certificates of deposit;

(3) an affirmative statement describing the insurers that the insurance producer is authorized, contracted, appointed, or otherwise able to sell insurance products for, using the following descriptions:

(i) from one insurer;

(ii) from two or more insurers; or

(iii) from two or more insurers, although primarily contracted with one insurer;

(4) a description of the sources and types of cash and noncash compensation received by the insurance producer, including whether the insurance producer is (i) compensated for the sale of a recommended annuity by commission as part of a premium, or (ii) receives other remuneration from the insurer, intermediary, or other insurance producer or by fee as a result of a contract for advice or consulting service; and

(5) a notice of the consumer's right to request additional information regarding cash compensation.

(b) Upon request of the consumer or the consumer's designated representative, the insurance producer shall disclose:

(1) a reasonable estimate of the amount of cash compensation received by the insurance producer, which may be stated as a range of amounts or percentages; and

(2) whether the cash compensation is a onetime or multiple-occurrence amount and, if a multiple-occurrence amount, the frequency and amount of the occurrence, which may be stated as a range of amounts or percentages.

(c) Prior to or at the time an annuity is recommended or sold, the insurance producer shall have a reasonable basis to believe the consumer has been reasonably informed of various features of the annuity, including the potential surrender period and surrender charge; potential tax penalty if the consumer sells, exchanges, surrenders, redeems, or annuitizes the annuity; mortality and expense fees; investment advisory fees; annual fees; potential charges for and features of riders or other options of the annuity; limitations on interest returns; potential changes in nonguaranteed elements of the annuity; insurance and investment components; and market risk.

Sec. 23. Minnesota Statutes 2020, section 72A.2032, is amended by adding a subdivision to read:

Subd. 1d. **Conflict of interest obligation.** An insurance producer shall identify and avoid or reasonably manage and disclose material conflicts of interest, including a material conflict of interest related to an ownership interest.

Sec. 24. Minnesota Statutes 2020, section 72A.2032, is amended by adding a subdivision to read:

Subd. 1e. **Documentation obligation.** An insurance producer shall, at the time of recommendation or sale:

(1) make a written record of any recommendation and the basis for the recommendation, subject to sections 72A.203 to 72A.2036;

(2) obtain a signed statement, on a form prescribed by the commissioner, that includes:

(i) a customer's refusal to provide the consumer profile information, if any; and

(ii) a customer's understanding of the ramifications of not providing the customer's consumer profile information or providing insufficient consumer profile information; and

(3) a consumer-signed statement, on a form prescribed by the commissioner, that acknowledges the annuity transaction is not recommended if the customer decides to enter into an annuity transaction that is not based on the insurance producer's recommendation.

Sec. 25. Minnesota Statutes 2020, section 72A.2032, is amended by adding a subdivision to read:

Subd. 1f. **Application of best interest obligation.** Any requirement applicable to an insurance producer under this section applies to every insurance producer who (1) exercises control or influence in making a recommendation, and (2) has received direct compensation as a result of the recommendation or sale, regardless of whether the insurance producer had any direct contact with the consumer. Providing or delivering marketing or educational materials, product wholesaling or other back office product support, and general supervision of an insurance producer do not, in and of themselves, constitute material control or influence.

Sec. 26. Minnesota Statutes 2020, section 72A.2032, subdivision 4, is amended to read:

Subd. 4. **Exception Transactions not based on recommendation.** (a) Except as provided under paragraph (b), an insurance producer, or an insurer, does not have any obligation to a consumer under subdivision ~~4 or 3~~ 1a related to an annuity transaction if:

(1) no recommendation is made;

~~(4)~~ (2) a recommendation was made and was later found to have been prepared based on materially inaccurate information provided by the consumer; or

~~(2) (3)~~ a consumer refuses to provide relevant ~~suitability~~ consumer profile information and the annuity transaction is not recommended; or

(4) a consumer decides to enter into an annuity transaction that is not based on a recommendation made by the insurance producer.

(b) An insurer's issuance of an annuity subject to paragraph (a) shall be reasonable under all the circumstances actually known, ~~or which after reasonable inquiry should be known~~ to the insurer or the insurance producer, at the time the annuity is issued.

Sec. 27. Minnesota Statutes 2020, section 72A.2032, subdivision 6, is amended to read:

Subd. 6. **Supervision system Insurer duties.** (a) Except as permitted under subdivision 4, an insurer shall not issue an annuity recommended to a consumer unless there is a reasonable basis to believe the annuity effectively addresses the particular consumer's financial situation, insurance needs, and financial objectives based on the consumer's consumer profile information.

~~(a)~~ (b) An insurer shall establish and maintain a supervision system that is reasonably designed to achieve the insurer's and its insurance producers' compliance with sections 72A.203 to 72A.2036, including, but not limited to, all of the following:

(1) the insurer shall establish and maintain reasonable procedures to inform its insurance producers of the requirements of sections 72A.203 to 72A.2036 and shall incorporate the requirements of sections 72A.203 to 72A.2036 into relevant insurance producer training programs and manuals;

(2) the insurer shall establish and maintain standards for insurance producer product training and shall establish and maintain reasonable procedures to require its insurance producers to comply with the requirements of section 72A.2033;

(3) the insurer shall provide product-specific training and training materials which explain all material features of its annuity products to its insurance producers;

(4) the insurer shall establish and maintain procedures for the review of each recommendation before issuance of an annuity that are designed to ensure ~~that~~ there is a reasonable basis to determine ~~that a recommendation is suitable~~ the recommended annuity effectively addresses the particular consumer's financial situation, insurance needs, and financial objectives. The review procedures shall apply a screening system for the purpose of identifying selected transactions for additional review and may be accomplished electronically or through other reasonable means including, but not limited to, physical review. The electronic or other system shall be designed to require an elevated individual review for those transactions involving consumers 65 years of age or older on the basis of the review procedure's thresholds for liquidity, liquid net worth, income, and anticipated material changes in their financial situation and needs and the elevated review shall be conducted by a natural person or persons;

(5) the insurer shall establish and maintain reasonable procedures to detect recommendations that are not ~~suitable~~ in compliance with subdivisions 1a to 1f, 4, 7, and 8. This may include, but is not limited to, confirmation of ~~consumer suitability~~ the consumer's profile information, systematic customer surveys, insurance producer and consumer interviews, confirmation letters, insurance producer attestations, and programs of internal monitoring. Nothing in this clause prevents an insurer from complying with this clause by applying sampling procedures, or by confirming ~~suitability~~ consumer profile information or other required information under this subdivision after issuance or delivery of the annuity; ~~and~~

(6) the insurer shall establish and maintain reasonable procedures to assess, prior to or upon issuance or delivery of an annuity, whether an insurance producer has provided to the consumer the information required under this subdivision;

(7) the insurer shall establish and maintain reasonable procedures to identify and address suspicious consumer refusals to provide consumer profile information;

(8) the insurer shall establish and maintain reasonable procedures to identify and eliminate any sales contests, sales quotas, bonuses, and noncash compensation that are based on the sales of specific annuities within a limited period of time. This clause does not prohibit the receipt of health insurance, office rent, office support, retirement benefits, or other employee benefits, as long as the benefits are not based on the volume of sales of a specific annuity within a limited period of time; and

~~(6)~~ (9) the insurer shall annually provide a written report to senior management, including to the senior manager responsible for audit functions, which details a review, with appropriate testing, reasonably designed to determine the effectiveness of the supervision system, the exceptions found, and corrective action taken or recommended, if any.

~~(b)(4)~~ (c)(1) Nothing in this subdivision restricts an insurer from contracting for performance of a function, including maintenance of procedures, required under paragraph ~~(a)~~ (b). An insurer is responsible for taking appropriate corrective action and may be subject to sanctions and penalties pursuant to section 72A.2034 regardless of whether the insurer contracts for performance of a function and regardless of the insurer's compliance with ~~subdivision 2~~ clause (2), and an insurer is responsible for the compliance of an insurance producer with the provisions of sections 72A.203 to 72A.2036 regardless of whether the insurer contracts for performance of a function required under this paragraph; and

(2) an insurer's supervision system under paragraph ~~(a)~~ (b) must include supervision of contractual performance under this clause. This includes, but is not limited to, the following:

(i) monitoring and, as appropriate, conducting audits to assure that the contracted function is properly performed; and

(ii) annually obtaining a certification from a senior manager who has responsibility for the contracted function that the manager has a reasonable basis to represent, and does represent, that the function is properly performed.

~~(e)~~ (d) An insurer is not required to include in its system of supervision an insurance producer's recommendations to consumers of products other than the annuities offered by the insurer, or consideration of or comparison to options available to the insurance producer or compensation relating to the options other than annuities or other products offered by the insurer.

Sec. 28. Minnesota Statutes 2020, section 72A.2032, subdivision 7, is amended to read:

Subd. 7. ~~Undue influence~~ **Prohibited practices.** An insurance producer or insurer shall not dissuade, or attempt to dissuade, a consumer from:

(1) providing ~~suitability~~ consumer profile information to the insurance producer or insurer and truthfully responding to an insurer's request for confirmation of ~~suitability~~ consumer profile information;

(2) filing a complaint; or

(3) cooperating with the investigation of a complaint.

Sec. 29. Minnesota Statutes 2020, section 72A.2032, subdivision 8, is amended to read:

Subd. 8. **FINRA Comparable standards; compliance.** (a) Recommendations and sales of annuities made by broker-dealers in compliance with comparable standards satisfy the requirements under sections 72A.203 to 72A.2036, so long as: This subdivision applies to recommendations and sales of annuities made by financial professionals in compliance with business rules, controls, and procedures that satisfy a comparable standard even if the standard would not otherwise apply to the product or recommendation at issue. Nothing in this subdivision limits the commissioner's ability to investigate and enforce sections 72A.203 to 72A.2036.

~~(1) those sales comply with FINRA requirements pertaining to suitability and supervision of annuity transactions; and~~

~~(2) a registered principal reviews and approves the transaction based on review criteria that include consideration of the customer's age, income, liquidity needs, and financial situation.~~

~~(b) The insurer remains responsible for the suitability of every transaction and must take reasonably appropriate corrective action for any consumer harmed by violation of law and is subject to the penalty provisions described in section 72A.2034, subdivision 1.~~

~~(c)~~ (b) For paragraph (a) to apply, an insurer shall:

(1) monitor the FINRA member broker-dealer relevant conduct of the financial professional seeking to rely on paragraph (a) or the entity responsible for supervising the financial professional, including the financial professional's broker-dealer or an investment adviser registered under federal or state securities law using information collected in the normal course of the insurer's business; and

(2) provide to the FINRA member broker-dealer entity responsible for supervising the financial professional seeking to rely on paragraph (a), including the financial professional's broker-dealer or investment adviser registered under federal or state securities law, information and reports that are reasonably appropriate to assist the FINRA member broker-dealer the entity to maintain its supervision system.

~~(d) Nothing in this subdivision limits:—~~(c) For purposes of this subdivision, "financial professional" means an insurance producer that is regulated and acting as:

~~(1) the responsibilities of the insurer to monitor the broker-dealer as provided in this subdivision; and a broker-dealer registered under federal or state securities law or a registered representative of a broker-dealer;~~

~~(2) the commissioner of commerce's ability to enforce the provisions of sections 72A.203 to 72A.2036 with respect to sales made in compliance with FINRA requirements and federal law: an investment adviser registered under federal or state securities law, or an investment adviser representative associated with the federal or state registered investment adviser; or~~

~~(3) a plan fiduciary under the Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1001; Code of Federal Regulations, title 29, part 2510.3-21; fiduciary under the Internal Revenue Code, section 4975(e)(3); or any amendments or successor statutes.~~

~~(d)~~ For purposes of this subdivision, "comparable standards" means:

(1) with respect to broker-dealers and registered representatives of broker-dealers, applicable United States Securities and Exchange Commission and FINRA rules pertaining to best interest obligations and supervision of annuity recommendations and sales, including but not limited to regulation best interest and any amendments or successor regulations;

(2) with respect to investment advisers registered under federal or state securities law or investment adviser representatives, the fiduciary duties and all other requirements imposed on the investment advisers or investment adviser representatives by contract or under the Investment Advisers Act of 1940 or applicable state securities law, including but not limited to Form ADV and interpretations; and

(3) with respect to plan fiduciaries or fiduciaries, the duties, obligations, prohibitions, and all other requirements attendant to status under ERISA or the Internal Revenue Code and any amendments or successor statutes.

Sec. 30. Minnesota Statutes 2020, section 72A.2033, is amended to read:

72A.2033 INSURANCE PRODUCER TRAINING.

Subdivision 1. **Requirement.** An insurance producer shall not solicit the sale of an annuity product unless the insurance producer has adequate knowledge of the product to recommend the annuity and the insurance producer is in compliance with the insurer's standards for product training. An insurance producer may rely on insurer-provided product-specific training standards and materials to comply with this ~~subdivision~~ section.

Subd. 2. **Initial training.** (a) An insurance producer who is otherwise entitled to engage in the sale of annuity products shall complete a onetime four-credit training course approved by the commissioner and provided by a continuing education provider approved by the commissioner prior to commencing the transaction of annuities.

Insurance producers who hold a life insurance line of authority on ~~June 1, 2013~~ December 31, 2022, and who desire to sell annuities shall complete the requirements of this subdivision no later than six months after January 1, ~~2014~~ 2023. Individuals who obtain a life insurance line of authority on or after January 1, ~~2014~~ 2023, may not engage in the sale of annuities until the annuity training course required under this subdivision has been completed.

(b) The length of the training required under this subdivision must be four continuing education hours.

(c) The training required under this subdivision must include information on the following topics:

(1) the types of annuities and various classifications of annuities;

(2) identification of the parties to an annuity;

(3) how fixed, variable, and indexed annuity contract provisions affect consumers;

(4) the application of income taxation of qualified and nonqualified annuities;

(5) the primary uses of annuities;

(6) ~~appropriate and lawful standards of conduct, sales practices, replacement, and disclosure requirements, and suitability information and whether an annuity is suitable for a consumer;~~ appropriate and lawful standards of conduct, sales practices, replacement, and disclosure requirements; and

(7) the recognition of indicators that a prospective insured may lack the short-term memory or judgment to knowingly purchase an insurance product.

(d) Providers of courses intended to comply with this subdivision shall cover all topics listed in the prescribed outline and shall not present any marketing information or provide training on sales techniques or provide specific information about a particular insurer's products.

(e) A provider of an annuity training course intended to comply with this subdivision must be an approved continuing education provider in this state and comply with the requirements applicable to insurance producer continuing education courses.

(f) An insurance producer licensed by December 31, 2022, who holds a life insurance line of authority and has previously completed the training in subdivision 2, paragraph (a), shall, by July 1, 2023, complete either:

(1) a new four-credit training course approved by the Department of Commerce after July 1, 2022; or

(2) an additional onetime one-credit training course approved by the Department of Commerce by July 1, 2022, and provided by a Department of Commerce-approved education provider on appropriate sales practices and replacement and disclosure requirements under sections 72A.203 to 72A.2036.

~~(f)~~ Annuity training courses may be conducted and completed by classroom or self-study methods in accordance with chapter 45. In order to assist compliance with this section, all courses approved by the commissioner for the purposes of this section shall be given the course title "~~Annuity Suitability and Disclosure~~ Best Interest Standards of Conduct for Annuity Sales." Only courses satisfying the requirements of this section shall use this course title after ~~June July 1, 2013~~ 2023.

(g) Providers of annuity training shall comply with the course completion reporting requirements of chapter 45.

(h) The satisfaction of the training requirements of another state that are substantially similar to the provisions of this subdivision satisfies the training requirements of this subdivision in this state, ~~but does not satisfy any of the continuing education requirements of chapter 60K unless the training requirements of the other state are satisfied through one or more continuing education courses approved by the commissioner.~~

(i) The satisfaction of the components of the training requirements of any course or courses with components substantially similar to the provisions of this subdivision satisfy the training requirements of this subdivision.

~~(j)~~ (j) An insurer shall verify that an insurance producer has completed the annuity training course required under this subdivision before allowing the insurance producer to sell an annuity product for that insurer. An insurer may satisfy its responsibility under this subdivision by obtaining certificates of completion of the training course or obtaining reports provided by commissioner-sponsored database systems, vendors, or from a reasonably reliable commercial database vendor that has a reporting arrangement with approved insurance education providers. If such data collection and reporting arrangements are not in place, an insurer must maintain records verifying that the producer has completed the annuity training course required under this subdivision and make the records available to the commissioner upon request.

Sec. 31. Minnesota Statutes 2020, section 72A.2034, is amended to read:

72A.2034 PENALTIES.

Subdivision 1. **Imposition; mitigation; enforcement.** (a) An insurer is responsible for compliance with sections 72A.203 to 72A.2036. If a violation occurs, either because of the action or inaction of the insurer or its insurance producer, the commissioner may order, in addition to any available penalties, remedies, or administrative actions:

(1) an insurer to take reasonably appropriate corrective action, including but not limited to canceling a transaction ~~action~~, for any consumer harmed by a failure to comply with sections 72A.203 to 72A.2036 by the insurer's insurer, an entity contracted to perform the insurer supervisory duties, or by ~~its~~ the insurer's insurance producer's, violation of sections 72A.203 to 72A.2036 producer;

(2) a general agency, independent agency, or the insurance producer to take reasonably appropriate corrective action for any consumer harmed by the insurance producer's violation of sections 72A.203 to 72A.2036; and

(3) appropriate penalties and sanctions.

(b) Nothing in sections 72A.203 to 72A.2036 shall affect any obligation of an insurer for the acts of its insurance producers, or any consumer remedy or any cause of action that is otherwise provided for under applicable federal or state law, including without limitation chapter 60K.

Subd. 2. **Aggravation or mitigation.** Any applicable penalty for a violation of sections 72A.203 to 72A.2036 may be increased or decreased upon consideration of any aggravating or mitigating circumstances, including if corrective action for the consumer was taken promptly after a violation was discovered, or if the violation was not part of a pattern or practice. The authority to enforce compliance with sections 72A.203 to 72A.2036 is vested exclusively with the commissioner.

Sec. 32. Minnesota Statutes 2020, section 72A.2035, subdivision 1, is amended to read:

Subdivision 1. **Duration.** Insurers and insurance producers shall maintain or be able to make available to the commissioner records of the information collected from the consumer; disclosures made to the consumer, including summaries of oral disclosures; and other information used in making the recommendations that were the basis for insurance transactions for ten years after the insurance transaction is completed by the insurer. An insurer is permitted, but shall not be required, to maintain documentation on behalf of an insurance producer.

Sec. 33. Minnesota Statutes 2020, section 72A.2036, is amended to read:

72A.2036 RELATIONSHIP TO OTHER LAWS; ENFORCEMENT.

(a) Nothing in sections 72A.203 to 72A.2036 ~~shall be interpreted to:~~ limits the commissioner's authority to make any investigation or take any action under chapter 45 or other applicable law with respect to any insurer, insurance producer, broker-dealer, third-party contractor, or other entity engaged in any activity involving the sale of an annuity that is subject to sections 72A.203 to 72A.2036.

~~(1) change, alter, or modify any of the obligations, duties, or responsibilities of insurers or insurance producers, pursuant to any orders of the commissioner or consent decrees in effect as of June 1, 2013; or~~

~~(2) limit the commissioner's authority to make any investigation or take any action under chapter 45 or other applicable state law with respect to any insurer, insurance producer, broker-dealer, third-party contractor, or other entity engaged in any activity involving the sale of an annuity that is subject to sections 72A.203 to 72A.2036.~~

(b) In addition to any other penalties provided by the laws of this state, a violation of sections 72A.203 to 72A.2036 shall be considered a violation of section 72A.20.

Sec. 34. STUDY AND REPORT ON DISPARITIES BETWEEN GEOGRAPHIC RATING AREAS IN INDIVIDUAL AND SMALL GROUP MARKET HEALTH INSURANCE RATES.

Subdivision 1. **Study and recommendations.** (a) The commissioner of commerce must (1) study disparities between Minnesota's nine geographic rating areas in individual and small group market health insurance rates, and (2) recommend ways to reduce or eliminate rate disparities between the geographic rating areas and provide stability for the individual and small group health insurance markets in Minnesota.

(b) As part of the study, the commissioner of commerce must:

(1) identify the factors that cause higher individual and small group market health insurance rates in certain geographic rating areas, and determine the extent to which each identified factor contributes to the higher rates;

(2) identify the impact of referral centers on individual and small group market health insurance rates in southeastern Minnesota, and identify ways to reduce the rate disparity between southeastern Minnesota and the metropolitan area, taking into consideration the patterns of referral center usage by patients in those regions;

(3) determine the extent to which individuals and small employers located in a geographic rating area with higher health insurance rates than surrounding geographic rating areas have obtained health insurance in a lower-cost geographic rating area, identify the strategies that individuals and small employers use to obtain health insurance in a lower-cost geographic rating area, and measure the effects of this practice on the rates of the individuals and small employers remaining in the geographic rating area with higher health insurance rates; and

(4) develop proposals to redraw the boundaries of Minnesota's geographic rating areas and calculate the effect each proposal would have on rates in each of the proposed rating areas. The commissioner of commerce must examine at least three options for redrawing the boundaries of Minnesota's geographic rating areas, at least one of which must reduce the number of geographic rating areas and at least one which must be based on the first three digits of area zip codes. The commissioner must not take into consideration the requirements of Minnesota Statutes, section 62A.65, subdivision 3, paragraph (b), clause (2), when developing the proposals required by this section. All options for redrawing Minnesota's geographic rating areas considered by the commissioner of commerce must be designed:

(i) to reduce or eliminate rate disparities between geographic rating areas and provide for stability of the individual and small group health insurance markets in Minnesota;

(ii) after considering the composition of existing provider networks and referral patterns in regions of Minnesota; and

(iii) in compliance with the requirements for geographic rating areas in Code of Federal Regulations, title 45, section 147.102(b), and other applicable federal law and guidance.

(c) Health carriers that cover Minnesota residents, health systems that provide care to Minnesota residents, and the commissioner of health must cooperate with any request for information from the commissioner of commerce that the commissioner of commerce determines is necessary to conduct the study.

(d) The commissioner of commerce may recommend one or more proposals to redraw Minnesota's geographic rating areas if the commissioner of commerce determines that the proposal would reduce or eliminate individual and small group market health insurance rate disparities between the geographic rating areas and provide stability for the individual and small group health insurance markets in Minnesota.

Subd. 2. **Contract.** The commissioner of commerce may contract with another entity for technical assistance in conducting the study and developing recommendations under subdivision 1.

Subd. 3. **Report.** The commissioner of commerce must complete the study and recommendations by January 1, 2023, and submit a report on the study and recommendations by January 1, 2023, to the chairs and ranking minority members of the legislative committees with jurisdiction over health care and health insurance.

Sec. 35. **REPEALER.**

(a) Minnesota Statutes 2020, section 62Q.56, subdivision 1a, is repealed.

(b) Minnesota Statutes 2020, sections 72A.2031, subdivisions 3, 9, and 11; and 72A.2032, subdivisions 1, 2, 3, and 5, are repealed.

ARTICLE 4
CONSUMER PROTECTION

Section 1. **[58B.011] STUDENT LOAN ADVOCATE.**

Subdivision 1. Designation of a student loan advocate. The commissioner of commerce must designate a student loan advocate within the Department of Commerce to provide timely assistance to borrowers and to effectuate this chapter.

Subd. 2. Duties. The student loan advocate has the following duties:

(1) receive, review, and attempt to resolve complaints from borrowers, including but not limited to attempts to resolve borrower complaints in collaboration with institutions of higher education, student loan servicers, and any other participants in student loan lending;

(2) compile and analyze data on borrower complaints received under clause (1);

(3) help borrowers understand the rights and responsibilities under the terms of student loans;

(4) provide information to the public, state agencies, legislators, and relevant stakeholders regarding the problems and concerns of borrowers;

(5) make recommendations to resolve the problems of borrowers;

(6) analyze and monitor the development and implementation of federal, state, and local laws, regulations, and policies relating to borrowers, and recommend any changes deemed necessary;

(7) review the complete student loan history for any borrower who has provided written consent to conduct the review;

(8) increase public awareness that the advocate is available to assist in resolving the student loan servicing concerns of potential and actual borrowers, institutions of higher education, student loan servicers, and any other participant in student loan lending; and

(9) take other actions as necessary to fulfill the duties of the advocate, as provided under this section.

Subd. 3. Student loan education course. The advocate must establish and maintain a borrower education course. The course must include educational presentations and materials regarding important topics in student loans, including but not limited to:

(1) the meaning of important terminology used in student lending;

(2) documentation requirements;

(3) monthly payment obligations;

(4) income-based repayment options;

(5) the availability of state and federal loan forgiveness programs; and

(6) disclosure requirements.

Subd. 4. **Reporting.** By January 15 of each odd-numbered year, the advocate must report to the legislative committees with jurisdiction over commerce and higher education. The report must describe (1) the advocate's implementation of this section, (2) the outcomes achieved by the advocate during the previous two years, and (3) any recommendations to improve the regulation of student loan servicers.

Sec. 2. Minnesota Statutes 2020, section 65B.84, subdivision 1, is amended to read:

Subdivision 1. **Program described; commissioner's duties; appropriation.** (a) The commissioner of commerce shall:

(1) develop and sponsor the implementation of statewide plans, programs, and strategies to combat automobile theft, improve the administration of the automobile theft laws, and provide a forum for identification of critical problems for those persons dealing with automobile theft;

(2) coordinate the development, adoption, and implementation of plans, programs, and strategies relating to interagency and intergovernmental cooperation with respect to automobile theft enforcement;

(3) annually audit the plans and programs that have been funded in whole or in part to evaluate the effectiveness of the plans and programs and withdraw funding should the commissioner determine that a plan or program is ineffective or is no longer in need of further financial support from the fund;

(4) develop a plan of operation including:

(i) an assessment of the scope of the problem of automobile theft, including areas of the state where the problem is greatest;

(ii) an analysis of various methods of combating the problem of automobile theft;

(iii) a plan for providing financial support to combat automobile theft;

(iv) a plan for eliminating car hijacking; and

(v) an estimate of the funds required to implement the plan; and

(5) distribute money, in consultation with the commissioner of public safety, pursuant to subdivision 3 from the automobile theft prevention special revenue account for automobile theft prevention activities, including:

(i) paying the administrative costs of the program;

(ii) providing financial support to the State Patrol and local law enforcement agencies for automobile theft enforcement teams;

(iii) providing financial support to state or local law enforcement agencies for programs designed to reduce the incidence of automobile theft and for improved equipment and techniques for responding to automobile thefts;

(iv) providing financial support to local prosecutors for programs designed to reduce the incidence of automobile theft;

(v) providing financial support to judicial agencies for programs designed to reduce the incidence of automobile theft;

(vi) providing financial support for neighborhood or community organizations or business organizations for programs designed to reduce the incidence of automobile theft and to educate people about the common methods of automobile theft, the models of automobiles most likely to be stolen, and the times and places automobile theft is most likely to occur; and

(vii) providing financial support for automobile theft educational and training programs for state and local law enforcement officials, driver and vehicle services exam and inspections staff, and members of the judiciary.

(b) The commissioner may not spend in any fiscal year more than ten percent of the money in the fund for the program's administrative and operating costs. The commissioner is annually appropriated and must distribute the amount of the proceeds credited to the automobile theft prevention special revenue account each year, less the transfer of \$1,300,000 each year to the insurance fraud prevention account described in section 297I.11, subdivision 2.

(c) At the end of each fiscal year, the commissioner may transfer any unobligated balances in the auto theft prevention account to the insurance fraud prevention account under section 45.0135, subdivision 6.

(d) The commissioner must establish a library of equipment to combat automobile-related theft offenses. The equipment must be available to all law enforcement agencies upon request to support law enforcement agency efforts to combat automobile theft.

Sec. 3. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision to read:

Subd. 11. Prohibition on possessing catalytic converters; exception. (a) It is unlawful for a person who is not a registered scrap metal dealer to possess a used catalytic converter that is not attached to a motor vehicle except when:

(1) the converter is marked with (i) the date the converter was removed from the vehicle, and (ii) the identification number of the vehicle from which the converter was removed or an alternative number to the vehicle identification number from the vehicle from which the converter was removed; or

(2) the converter has been EPA certified for reuse as a replacement part.

(b) If an alternative number to the vehicle identification number is used, it must be under a numbering system that can be immediately linked to the vehicle identification number by law enforcement. The marking of the alternative number may be made in any permanent manner, including but not limited to an engraving or use of permanent ink. The marking must clearly and legibly indicate (1) the date the converter was removed; and (2) the (i) vehicle identification number, or (ii) alternative number and the method by which law enforcement can link the converter to the vehicle identification number.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date.

Sec. 4. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision to read:

Subd. 12. Prohibition. It is unlawful for a person who is not a registered scrap metal dealer to purchase a used catalytic converter that is not EPA certified for reuse as a replacement part, except when the catalytic converter is attached to a motor vehicle. A used catalytic converter that is EPA certified for reuse as a replacement part may be sold to a person or business for reuse as a replacement part for a motor vehicle when the requirements of subdivision 11 are met.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date.

Sec. 5. **[325F.6945] UNLAWFUL SOCIAL MEDIA ACTIVITIES.**

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

(b) "Account holder" means a person who accesses a social media account through a social media platform.

(c) "Social media algorithm" means the software used by social media platforms to (1) prioritize content, and (2) direct the prioritized content to the account holder.

(d) "Social media platform" means an electronic medium, including a browser-based or application-based interactive computer service, telephone network, or data network, that allows users to create, share, and view user-generated content. Social media platform does not include Internet search providers, Internet service providers, or e-mail.

(e) "User-generated content" means any content created or shared by an account holder, including without limitation written posts, photographs, graphics, video recordings, or audio recordings.

Subd. 2. **Prohibitions; social media algorithm.** (a) A social media platform with more than 1,000,000 account holders operating in Minnesota is prohibited from using a social media algorithm to target user-generated content at an account holder under the age of 18 and who is located in Minnesota, except as provided in subdivision 3.

(b) The social media platform is liable to an individual account holder who received user-generated content through a social media algorithm while the individual account holder was under the age of 18 if the social media platform knew or had reason to know that the individual account holder was under the age of 18 and located in Minnesota. A social media platform subject to this paragraph is liable to the account holder for (1) any general or special damages, (2) a statutory penalty of \$1,000 for each violation of this section, provided that no individual account holder may recover more than \$100,000 in statutory penalties under this subdivision in any calendar year, and (3) any other penalties available under law.

Subd. 3. **Exceptions.** (a) An algorithm, software, or device that acts as a parental control, or an internal control used by the social media platform that is intended to control the ability of a minor to access content, or is used to filter content for age-appropriate or banned material, is exempt from this section.

(b) User-generated content that is created by a federal, state, or local government or by a public or private school, college, or university, including software and applications used by a public or private school, college, or university that are created and used for educational purposes, is exempt from this section.

Sec. 6. **[332.365] CREDIT COUNSELING ORGANIZATIONS; DEBTORS.**

Subdivision 1. **Duties of commissioner.** (a) On or before July 1, 2023, the commissioner must develop and maintain a document that includes the contact information for nonprofit organizations domiciled in Minnesota that provide credit counseling services to debtors. Credit counseling services include but are not limited to (1) helping a debtor understand the debtor's rights and responsibilities, and (2) working with debtors, creditors, and collection agencies to satisfy debts. The document must include contact information for organizations that provide credit counseling services in languages other than English to individuals whose primary language is a language other than English. The document must include the following statement in English, Spanish, Somali, Hmong, Vietnamese, and Chinese:

"There are resources available to help manage your debt. The following Minnesota organizations offer debt and credit counseling services. The Department of Commerce does not control or guarantee any of the services provided by these organizations. This list is not a referral to, or endorsement or recommendation of, any organization or the organization's services."

(b) The document must be no more than one 8-1/2 by 11-inch sheet of paper. The commissioner must maintain the document and make it publicly available on the department's website in a printable format.

(c) Beginning September 1, 2024, the commissioner may update the document no more than once per year and must notify all licensed collection agencies after an update occurs. A collection agency has 120 days from the date the collection agency receives notice of an update to the document from the commissioner to apply the changes to the document.

Subd. 2. **Duties of collection agency.** Beginning September 1, 2023, a collection agency must include the document described in subdivision 1 with the initial written communication sent to a debtor if the initial communication is performed via United States mail, e-mail, or text message.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 7. Minnesota Statutes 2020, section 609.5316, subdivision 3, is amended to read:

Subd. 3. **Weapons, telephone cloning paraphernalia, automated sales suppression devices, catalytic converters, and bullet-resistant vests.** Weapons used are contraband and must be summarily forfeited to the appropriate agency upon conviction of the weapon's owner or possessor for a controlled substance crime; for any offense of this chapter or chapter 624, or for a violation of an order for protection under section 518B.01, subdivision 14. Bullet-resistant vests, as defined in section 609.486, worn or possessed during the commission or attempted commission of a crime are contraband and must be summarily forfeited to the appropriate agency upon conviction of the owner or possessor for a controlled substance crime or for any offense of this chapter. Telephone cloning paraphernalia used in a violation of section 609.894, and automated sales suppression devices, phantom-ware, and other devices containing an automated sales suppression or phantom-ware device or software used in violation of section 289A.63, subdivision 12, are contraband and must be summarily forfeited to the appropriate agency upon a conviction. A catalytic converter possessed in violation of section 325E.21 is contraband and must be summarily forfeited to the appropriate agency upon a conviction.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to commerce; establishing a supplemental budget for commerce activities; modifying and adding provisions governing commerce, licensee continuing education, financial institutions, weights and measures, insurance, and consumer protection; modifying civil procedures; requiring reports; making technical changes; appropriating and transferring money; amending Minnesota Statutes 2020, sections 45.0135, subdivisions 2a, 2b; 45.25, subdivisions 12, 13, by adding subdivisions; 45.31, subdivisions 2, 3; 46.131, subdivisions 2, 4, 11; 47.08; 47.16, subdivisions 1, 2; 47.172, subdivision 2; 47.28, subdivision 3; 47.30, subdivision 5; 48A.15, subdivision 1; 53.03, subdivisions 1, 5; 53C.02; 55.10, subdivision 1; 56.02; 60A.033, subdivisions 8, 9, by adding subdivisions; 60A.952, subdivision 2; 60A.953; 60A.954, subdivision 1; 61A.02, by adding a subdivision; 62Q.733, subdivision 1; 62Q.735, subdivisions 1, 5; 62Q.76, by adding a subdivision; 62Q.78, by adding a subdivision; 62Q.79, by adding a subdivision; 65B.84, subdivisions 1, 2; 72A.20, by adding a subdivision; 72A.2031, subdivisions 8, 10, by adding subdivisions; 72A.2032, subdivisions 4, 6, 7, 8, by adding subdivisions; 72A.2033; 72A.2034; 72A.2035, subdivision 1; 72A.2036; 80A.61; 80C.05, subdivision 2; 80C.08, subdivision 1; 80G.01, subdivision 3, by adding a subdivision; 80G.02, subdivisions 1, 4; 80G.03, subdivision 2; 80G.04, subdivision 1; 80G.05, subdivision 1; 80G.06, subdivision 2; 80G.07, subdivision 1; 82B.03, by adding a subdivision; 82B.19, by adding a subdivision; 82C.17, subdivision 2; 239.761, subdivisions 3, 4; 239.791, subdivision 2a; 296A.01, subdivision 23; 325E.21, by adding subdivisions; 332.33, subdivision 3, by adding a subdivision; 336.9-510;

336.9-516; 515B.3-102; 549.30, subdivisions 3, 6, 15, 19, by adding subdivisions; 549.31; 549.32; 549.34; 609.5316, subdivision 3; Minnesota Statutes 2021 Supplement, sections 62J.26, subdivision 2; 80G.06, subdivision 1; 80G.11; 82B.25, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 45; 58B; 62Q; 214; 325F; 332; 336; 549; repealing Minnesota Statutes 2020, sections 45.25, subdivisions 2a, 14; 60A.033, subdivision 3; 62Q.56, subdivision 1a; 72A.2031, subdivisions 3, 9, 11; 72A.2032, subdivisions 1, 2, 3, 5."

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Moran from the Committee on Ways and Means to which was referred:

H. F. No. 4017, A bill for an act relating to retirement; authorizing certain medical professionals (APRNs) to provide disability assessments for all public pension plans; authorizing the purchase of service credit for periods of military service under the Minnesota State Retirement System (MSRS) plans; adding Department of Human Services positions to the positions eligible for coverage by the MSRS correctional plan; permitting the transfer of service credit from the MSRS general plan to the correctional plan; permitting a surviving spouse to purchase vesting service and receive a pension from the MSRS general plan; reinstating segmented annuities for Public Employees Retirement Association (PERA) plans; excluding union employees of the Duluth Transit Authority from PERA membership and providing vesting credit under PERA for non-union employees; adding alternative vesting schedules under the PERA statewide volunteer firefighter plan and eliminating the restriction on the pension amount for firefighters retiring within five years of joining the plan; temporarily suspending the earnings limitation for reemployed retired teachers; adopting the recommendations of the state auditor's volunteer fire relief association working group; requiring the state auditor to provide annual investment reports to relief associations; clarifying the classification of State Board of Investment professional employees; requiring the Department of Labor and Industry to study the adequacy of disability benefits for police officers; making various administrative, technical, and clarifying changes; amending Minnesota Statutes 2020, sections 11A.04; 11A.07, subdivision 4, by adding subdivisions; 43A.18, subdivision 3b; 179A.10, subdivision 1; 352.01, by adding a subdivision; 352.113, subdivision 4; 352.27; 352.87, subdivision 6; 352.91, subdivision 3f; 352.94; 352.95, subdivisions 4, 6; 352B.011, by adding a subdivision; 352B.05; 352B.086; 352B.10, subdivision 4; 353.01, by adding a subdivision; 353.031, subdivisions 3, 7, 8; 353.32, subdivision 1a; 353.34, subdivision 5, by adding a subdivision; 353.657, subdivision 2a; 353.68, subdivision 4; 353G.01, subdivisions 7, 9a; 353G.05, subdivisions 1, 2, 3, by adding a subdivision; 353G.09, subdivisions 1, 2; 354.05, by adding a subdivision; 354.48, subdivisions 4, 6, 6a; 354A.011, by adding subdivisions; 354A.36, subdivisions 4, 6, by adding a subdivision; 356.20, subdivision 2; 356.24, subdivision 3; 356.551, subdivision 2; 356.645; 356A.06, subdivisions 6, 8a; 424A.001, subdivision 4; 424A.003; 424A.015, subdivision 2; 424A.05, subdivision 3, by adding a subdivision; 424A.08; 424A.092, subdivision 6; 424A.093, subdivision 6; 424A.095; 424A.10, subdivisions 1, 3; Minnesota Statutes 2021 Supplement, sections 353.01, subdivision 2b; 353G.11, subdivision 1; 424A.02, subdivisions 3, 3a; 424A.091, subdivision 3; 424A.093, subdivision 1; 424A.10, subdivision 2; 424B.10, subdivision 1b; 424B.13, subdivisions 4, 5, 8; 424B.22, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 352; 352B; repealing Minnesota Statutes 2020, section 353G.09, subdivision 3; Minnesota Statutes 2021 Supplement, section 424A.02, subdivisions 2a, 2b, 2c.

Reported the same back with the following amendments:

Page 60, after line 31, insert:

"Sec. 2. **APPROPRIATION.**

\$125,000 in fiscal year 2023 is appropriated from the general fund to the Department of Labor and Industry for costs associated with conducting the study required by this article."

Amend the title as follows:

Page 1, line 21, after the semicolon, insert "requiring reports; appropriating money;"

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Moran from the Committee on Ways and Means to which was referred:

H. F. No. 4293, A bill for an act relating to state government; appropriating money for certain government agencies; allowing certain contracts; determining acceptance of certain collateral by the executive council; designating Juneteenth; defining certain terms; specifying emergency management provisions; modifying data practices provisions; amending provisions of the Legislative Salary Council; changing the revolving fund for services rate and statewide systems services; providing changes to state budget and finance sections; moving the Office of Collaborations and Dispute Resolution under the Department of Administration; establishing the Office of Enterprise Translations; creating the language access service account; changing provisions for grant administration, solicitation process, affirmative action measures, technology accessibility standards, hiring processes, salary differential benefits, supported work practices, deposit and investment of local public funds, Minnesota State Colleges and Universities, burial grounds, manufactured homes, managed natural landscapes, military salary differential, Mississippi River Parkway Commission, campaign finance and elections, barbering, and cosmetology; creating certain separation and retention incentive programs; requiring an Office of Small Agency study; establishing State Emblems Redesign Commission, Legislative Task Force on Aging, and Advisory Committee on Service Worker Standards; requiring reports; setting certain fees; amending Minnesota Statutes 2020, sections 3.303, subdivision 6; 5B.06; 9.031, subdivision 3; 10.55; 10A.273, subdivision 1; 12.03, by adding subdivisions; 12.21, subdivision 2; 12.31, subdivision 2; 12.35, subdivision 4; 12.36; 13.04, subdivision 4; 13.072, subdivision 1; 15A.0825, subdivisions 1, 2, 3; 16A.126, subdivision 1; 16A.1286, subdivision 2; 16A.15, subdivision 3; 16B.33, subdivisions 1, 3, 3a, by adding a subdivision; 16B.98, by adding a subdivision; 16C.10, subdivision 2; 16C.32, subdivision 1; 43A.01, subdivision 2; 43A.02, by adding subdivisions; 43A.04, subdivisions 1a, 4, 7; 43A.09; 43A.10, subdivisions 2a, 7; 43A.14; 43A.15, subdivision 14, by adding a subdivision; 43A.183, subdivisions 1, 2; 43A.19, subdivision 1; 43A.191; 43A.21, subdivisions 1, 2, 3, by adding a subdivision; 43A.36, subdivision 1; 43A.421; 82.75, subdivision 8; 118A.09, subdivisions 1, 2; 136F.02, subdivision 1; 138.081, subdivision 3; 138.665, subdivision 2; 154.001, subdivision 2; 154.003; 154.01; 154.02, subdivisions 1, 4, 5, by adding subdivisions; 154.05; 154.07, subdivision 1; 154.08; 154.09; 154.11, subdivision 1, by adding a subdivision; 155A.20; 155A.23, subdivisions 8, 11, 18, by adding a subdivision; 155A.25, subdivision 1a; 155A.27, subdivisions 1, 5a, 6, 10, by adding a subdivision; 155A.271, subdivision 1; 155A.29, subdivision 1; 155A.30, subdivisions 2, 3, 4, 11; 161.1419, subdivision 2; 201.061, subdivision 3; 201.071, subdivisions 1, 3, 8; 201.091, subdivision 2; 201.12, subdivision 2; 201.13, subdivision 3; 201.1611, subdivision 1; 202A.16, subdivision 1; 203B.01, by adding a subdivision; 203B.02, by adding a subdivision; 203B.07, subdivisions 1, 2, 3; 203B.081, subdivisions 1, 2, 3; 203B.11, subdivision 1; 203B.121, subdivision 3; 203B.16, subdivision 2; 203B.21, subdivisions 1, 3; 203B.23, subdivision 2; 203B.28; 204B.06, subdivision 4a; 204B.09, subdivision 1; 204B.13, by adding a subdivision; 204B.19, subdivision 6; 204B.21, subdivision 2; 204B.45, subdivisions 1, 2; 204B.46; 204C.15, subdivision 1; 204C.33, subdivision 3; 204D.19, subdivision 2; 204D.22, subdivision 3; 204D.23, subdivision 2; 205.13, subdivision 5; 205A.10, subdivision 5; 205A.12, subdivision 5; 207A.12; 209.021, subdivision 2; 211B.04, subdivisions 2, 3, by adding a subdivision; 211B.11, subdivision 1; 211B.32, subdivision 1; 307.08, as amended; 327C.095, subdivisions 12, 13, 16; 367.03, subdivision 6; 447.32, subdivision 4; 645.44, subdivision 5; Minnesota Statutes 2021 Supplement, sections 10A.01, subdivision 16a; 201.225, subdivision 2; 203B.082, subdivision 2, by adding a subdivision; 203B.121, subdivisions 2, 4; 203B.24, subdivision 1; 204B.09, subdivision 3; 204B.16, subdivision 1; 207A.13,

subdivision 2; Laws 2021, First Special Session chapter 12, article 1, section 11, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 16B; 16E; 43A; 118A; 154; 211B; 412; repealing Minnesota Statutes 2020, sections 1.135; 1.141; 12.03, subdivision 5d; 136F.03; 179.90; 179.91; Minnesota Rules, parts 2100.2500; 2100.2600; 2100.2900; 2100.3000; 2100.3200.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
STATE GOVERNMENT APPROPRIATIONS

Section 1. **STATE GOVERNMENT APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2021, First Special Session chapter 12, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The designations "2022" or "the first year" and "2023" or "the second year" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. All base adjustments identified within this article are adjustments to the base contained in Laws 2021, First Special Session chapter 12, article 1.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2022</u>	<u>2023</u>
Sec. 2. <u>LEGISLATURE</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$-0-</u>	<u>\$16,874,000</u>
<u>The amounts that may be spent for each purpose are specified in the following subdivisions.</u>		
Subd. 2. <u>House of Representatives</u>	<u>-0-</u>	<u>1,400,000</u>
<u>The base for this appropriation is \$1,393,000 in fiscal year 2024 and thereafter.</u>		
Subd. 3. <u>Legislative Coordinating Commission</u>	<u>-0-</u>	<u>15,474,000</u>
<u>\$252,000 the second year is for translation services. This base for this appropriation is \$230,000 in fiscal year 2024 and thereafter.</u>		
<u>\$138,000 the second year is for the Legislative Task Force on Aging. The base for this appropriation is \$140,000 in fiscal year 2024 and thereafter, until the task force expires.</u>		
<u>Legislative Auditor.</u> <u>\$342,000 the second year is for the Office of the Legislative Auditor.</u>		

Revisor of Statutes. \$14,277,000 the second year is for the Office of the Revisor of Statutes. Of this amount, \$14,000,000 is a onetime appropriation for replacement of the bill and administrative rules drafting system. This appropriation is available until spent.

Legislative Reference Library. \$70,000 the second year is for the Legislative Reference Library.

Legislative Budget Office. \$92,000 the second year is for the Legislative Budget Office.

Sec. 3. **ATTORNEY GENERAL** **\$-0-** **\$2,335,000**

The base for this appropriation is \$2,335,000 in fiscal year 2024 and thereafter.

Sec. 4. **SECRETARY OF STATE** **\$-0-** **\$310,000**

Sec. 5. **CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD** **\$-0-** **\$5,000**

This is a onetime appropriation.

Sec. 6. **MINNESOTA IT SERVICES**

Subdivision 1. **Total Appropriation** **\$3,409,000** **\$32,376,000**

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>3,409,000</u>	<u>32,226,000</u>
<u>Special Revenue</u>	<u>-0-</u>	<u>150,000</u>

The general fund base for this appropriation is \$20,409,000 in fiscal year 2024 and \$6,725,000 in fiscal year 2025 and thereafter.

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Cybersecurity Grant Program** **359,000** **1,435,000**

\$359,000 the first year and \$1,435,000 the second year are for a cybersecurity improvement grant program for political subdivisions and Minnesota Tribal governments, as established in Minnesota Statutes, section 16E.35. The base for this program is \$1,614,000 in fiscal year 2024 and \$717,000 in fiscal year 2025.

Subd. 3. Cloud-Based Services2,800,0009,600,000

\$2,800,000 the first year and \$9,600,000 the second year are for supporting the procurement and adoption of cloud-based services. The base for this program is \$2,100,000 in fiscal year 2024 and \$0 in fiscal year 2025.

Subd. 4. Executive Branch Technology Modernization250,00010,000,000

\$250,000 the first year and \$10,000,000 the second year are for the modernization of executive branch software applications and services. These appropriations are available until June 30, 2025. The base for this program is \$7,500,000 in fiscal year 2024 and \$2,125,000 in fiscal year 2025.

Subd. 5. Accessibility Assessment-0-256,000

\$256,000 the second year is for conducting an accessibility assessment of digital service applications for compatibility of those applications with accessibility best practices. The base for this program is \$260,000 in fiscal year 2024 and \$133,000 in fiscal year 2025.

Subd. 6. Interagency Innovation Fund-0-750,000

\$750,000 the second year is for creating an interagency innovation fund to center the priorities of families and children across agency priorities and to deliver agile technology solutions necessary to improve access to services and increase coordination across multiple state agencies.

Subd. 7. Technology Accessibility and Usability-0-150,000

\$150,000 the second year is from the telecommunications access Minnesota fund account in the special revenue fund for coordinating technology accessibility and usability.

Subd. 8. Advanced Cybersecurity Tools-0-10,185,000

\$10,185,000 the second year is for advanced cybersecurity tools and modern identity access management solutions. This appropriation is available until June 30, 2025. The base for this program is \$8,185,000 in fiscal year 2024 and \$3,000,000 in fiscal year 2025.

Sec. 7. ADMINISTRATION**Subdivision 1. Total Appropriation****\$953,000****\$9,754,000**

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Government and Citizen Services953,0006,981,000

The base is \$2,257,000 in fiscal year 2024 and \$2,007,000 in fiscal year 2025.

The commissioner shall transfer \$250,000 each year, starting in fiscal year 2023, to the language access service account in the special revenue fund, established in Minnesota Statutes, section 16B.3721.

Procurement Technical Assistance Center. \$400,000 the second year is for the Procurement Technical Assistance Center.

Disparity Study. \$1,500,000 the second year is to conduct a disparity study required under Minnesota Statutes, section 16C.16, subdivision 5. This is a onetime appropriation.

Enterprise Fleet Fund. \$630,000 the second year is to address revenue loss in the motor pool revolving account. This is a onetime appropriation and is available until June 30, 2025. Each fiscal year the commissioner may transfer to the motor pool revolving account, as authorized in Minnesota Statutes, section 16B.54, an amount necessary to continue operations of the enterprise fleet. This paragraph expires June 30, 2025.

Office of Small Agencies Study. \$102,500 in fiscal year 2023 is to complete the Office of Small Agencies study required in article 2. This is a onetime appropriation.

Office of Enterprise Translations. \$556,000 the second year is to establish the Office of Enterprise Translations as required by Minnesota Statutes, section 16B.372. Of this amount, \$147,000 is a onetime appropriation.

Office of Collaboration and Dispute Resolution. \$150,000 the second year is for the Office of Collaboration and Dispute Resolution.

COVID Workers' Compensation Costs Related to Chapter 32. \$953,000 the first year and \$1,594,000 the second year are for covering agency costs related to extending the workplace presumption of COVID workers' compensation claims from February 22, 2022, through January 14, 2023. The base for this program is \$450,000 in fiscal year 2024 and \$200,000 in fiscal year 2025.

COVID Workers' Compensation Costs. \$1,000,000 in fiscal year 2023 is for covering agency costs related to workers' compensation claims incurred prior to March 4, 2021. This is a onetime appropriation.

Subd. 3. Fiscal Agent-0-2,773,000

Association of Minnesota Public Educational Radio Stations. \$773,000 the second year is for a grant to the Association of Minnesota Public Educational Radio Stations to provide new programs in community radio. Of this amount, up to \$23,000 is for the administration of the grant. This is a onetime appropriation and is available until June 30, 2024.

Minnesota Public Television. \$2,000,000 in fiscal year 2023 is for block grants to public television stations under Minnesota Statutes, section 129D.13. This is a onetime appropriation and is available until June 30, 2024.

Sec. 8. MINNESOTA MANAGEMENT AND BUDGET**Subdivision 1. Total Appropriation****\$-0-****\$8,992,000**

The base is \$10,773,000 in fiscal year 2024 and \$9,742,000 in fiscal year 2025.

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Statewide Systems Services-0-7,285,000

\$7,285,000 the second year is for statewide systems services. This appropriation is available until June 30, 2025. The base for this appropriation is \$8,956,000 in fiscal year 2024, \$7,925,000 in fiscal year 2025, and \$0 in fiscal year 2026 and thereafter.

Subd. 3. Children's Cabinet-0-1,000,000

\$1,000,000 the second year is for the administration and staffing of the Children's Cabinet established in Minnesota Statutes, section 4.045.

Subd. 4. Analytical, Statistical, and Program Evaluation-0-300,000

\$300,000 the second year is for analytical, statistical, and program evaluation as provided under Minnesota Statutes, section 16A.055, subdivision 1a. The base for this appropriation is \$450,000 in fiscal year 2024 and thereafter.

Subd. 5. State Employment and Retention of Employees with Disabilities-0-93,000

\$93,000 the second year is for implementation of the recommendations of the Advisory Task Force on State Employment and Retention of Employees with Disabilities. The base for this appropriation is \$53,000 in fiscal year 2024 and thereafter.

Subd. 6. <u>State Capital Budget Outreach and Assistance</u>	<u>-0-</u>	<u>314,000</u>
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\$314,000 the second year is for technical assistance to communities and nonprofits that have traditionally not participated in the state capital budgeting process.

Sec. 9. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. <u>Total Appropriation</u>	<u>\$-0-</u>	<u>\$1,282,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <u>Operations and Programs</u>	<u>-0-</u>	<u>1,282,000</u>
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\$750,000 the second year is for operations support for reopening statewide historical sites. This is a onetime appropriation.

\$32,000 the second year is for the State Emblems Redesign Commission. This is a onetime appropriation.

The base for this appropriation is \$500,000 in fiscal year 2024 and thereafter.

Sec. 10. <u>MINNESOTA HUMANITIES CENTER</u>	<u>\$-0-</u>	<u>\$22,000</u>
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Sec. 11. <u>BOARD OF ACCOUNTANCY</u>	<u>\$-0-</u>	<u>\$120,000</u>
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Sec. 12. <u>BOARD OF COSMETOLOGIST EXAMINERS</u>	<u>\$-0-</u>	<u>\$20,000</u>
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Sec. 13. <u>BOARD OF BARBER EXAMINERS</u>	<u>\$-0-</u>	<u>\$17,000</u>
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This is a onetime appropriation.

Sec. 14. HELP AMERICA VOTE ACT APPROPRIATIONS; STATE MATCH REQUIREMENT.

(a) The following amounts are appropriated to the secretary of state for the activities authorized in paragraph (b):

(1) \$1,151,122 in fiscal year 2022 is appropriated from the Help America Vote Act (HAVA) account established in Minnesota Statutes, section 5.30; and

(2) \$230,224 in fiscal year 2023 is appropriated from the general fund. This is a onetime appropriation.

(b) These appropriations may be used for the purposes of improving the administration and security of elections as authorized by federal law, including but not limited to any of the following activities:

(1) modernizing, securing, and updating the statewide voter registration system and for cybersecurity upgrades as authorized by federal law;

(2) monitoring, updating, and securing election systems and the systems supporting elections infrastructure;

(3) monitoring and providing educational materials to combat election misinformation;

(4) preparing training materials and training local election officials;

(5) implementing physical security improvements for polling places, election workspaces, and other spaces supporting the administration of elections; and

(6) funding other activities to improve the security of elections.

(c) Any amount earned in interest on the amount appropriated under paragraph (a) is appropriated from the HAVA account to the secretary of state for purposes of improving the administration and security of elections as authorized by federal law.

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

Sec. 15. Laws 2021, First Special Session chapter 12, article 1, section 11, subdivision 4, is amended to read:

Subd. 4. Fiscal Agent	13,459,000	13,459,000
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The appropriations under this section are to the commissioner of administration for the purposes specified.

In Lieu of Rent. \$10,515,000 each year is for space costs of the legislature and veterans organizations, ceremonial space, and statutorily free space.

Public Television. (a) \$1,550,000 each year is for matching grants for public television.

(b) \$250,000 each year is for public television equipment grants under Minnesota Statutes, section 129D.13.

(c) The commissioner of administration must consider the recommendations of the Minnesota Public Television Association before allocating the amounts appropriated in paragraphs (a) and (b) for equipment or matching grants.

Public Radio. (a) \$492,000 each year is for community service grants to public educational radio stations. This appropriation may be used to disseminate emergency information in foreign languages.

(b) \$142,000 each year is for equipment grants to public educational radio stations. This appropriation may be used for the repair, rental, ~~and purchase,~~ and upgrades of equipment, including computer software, applications, firmware, and equipment under \$500.

(c) \$510,000 each year is for equipment grants to Minnesota Public Radio, Inc., including upgrades to Minnesota's Emergency Alert and AMBER Alert Systems.

(d) The appropriations in paragraphs (a) to (c) may not be used for indirect costs claimed by an institution or governing body.

(e) The commissioner of administration must consider the recommendations of the Association of Minnesota Public Educational Radio Stations before awarding grants under Minnesota Statutes, section 129D.14, using the appropriations in paragraphs (a) and (b). No grantee is eligible for a grant unless they are a member of the Association of Minnesota Public Educational Radio Stations on or before July 1, 2021.

(f) Any unencumbered balance remaining the first year for grants to public television or public radio stations does not cancel and is available for the second year.

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

ARTICLE 2 STATE GOVERNMENT POLICY

Section 1. Minnesota Statutes 2020, section 3.303, subdivision 6, is amended to read:

Subd. 6. **Grants; staff; space; equipment; contracts.** (a) The commission may make grants, employ an executive director and other staff, and obtain office space, equipment, and supplies necessary to perform its duties.

(b) The executive director may enter into contracts in compliance with section 3.225 to provide necessary services and supplies for the house of representatives and the senate, and for legislative commissions and joint legislative offices. A contract for professional or technical services that is valued at more than \$50,000 may be made only after the executive director has consulted with the chair and vice-chair of the commission.

Sec. 2. Minnesota Statutes 2020, section 9.031, subdivision 3, is amended to read:

Subd. 3. **Collateral.** (a) In lieu of the corporate bond required in subdivision 2, a depository may deposit with the commissioner of management and budget collateral to secure state funds that are to be deposited with it. The Executive Council must approve the collateral.

(b) The Executive Council shall not approve any collateral except:

~~(1) bonds and certificates of indebtedness, other than bonds secured by real estate, that are legal investments for savings banks under any law of the state; and~~

~~(2) bonds of any insular possession of the United States, of any state, or of any agency of this state, the payment of the principal and interest of which is provided for by other than direct taxation.~~

(1) United States government treasury bills, treasury notes, and treasury bonds;

(2) issues of United States government agencies and instrumentalities, as quoted by a recognized industry quotation service available to the state;

(3) general obligation securities of any state other than the state and its agencies or local government with taxing powers that is rated "A" or better by a national bond rating service, or revenue obligation securities of any state other than the state and its agencies or local government with taxing powers which is rated "AA" or better by a national bond rating service;

(4) irrevocable standby letters of credit issued by Federal Home Loan Banks to the state accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and

(5) time deposits that are fully insured by any federal agency.

(c) The collateral deposited shall be accompanied by an assignment thereof to the state, which assignment shall recite that:

(1) the depository will pay all the state funds deposited with it to the commissioner of management and budget, free of exchange or other charge, at any place in this state designated by the commissioner of management and budget; if the deposit is a time deposit it shall be paid, together with interest, only when due; and

(2) in case of default by the depository the state may sell the collateral, or as much of it as is necessary to realize the full amount due from the depository, and pay any surplus to the depository or its assigns.

(d) Upon the direction of the Executive Council, the commissioner of management and budget, on behalf of the state, may reassign in writing to the depository any registered collateral pledged to the state by assignment thereon.

(e) A depository may deposit collateral of less value than the total designation and may, at any time during the period of its designation, deposit additional collateral, withdraw excess collateral, and substitute other collateral for all or part of that on deposit. Approval of the Executive Council is not necessary for the withdrawal of excess collateral.

(f) If the depository is not in default the commissioner of management and budget shall pay the interest collected on the deposited collateral to the depository.

(g) In lieu of depositing collateral with the commissioner of management and budget, collateral may also be placed in safekeeping in a restricted account at a Federal Reserve bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection shall be approved by the commissioner.

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

Sec. 3. Minnesota Statutes 2020, section 10.55, is amended to read:

10.55 JUNETEENTH.

(a) ~~The third Saturday in June~~ June 19 of each year is designated Juneteenth in recognition of the historical pronouncement of the abolition of slavery on June 19, 1865, when the Emancipation Proclamation was said to have been first publicly read in Texas by Union soldiers led by General Granger. The announcement came 2-1/2 years after President Abraham Lincoln's Emancipation Proclamation and two months after General Lee's surrender in April 1865. Juneteenth and emancipation celebrations have been commonplace in Minnesota since 1889 as a result of community-based grassroots efforts.

(b) Each year the governor shall issue a proclamation honoring this observance and recognizing the important contributions African-Americans have made to Minnesota's communities, culture, and economy. The governor may also take any additional action necessary to promote and encourage the observance of Juneteenth and public schools may offer instruction and programs on the occasion.

Sec. 4. Minnesota Statutes 2020, section 12.03, is amended by adding a subdivision to read:

Subd. 5e. **Information and telecommunications technology systems and services.** "Information and telecommunications technology systems and services" has the meaning given in section 16E.03, subdivision 1, paragraph (b).

Sec. 5. Minnesota Statutes 2020, section 12.03, is amended by adding a subdivision to read:

Subd. 5f. **Local government.** "Local government" has the meaning given in Code of Federal Regulations, title 44, section 206.2 (2012).

Sec. 6. Minnesota Statutes 2020, section 12.03, is amended by adding a subdivision to read:

Subd. 5g. **Cyber attack.** "Cyber attack" means the use of unauthorized or malicious code on an information system, or the use of another digital mechanism such as a denial of service or ransomware attack, to interrupt or disrupt the operations of an information system or compromise the confidentiality, availability, or integrity of electronic data stored on, processed by, or transiting an information system.

Sec. 7. Minnesota Statutes 2020, section 12.21, subdivision 2, is amended to read:

Subd. 2. **Cooperation.** In performing duties under this chapter, the governor may cooperate with the federal government, with other states, with Canadian provinces, and with private agencies, in all matters pertaining to the emergency management of this state and of the nation, including but not limited to a physical or electronic attack on the state's information and telecommunications technology infrastructure, systems, or services.

Sec. 8. Minnesota Statutes 2020, section 12.31, subdivision 2, is amended to read:

Subd. 2. **Declaration of peacetime emergency.** (a) The governor may declare a peacetime emergency. A peacetime declaration of emergency may be declared only when any of the following endangers life and property and local government resources are inadequate to handle the situation:

(1) an act of nature;

(2) a technological failure or malfunction;

(3) a terrorist incident;

(4) a cyber attack, including a physical or electronic attack on the state's information and telecommunications technology infrastructure, systems, or services;

(5) an industrial accident;

(6) a hazardous materials accident; or

(7) a civil disturbance endangers life and property and local government resources are inadequate to handle the situation.

If the peacetime emergency occurs on Indian lands, the governor or state director of emergency management shall consult with tribal authorities before the governor makes such a declaration. Nothing in this section shall be construed to limit the governor's authority to act without such consultation when the situation calls for prompt and timely action. When the governor declares a peacetime emergency, the governor must immediately notify the

majority and minority leaders of the senate and the speaker and majority and minority leaders of the house of representatives. A peacetime emergency must not be continued for more than five days unless extended by resolution of the Executive Council up to 30 days. An order, or proclamation declaring, continuing, or terminating an emergency must be given prompt and general publicity and filed with the secretary of state.

(b) By majority vote of each house of the legislature, the legislature may terminate a peacetime emergency extending beyond 30 days. If the governor determines a need to extend the peacetime emergency declaration beyond 30 days and the legislature is not sitting in session, the governor must issue a call immediately convening both houses of the legislature. Nothing in this section limits the governor's authority over or command of the National Guard as described in the Military Code, chapters 190 to 192A, and required by the Minnesota Constitution, article V, section 3.

Sec. 9. Minnesota Statutes 2020, section 12.35, subdivision 4, is amended to read:

Subd. 4. **Reimbursement of other state.** When emergency management personnel of another state render aid in Minnesota, including but not limited to aid provided from outside Minnesota to assist with the response to a physical or electronic attack on the state's information and telecommunications technology infrastructure, systems, or services, pursuant to the orders of the governor of its home state, and upon the request of the governor of Minnesota, this state shall reimburse the other state for (1) the compensation paid and actual and necessary travel, subsistence, and maintenance expenses of the personnel of the other state while rendering aid as emergency management personnel, (2) all payments for death, disability, or injury of those personnel incurred in the course of rendering that aid, and (3) all losses of or damage to supplies and equipment of the other state, or a governmental subdivision of the other state, resulting from the rendering of aid; provided, that the laws of the other state contain provisions substantially similar to this section.

Sec. 10. Minnesota Statutes 2020, section 12.36, is amended to read:

12.36 GOVERNOR'S POWERS TO FAST PROVIDE EMERGENCY AID.

(a) The governor, during an emergency or disaster and notwithstanding any other law, may:

(1) enter into contracts and incur obligations necessary to combat the disaster by protecting the health and safety of persons ~~and~~, the safety of property, and the safety of the state's information and telecommunications technology infrastructure, systems, or services and by providing emergency assistance to the victims of the disaster; and

(2) exercise the powers vested by this subdivision in the light of the exigencies of the disaster without compliance with time-consuming procedures and formalities prescribed by law pertaining to:

(i) the performance of public work;

(ii) entering into contract;

(iii) incurring of obligations;

(iv) employment of temporary workers;

(v) rental of equipment;

(vi) purchase of supplies and materials, for example, but not limited to, publication of calls for bids;

(vii) provisions of the Civil Service Act and rules;

(viii) provisions relating to low bids; and

(ix) requirements for the budgeting and allotment of funds.

(b) All contracts must be in writing, executed on behalf of the state by the governor or a person delegated by the governor in writing so to do, and must be promptly filed with the commissioner of management and budget, who shall forthwith encumber funds appropriated for the purposes of the contract for the full contract liability and certify thereon that the encumbrance has been made.

Sec. 11. Minnesota Statutes 2020, section 13.04, subdivision 4, is amended to read:

Subd. 4. **Procedure when data is not accurate or complete.** (a) An individual subject of the data may contest the accuracy or completeness of public or private data about themselves.

(b) To exercise this right, an individual shall notify in writing the responsible authority of the government entity that maintains the data, describing the nature of the disagreement.

(c) Upon receiving the notification from the data subject, the responsible authority shall within 30 days either:

(1) correct the data found to be inaccurate or incomplete and attempt to notify past recipients of inaccurate or incomplete data, including recipients named by the individual; or

(2) notify the individual that the authority believes the data to be correct. If the challenged data are determined to be accurate or complete, the responsible authority shall inform the individual of the right to appeal the determination under this section within 60 days to the commissioner. Data in dispute shall be disclosed only if the individual's statement of disagreement is included with the disclosed data.

(d) A data subject may appeal the determination of the responsible authority ~~may be appealed~~ pursuant to the provisions of the Administrative Procedure Act relating to contested cases. An individual must submit an appeal to the commissioner within 60 days of the responsible authority's notice of the right to appeal or as otherwise provided by the rules of the commissioner. Upon receipt of an appeal by an individual, the commissioner shall, before issuing the order and notice of a contested case hearing required by chapter 14, try to resolve the dispute through education, conference, conciliation, or persuasion. If the parties consent, the commissioner may refer the matter to mediation. Following these efforts, the commissioner shall dismiss the appeal or issue the order and notice of hearing.

(e) The commissioner may dismiss an appeal without first attempting to resolve the dispute or before issuing an order and notice of a contested case hearing if:

(1) an appeal to the commissioner is not timely;

(2) an appeal concerns data previously admitted as evidence in a court proceeding in which the data subject was a party; or

(3) an individual is not the subject of the data challenged as inaccurate or incomplete.

~~(b)~~ (f) Data on individuals that have been successfully challenged by an individual must be completed, corrected, or destroyed by a government entity without regard to the requirements of section 138.17.

(g) After completing, correcting, or destroying successfully challenged data, a government entity may retain a copy of the commissioner of administration's order issued under chapter 14 or, if no order were issued, a summary of the dispute between the parties that does not contain any particulars of the successfully challenged data.

Sec. 12. Minnesota Statutes 2020, section 13.072, subdivision 1, is amended to read:

Subdivision 1. **Opinion; when required.** (a) Upon request of a government entity, the commissioner may give a written opinion on any question relating to public access to government data, rights of subjects of data, or classification of data under this chapter or other Minnesota statutes governing government data practices. Upon request of any person who disagrees with a determination regarding data practices made by a government entity, the commissioner may give a written opinion regarding the person's rights as a subject of government data or right to have access to government data.

(b) Upon request of a body subject to chapter 13D, the commissioner may give a written opinion on any question relating to the body's duties under chapter 13D. Upon request of a person who disagrees with the manner in which members of a governing body perform their duties under chapter 13D, the commissioner may give a written opinion on compliance with chapter 13D. ~~A governing body or person requesting an opinion under this paragraph must pay the commissioner a fee of \$200. Money received by the commissioner under this paragraph is appropriated to the commissioner for the purposes of this section.~~

(c) If the commissioner determines that no opinion will be issued, the commissioner shall give the government entity or body subject to chapter 13D or person requesting the opinion notice of the decision not to issue the opinion within five business days of receipt of the request. Notice must be in writing. For notice by mail, the decision not to issue an opinion is effective when placed with the United States Postal Service or with the central mail system of the state. If this notice is not given, the commissioner shall issue an opinion within ~~20~~ 50 days of receipt of the request.

~~(d) For good cause and upon written notice to the person requesting the opinion, the commissioner may extend this deadline for one additional 30-day period. The notice must state the reason for extending the deadline.~~ The government entity or the members of a body subject to chapter 13D must be provided a reasonable opportunity to explain the reasons for its decision regarding the data or how they perform their duties under chapter 13D. The commissioner or the government entity or body subject to chapter 13D may choose to give notice to the subject of the data concerning the dispute regarding the data or compliance with chapter 13D.

(e) This section does not apply to a determination made by the commissioner of health under section 13.3805, subdivision 1, paragraph (b), or 144.6581.

(f) A written, numbered, and published opinion issued by the attorney general shall take precedence over an opinion issued by the commissioner under this section.

Sec. 13. Minnesota Statutes 2020, section 15A.0825, subdivision 1, is amended to read:

Subdivision 1. **Membership.** (a) The Legislative Salary Council consists of the following members:

(1) one person, who is not a judge, from each congressional district, appointed by the chief justice of the supreme court; and

(2) one person from each congressional district, appointed by the governor.

(b) If Minnesota has an odd number of congressional districts, the governor and the chief justice must each appoint an at-large member, in addition to a member from each congressional district.

(c) One-half of the members appointed by the governor and one-half of the members appointed by the chief justice must belong to the political party that has the most members in the legislature. One-half of the members appointed by the governor and one-half of the members appointed by the chief justice must belong to the political party that has the second most members in the legislature.

(d) None of the members of the council may be:

- (1) a current or former legislator, or the spouse of a current legislator;
- (2) a current or former lobbyist registered under Minnesota law;
- (3) a current employee of the legislature;
- (4) a current or former judge; ~~or~~
- (5) a current or former governor, lieutenant governor, attorney general, secretary of state, or state auditor; or
- (6) a current employee of an entity in the executive or judicial branch.

Sec. 14. Minnesota Statutes 2020, section 15A.0825, subdivision 2, is amended to read:

Subd. 2. **Initial appointment; convening authority; first meeting in odd-numbered year.** Appointing authorities must make their initial appointments ~~by January 2, 2017~~ after the first Monday in January and before January 15 in each odd-numbered year. The governor shall designate one member to convene and chair the first meeting of the council. The first meeting must be before January ~~15, 2017~~ 25 of that year. At its first meeting, the council must elect a chair from among its members. ~~Members that reside in an even-numbered congressional district serve a first term ending January 15, 2019. Members residing in an odd-numbered congressional district serve a first term ending January 15, 2021.~~

Sec. 15. Minnesota Statutes 2020, section 15A.0825, subdivision 3, is amended to read:

Subd. 3. **Terms.** (a) ~~Except for initial terms and~~ for the first term following redistricting, a term is four years or until new appointments are made after congressional redistricting as provided in subdivision 4. Members may serve no more than two full terms or portions of two consecutive terms.

(b) If a member ceases to reside in the congressional district that the member resided in at the time of appointment as a result of moving or redistricting, the appointing authority who appointed the member must appoint a replacement who resides in the congressional district to serve the unexpired term.

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

Sec. 16. Minnesota Statutes 2020, section 16A.126, subdivision 1, is amended to read:

Subdivision 1. **Set rates.** The commissioner shall approve the rates an agency must pay to a revolving fund for services. Funds subject to this subdivision include, but are not limited to, the revolving funds established in sections 14.46; 14.53; 16B.2975, subdivision 4; 16B.48; 16B.54; 16B.58; 16B.85; 16E.14; 43A.55; and 176.591; ~~and~~ the fund established in section 43A.30; and the account established in section 16A.1286.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 17. Minnesota Statutes 2020, section 16A.1286, subdivision 2, is amended to read:

Subd. 2. **Billing procedures.** The commissioner may bill ~~up to \$10,000,000 in~~ each fiscal year for statewide systems services provided to state agencies, ~~judicial branch agencies in the executive, judicial, and legislative branches, the University of Minnesota,~~ the Minnesota State Colleges and Universities, and other entities. Each agency shall transfer from agency operating appropriations to the statewide systems account the amount billed by

the commissioner. ~~Billing policies and procedures related to statewide systems services must be developed by the commissioner in consultation with the commissioners of management and budget and administration, the University of Minnesota, and the Minnesota State Colleges and Universities.~~ The commissioner shall develop billing policies and procedures.

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

Sec. 18. Minnesota Statutes 2020, section 16A.15, subdivision 3, is amended to read:

Subd. 3. **Allotment and encumbrance.** (a) A payment may not be made without prior obligation. An obligation may not be incurred against any fund, allotment, or appropriation unless the commissioner has certified a sufficient unencumbered balance or the accounting system shows sufficient allotment or encumbrance balance in the fund, allotment, or appropriation to meet it. The commissioner shall determine when the accounting system may be used to incur obligations without the commissioner's certification of a sufficient unencumbered balance. An expenditure or obligation authorized or incurred in violation of this chapter is invalid and ineligible for payment until made valid. A payment made in violation of this chapter is illegal. An employee authorizing or making the payment, or taking part in it, and a person receiving any part of the payment, are jointly and severally liable to the state for the amount paid or received. If an employee knowingly incurs an obligation or authorizes or makes an expenditure in violation of this chapter or takes part in the violation, the violation is just cause for the employee's removal by the appointing authority or by the governor if an appointing authority other than the governor fails to do so. In the latter case, the governor shall give notice of the violation and an opportunity to be heard on it to the employee and to the appointing authority. A claim presented against an appropriation without prior allotment or encumbrance may be made valid on investigation, review, and approval by the agency head in accordance with the commissioner's policy, if the services, materials, or supplies to be paid for were actually furnished in good faith without collusion and without intent to defraud. The commissioner may then pay the claim just as properly allotted and encumbered claims are paid.

(b) The commissioner may approve payment for materials and supplies in excess of the obligation amount when increases are authorized by section 16C.03, subdivision 3.

(c) To minimize potential construction delay claims, an agency with a project funded by a building appropriation may allow a consultant or contractor to proceed with supplemental work within the limits of the appropriation before money is encumbered. Under this circumstance, the agency may requisition funds and allow consultants or contractors to expeditiously proceed with services or a construction sequence. While the consultant or contractor is proceeding, the agency shall immediately act to encumber the required funds.

Sec. 19. Minnesota Statutes 2020, section 16B.33, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given them:

(b) "Agency" has the meaning given in section 16B.01.

(c) "Architect" means an architect or landscape architect registered to practice under sections 326.02 to 326.15.

(d) "Board" means the state Designer Selection Board.

(e) "Design-build" means the process of entering into and managing a single contract between the commissioner and the design-builder in which the design-builder agrees to both design and construct a project as specified in the contract at a guaranteed maximum or a fixed price.

(f) "Design-builder" means a person who proposes to design and construct a project in accordance with the requirements of section 16C.33.

(g) "Designer" means an architect or engineer, or a partnership, association, or corporation comprised primarily of architects or engineers or of both architects and engineers.

(h) "Engineer" means an engineer registered to practice under sections 326.02 to 326.15.

(i) "Person" includes an individual, corporation, partnership, association, or any other legal entity.

(j) "Primary designer" means the designer who is to have primary design responsibility for a project, and does not include designers who are merely consulted by the user agency and do not have substantial design responsibility, or designers who will or may be employed or consulted by the primary designer.

(k) "Project" means an undertaking to construct, erect, or remodel a building by or for the state or an agency. Capital projects exempt from the requirements of this section include demolition or decommissioning of state assets; hazardous materials abatement; repair and replacement of utility infrastructure, parking lots, and parking structures; security upgrades; building systems replacement or repair, including alterations to building interiors needed to accommodate the systems; and other asset preservation work not involving remodeling of occupied space.

(l) "User agency" means the agency undertaking a specific project. For projects undertaken by the state of Minnesota, "user agency" means the Department of Administration or a state agency with an appropriate delegation to act on behalf of the Department of Administration.

Sec. 20. Minnesota Statutes 2020, section 16B.33, subdivision 3, is amended to read:

Subd. 3. **Agencies must request designer.** (a) **Application.** Upon undertaking a project with an estimated cost greater than ~~\$2,000,000~~ \$4,000,000 or a planning project with estimated fees greater than ~~\$200,000~~ \$400,000, every user agency, except the Capitol Area Architectural and Planning Board, shall submit a written request for a primary designer for its project to the commissioner, who shall forward the request to the board. The University of Minnesota and the Minnesota State Colleges and Universities shall follow the process in subdivision 3a to select designers for their projects. The written request must include a description of the project, the estimated cost of completing the project, a description of any special requirements or unique features of the proposed project, and other information which will assist the board in carrying out its duties and responsibilities set forth in this section.

(b) **Reactivated project.** If a project for which a designer has been selected by the board becomes inactive, lapses, or changes as a result of project phasing, insufficient appropriations, or other reasons, the commissioner, the Minnesota State Colleges and Universities, or the University of Minnesota may, if the project is reactivated, retain the same designer to complete the project.

(c) **Fee limit reached after designer selected.** If a project initially estimated to be below the cost and planning fee limits of this subdivision has its cost or planning fees revised so that the limits are exceeded, the project must be referred to the board for designer selection even if a primary designer has already been selected. In this event, the board may, without conducting interviews, elect to retain the previously selected designer if it determines that the interests of the state are best served by that decision and shall notify the commissioner of its determination.

Sec. 21. Minnesota Statutes 2020, section 16B.33, subdivision 3a, is amended to read:

Subd. 3a. **Higher education projects.** (a) When the University of Minnesota or the Minnesota State Colleges and Universities undertakes a project involving construction or major remodeling, as defined in section 16B.335, subdivision 1, with an estimated cost greater than ~~\$2,000,000~~ \$4,000,000 or a planning project with estimated fees greater than ~~\$200,000~~ \$400,000, the system shall submit a written request for a primary designer to the commissioner, as provided in subdivision 3.

(b) When the University of Minnesota or the Minnesota State Colleges and Universities undertakes a project involving renovation, repair, replacement, or rehabilitation, the system office may submit a written request for a primary designer to the commissioner as provided in subdivision 3.

(c) For projects at the University of Minnesota or the State Colleges and Universities, the board shall select at least two primary designers under subdivision 4 for recommendation to the Board of Regents or the Board of Trustees. Meeting records or written evaluations that document the final selection are public records. The Board of Regents or the Board of Trustees shall notify the commissioner of the designer selected from the recommendations.

Sec. 22. Minnesota Statutes 2020, section 16B.33, is amended by adding a subdivision to read:

Subd. 6. **Rate of inflation.** No later than December 31 of every fifth year starting in 2025, the commissioner shall determine the percentage increase in the rate of inflation, as measured by the means quarterly construction cost index, during the four-year period preceding that year. The thresholds in subdivisions 3, paragraph (a), and 3a, paragraph (a), shall be increased by the percentage calculated by the commissioner to the nearest ten-thousandth dollar.

Sec. 23. **[16B.361] OFFICE OF COLLABORATION AND DISPUTE RESOLUTION.**

Subdivision 1. **Duties of the office.** The commissioner of administration shall maintain the Office of Collaboration and Dispute Resolution, formerly codified in sections 179.90 and 179.91 within the Department of Administration. The office must:

(1) assist state agencies; offices of the executive, legislative, and judicial branches; Tribal governments; and units of local government in improving collaboration, dispute resolution, and public engagement;

(2) promote and utilize collaborative dispute resolution models and processes based on documented best practices, including but not limited to:

(i) establishing criteria and procedures for identifying and assessing collaborative dispute resolution projects;

(ii) designing collaborative dispute resolution processes to foster trust, relationships, mutual understanding, and consensus-based solutions;

(iii) preparing and training participants; and

(iv) utilizing collaborative techniques, processes, and standards through facilitated meetings to develop wise and durable solutions;

(3) support collaboration and dispute resolution in the public and private sector by providing technical assistance and information on best practices and new developments in dispute resolution options;

(4) promote the broad use of community mediation in the state;

(5) ensure that all areas of the state have access to services by providing grants to private nonprofit entities certified by the state court administrator under chapter 494 that assist in resolution of disputes; and

(6) educate the public and government entities on collaboration, dispute resolution options, and public engagement.

Subd. 2. **Grant applications; appropriation.** The commissioner may apply for and receive money made available from federal, state, or other sources for the purposes of carrying out the mission of the Office of Collaboration and Dispute Resolution. Funds received under this subdivision are appropriated to the commissioner for their intended purpose.

Subd. 3. **Grant awards.** The commissioner shall to the extent funds are appropriated for this purpose make grants to private nonprofit community mediation entities certified by the state court administrator under chapter 494 that assist in resolution of disputes. The commissioner shall establish a grant review committee to assist in the review of grant applications and the allocation of grants under this section.

Subd. 4. **Eligibility.** To be eligible for a grant under this section, a nonprofit organization must meet the requirements of section 494.05, subdivision 1, clauses (1), (2), (4), and (5).

Subd. 5. **Conditions and exclusions.** A nonprofit entity receiving a grant must agree to comply with guidelines adopted by the state court administrator under section 494.015, subdivision 1. Policies adopted under sections 16B.97 and 16B.98 apply to grants under this section. The exclusions in section 494.03 apply to grants under this section.

Subd. 6. **Reporting.** Grantees must report data required under chapter 494 to evaluate quality and outcomes.

Sec. 24. **[16B.372] OFFICE OF ENTERPRISE TRANSLATIONS.**

The commissioner shall establish an Office of Enterprise Translations. The office must:

(1) provide translation services for written material for state agencies;

(2) create and maintain language-specific landing web pages in Spanish, Hmong, and Somali with links to translated materials at state agency websites; and

(3) serve as a resource to executive branch agencies in areas that include best practices and standards for the translation of written materials.

Sec. 25. **[16B.3721] LANGUAGE ACCESS SERVICE ACCOUNT ESTABLISHED.**

The language access service account is created in the special revenue fund for reimbursing state agencies for expenses incurred in providing language translation services.

Sec. 26. Minnesota Statutes 2020, section 16B.98, is amended by adding a subdivision to read:

Subd. 12. **Grants administration.** It is the policy of the legislature to ensure that grant activities and outcomes of programs and services funded by legislative appropriations are administered by state agencies in accordance with this section and section 16B.97. Unless amounts are otherwise appropriated for administrative costs, a state agency may retain up to five percent of the amount appropriated to the agency for grants enacted by the legislature and formula grants and up to ten percent for competitively awarded grants. This subdivision applies to appropriations made for new grant programs enacted after the effective date of this subdivision.

Sec. 27. Minnesota Statutes 2020, section 16C.10, subdivision 2, is amended to read:

Subd. 2. **Emergency acquisition.** The solicitation process described in this chapter and chapter 16B is not required in emergencies. In emergencies, the commissioner may make or authorize any purchases necessary for the design, construction, repair, rehabilitation, and improvement of a ~~state-owned~~ publicly owned structure or may make or authorize an agency to do so and may purchase, or may authorize an agency to purchase, any goods, services, or utility services directly for immediate use. This provision applies to projects conducted by Minnesota State Colleges and Universities.

Sec. 28. Minnesota Statutes 2020, section 16C.32, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in sections 16C.32 to 16C.35, the following terms have the meanings given them, unless the context clearly indicates otherwise:

(1) "acceptance" means a formal resolution of the commissioner authorizing the execution of a design-build, construction manager at risk, or job order contracting contract;

(2) "agency" means any state officer, employee, board, commission, authority, department, or other agency of the executive branch of state government. Unless specifically indicated otherwise, as used in sections 16C.32 to 16C.35, agency also includes the Minnesota State Colleges and Universities;

(3) "architect" means an architect or landscape architect registered to practice under sections 326.02 to 326.15;

(4) "board" means the state Designer Selection Board, unless the estimated cost of the project is less than ~~\$2,000,000~~ the amount specified in section 16B.33, subdivision 3, in which case the commissioner may act as the board;

(5) "Capitol Area Architectural and Planning Board" means the board established to govern the Capitol area under chapter 15B;

(6) "commissioner" means the commissioner of administration or the Board of Trustees of the Minnesota State Colleges and Universities, whichever controls a project;

(7) "construction manager at risk" means a person who is selected by the commissioner to act as a construction manager to manage the construction process, which includes, but is not limited to, responsibility for the price, schedule, and workmanship of the construction performed in accordance with the procedures of section 16C.34;

(8) "construction manager at risk contract" means a contract for construction of a project between a construction manager at risk and the commissioner, which contract shall include a guaranteed maximum price, construction schedule, and workmanship of the construction performed;

(9) "design-build contract" means a contract between the commissioner and a design-builder to furnish the architectural, engineering, and related design services as well as the labor, materials, supplies, equipment, and construction services for a project;

(10) "design and price-based proposal" means the proposal to be submitted by a design-builder in the design and price-based selection process, as described in section 16C.33, which proposal meets the requirements of section 16C.33, subdivision 7, paragraph (c), in such detail as required in the request for proposals;

(11) "design and price-based selection" means the selection of a design-builder as described in section 16C.33, subdivision 8;

(12) "design criteria package" means performance criteria prepared by a design criteria professional who shall be either an employee of the commissioner or shall be selected in compliance with section 16B.33, 16C.08, or 16C.087;

(13) "design criteria professional" means a person licensed under chapter 326, or a person who employs an individual or individuals licensed under chapter 326, required to design a project, and who is employed by or under contract to the commissioner to provide professional, architectural, or engineering services in connection with the preparation of the design criteria package;

(14) "guaranteed maximum price" means the maximum amount that a design-builder, construction manager at risk, or subcontractor will be paid pursuant to a contract to perform a defined scope of work;

(15) "guaranteed maximum price contract" means a contract under which a design-builder, construction manager, or subcontractor is paid on the basis of their actual cost to perform the work specified in the contract plus an amount for overhead and profit, the sum of which must not exceed the guaranteed maximum price set forth in the contract;

(16) "job order contracting" means a project delivery method that requests a limited number of bids from a list of qualified contractors, selected from a registry of qualified contractors who have been prescreened and who have entered into master contracts with the commissioner, as provided in section 16C.35;

(17) "past performance" or "experience" does not include the exercise or assertion of a person's legal rights;

(18) "person" includes an individual, corporation, partnership, association, or any other legal entity;

(19) "project" means an undertaking to construct, alter, or enlarge a building, structure, or other improvements, except highways and bridges, by or for the state or an agency;

(20) "qualifications-based selection" means the selection of a design-builder as provided in section 16C.33;

(21) "request for qualifications" means the document or publication soliciting qualifications for a design-build, construction manager at risk, or job order contracting contract as provided in sections 16C.33 to 16C.35;

(22) "request for proposals" means the document or publication soliciting proposals for a design-build or construction manager at risk contract as provided in sections 16C.33 and 16C.34; and

(23) "trade contract work" means the furnishing of labor, materials, or equipment by contractors or vendors that are incorporated into the completed project or are major components of the means of construction. Work performed by trade contractors involves specific portions of the project, but not the entire project.

Sec. 29. **[16E.35] COUNTY AND LOCAL CYBERSECURITY GRANTS.**

Subdivision 1. Cybersecurity grant program established. Minnesota IT Services may make grants to political subdivisions to support addressing cybersecurity risks and cybersecurity threats to information systems owned or operated by, or on behalf of, state, local, or Tribal governments, as provided in section 70612 of Public Law 117-58.

Subd. 2. Match requirement. The political subdivision receiving a grant must provide for the remainder of the costs of the project.

Subd. 3. Criteria. The department may set criteria for program priorities and standards of review.

Sec. 30. Minnesota Statutes 2020, section 43A.01, subdivision 2, is amended to read:

Subd. 2. Precedence of merit principles and nondiscrimination. It is the policy of this state to provide for equal employment opportunity consistent with chapter 363A by ensuring that all personnel actions be based on the ability to perform the duties and responsibilities assigned to the position without regard to age, race, creed or religion, color, disability, sex, national origin, marital status, status with regard to public assistance, or political affiliation. It is the policy of this state to take affirmative action to eliminate the underutilization of qualified

members of protected groups in the civil service, where such action is not in conflict with other provisions of this chapter or chapter 179, in order to correct imbalances and eliminate the ~~present~~ effects of ~~past~~ discrimination and support full and equal participation in the social and economic life in the state. Managers and supervisors that are responsible for hiring must be made aware of bias that can be present in the hiring process.

No contract executed pursuant to chapter 179A shall modify, waive or abridge this section and sections 43A.07 to 43A.121, 43A.15, and 43A.17 to 43A.21, except to the extent expressly permitted in those sections.

Sec. 31. Minnesota Statutes 2020, section 43A.02, is amended by adding a subdivision to read:

Subd. 1a. **Accommodation fund.** "Accommodation fund" means the fund created under section 16B.4805 for reimbursing state agencies for eligible expenses incurred in providing reasonable accommodations to state employees with disabilities.

Sec. 32. Minnesota Statutes 2020, section 43A.02, is amended by adding a subdivision to read:

Subd. 3a. **Americans with Disabilities Act.** "Americans With Disabilities Act" or "ADA" means the Americans with Disabilities Act of 1990, as amended, United States Code title 42, sections 12101 to 12117.

Sec. 33. Minnesota Statutes 2020, section 43A.02, is amended by adding a subdivision to read:

Subd. 18a. **Digital accessibility.** "Digital accessibility" means information and communication technology, including products, devices, services, and content that are designed and built so people with disabilities can use or participate in them, as defined by the accessibility standard adopted under section 16E.03, subdivision 9. Any statutory reference to accessible or accessibility in the context of information and communication technology includes digital accessibility.

Sec. 34. Minnesota Statutes 2020, section 43A.02, is amended by adding a subdivision to read:

Subd. 35a. **Reasonable accommodation.** "Reasonable accommodation" has the meaning given under section 363A.08, subdivision 6.

Sec. 35. Minnesota Statutes 2020, section 43A.04, subdivision 1a, is amended to read:

Subd. 1a. **Mission; efficiency.** It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

- (1) prevent the waste or unnecessary spending of public money;
- (2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;
- (3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;
- (4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;
- (5) ensure that all technology utilized is accessible to employees and provided in a timely manner as described in sections 363A.42 and 363A.43 and the accessibility standards under section 16E.03, subdivisions 2, clause (3), and 9;

~~(5)~~ (6) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;

~~(6)~~ (7) report to the legislature on the performance of agency operations and the accomplishment of agency goals in the agency's biennial budget according to section 16A.10, subdivision 1; ~~and~~

~~(7)~~ (8) recommend to the legislature appropriate changes in law necessary to carry out the mission and improve the performance of the department-; and

(9) endeavor to use equitable and inclusive practices to attract and recruit protected class employees; actively eliminate discrimination against protected group employees; and ensure equitable access to development and training, advancement, and promotional opportunities.

Sec. 36. Minnesota Statutes 2020, section 43A.04, subdivision 4, is amended to read:

Subd. 4. **Administrative procedures.** The commissioner shall develop administrative procedures, which are not subject to the rulemaking provisions of the Administrative Procedure Act, to effect provisions of chapter 43A which do not directly affect the rights of or processes available to the general public. The commissioner may also adopt administrative procedures, not subject to the Administrative Procedure Act, which concern topics affecting the general public if those procedures concern only the internal management of the department or other agencies and if those elements of the topics which affect the general public are the subject of department rules.

Administrative procedures shall be reproduced and made available for comment in accessible digital formats under section 16E.03 to agencies, employees, and appropriate exclusive representatives certified pursuant to sections 179A.01 to 179A.25, for at least 15 days prior to implementation and shall include but are not limited to:

(1) maintenance and administration of a plan of classification for all positions in the classified service and for comparisons of unclassified positions with positions in the classified service;

(2) procedures for administration of collective bargaining agreements and plans established pursuant to section 43A.18 concerning total compensation and the terms and conditions of employment for employees;

(3) procedures for effecting all personnel actions internal to the state service such as processes and requirements for agencies to publicize job openings and consider applicants who are referred or nominate themselves, conduct of selection procedures limited to employees, noncompetitive and qualifying appointments of employees and leaves of absence;

(4) maintenance and administration of employee performance appraisal, training and other programs; and

(5) procedures for pilots of the reengineered employee selection process. Employment provisions of this chapter, associated personnel rules adopted under subdivision 3, and administrative procedures established under clauses (1) and (3) may be waived for the purposes of these pilots. The pilots may affect the rights of and processes available to members of the general public seeking employment in the classified service. The commissioner will provide public notice of any pilot directly affecting the rights of and processes available to the general public and make the administrative procedures available for comment to the general public, agencies, employees, and appropriate exclusive representatives certified pursuant to sections 179A.01 to 179A.25 for at least 30 days prior to implementation. The public notice must be provided in an accessible digital format under section 16E.03. The process for providing comment shall include multiple formats to ensure equal access, including via telephone, digital content, and e-mail.

Sec. 37. Minnesota Statutes 2020, section 43A.04, subdivision 7, is amended to read:

Subd. 7. **Reporting.** The commissioner shall issue a written report by February 1 and August 1 of each year to the chair of the Legislative Coordinating Commission. The report must list the number of appointments made under each of the categories in section 43A.15, the number made to the classified service other than under section 43A.15, and the number made under section 43A.08, subdivision 2a, during the six-month periods ending June 30 and December 31, respectively. The report must be posted online and must be accessible under section 16E.03. The commissioner shall advertise these reports in multiple formats to ensure broad dissemination.

Sec. 38. Minnesota Statutes 2020, section 43A.09, is amended to read:

43A.09 RECRUITMENT.

The commissioner in cooperation with appointing authorities of all state agencies shall maintain an active recruiting program publicly conducted and designed to attract sufficient numbers of well-qualified people to meet the needs of the civil service, and to enhance the image and public esteem of state service employment. Special emphasis shall be given to recruitment of veterans and protected group members, including qualified individuals with disabilities, to assist state agencies in meeting affirmative action goals to achieve a balanced work force. All technology and digital content related to recruiting and hiring shall be accessible to people with disabilities.

Sec. 39. Minnesota Statutes 2020, section 43A.10, subdivision 2a, is amended to read:

Subd. 2a. **Application requirements.** (a) The commissioner shall establish and maintain a database of applicants for state employment. The commissioner shall establish, publicize, and enforce minimum requirements for ~~application~~ applications, and shall ensure that:

(1) all postings shall be written so as to be relevant to the duties of the job and be nondiscriminatory;

(2) the appointing authority ~~shall enforce~~ enforces the established minimum requirements for application;

(3) the 700-hour on-the-job demonstration experience is considered an alternative, noncompetitive hiring process for classified positions for qualified individuals who express interest directly to the appointing authority. with disabilities; and

(4) hiring managers and others involved in the selection process are aware of the accommodation fund under section 16B.4805 to ensure that people with disabilities obtain timely and appropriate accommodations within the hiring process and the state agency can request reimbursement.

(b) The commissioner shall ensure that all online application processes and all digital content relating to the database referenced in paragraph (a) shall be accessible for people with disabilities.

Sec. 40. Minnesota Statutes 2020, section 43A.10, subdivision 7, is amended to read:

Subd. 7. **Selection process accommodations.** Upon request, the commissioner or appointing authority shall provide ~~selection process~~ reasonable accommodations to ~~an applicant with a disability that does not prevent performance of the duties of the position. The accommodations must provide an opportunity to fairly assess the ability of the applicant to perform the duties of the position notwithstanding the disability but must preserve, to the extent feasible, the validity of the selection process and equitable comparison of results with the results of competitors without~~ qualified applicants with disabilities. to ensure full participation in the selection process, including use of the accommodation fund under section 16B.4805 during the selection process. The commissioner must ensure that agencies are made aware of the accommodation fund and its critical function of removing cost considerations from interview selection decisions.

Sec. 41. Minnesota Statutes 2020, section 43A.14, is amended to read:

43A.14 APPOINTMENTS.

All appointments to the classified service shall be based upon merit and ability to perform the duties of the position and the needs of the employing agency, including the need to achieve and maintain a representative work force, including representation of people with disabilities. For employees in a bargaining unit as defined in section 179A.10 appointments shall be subject to applicable provisions of collective bargaining agreements.

Sec. 42. Minnesota Statutes 2020, section 43A.15, subdivision 14, is amended to read:

Subd. 14. **700-hour on-the-job demonstration process and appointment experience.** (a) The commissioner shall ~~establish~~ consult with the Department of Employment and Economic Development's Vocational Rehabilitation Services and State Services for the Blind and other disability experts in establishing, reviewing, and modifying the qualifying procedures for applicants whose disabilities are of such a significant nature that the applicants are unable to demonstrate their abilities in the selection process. The qualifying procedures must consist of up to 700 hours on-the-job ~~trial work~~ demonstration experience. ~~Up to three persons with significant disabilities and their job coach may be allowed to demonstrate their job competence as a unit through the on-the-job trial work experience selection procedure. This~~ The 700-hour on-the-job demonstration process must be limited to applicants for whom there is no reasonable accommodation in the selection process experience is an alternative, noncompetitive hiring process for qualified applicants with disabilities. All permanent executive branch classified positions are eligible for a 700-hour on-the-job demonstration experience, and all permanent classified job postings must provide information regarding the on-the-job demonstration overview and certification process.

(b) The commissioner may authorize the probationary appointment of an applicant based on the request of the appointing authority that documents that the applicant has successfully demonstrated qualifications for the position through completion of an on-the-job ~~trial work~~ demonstration experience. Qualified applicants should be converted to permanent, probationary appointments at the point in the 700-hour on-the-job experience at which they have demonstrated the ability to perform the essential functions of the job with or without reasonable accommodation. The implementation of this subdivision may not be deemed a violation of chapter 43A or 363A.

(c) The commissioner and the ADA and disability employment director, described in section 43A.19, subdivision 1, paragraph (e), are responsible for the administration and oversight of the 700-hour on-the-job demonstration experience, including the establishment of policies and procedures, data collection and reporting requirements, and compliance.

(d) The commissioner or the commissioner's designee shall design and implement a training curriculum for the 700-hour on-the-job demonstration experience. All executive leaders, managers, supervisors, human resources professionals, affirmative action officers, and ADA coordinators must receive annual training on the program.

(e) The commissioner or the commissioner's designee shall develop, administer, and make public a formal grievance process for individuals in the 700-hour on-the-job demonstration experience under this subdivision and supported work program under section 43A.421, subdivision 2.

(f) Appointing agencies shall ensure that reasonable accommodation requests, including accessible technology or alternative formats, are provided in a timely manner during the application and hiring process and throughout the 700-hour on-the-job demonstration experience period pursuant to sections 363A.42 and 363A.43 and the accessibility standards under section 16E.03, subdivisions 2, clause (3), and 9.

Sec. 43. Minnesota Statutes 2020, section 43A.15, is amended by adding a subdivision to read:

Subd. 14a. **Report and survey.** (a) The commissioner shall annually collect enterprise-wide statistics on the 700-hour on-the-job demonstration experience under subdivision 14. The statistics collected and reported annually must include:

(1) the number of certifications submitted, granted, and rejected;

(2) the number of applicants interviewed, appointed, and converted to probationary status;

(3) the number of employees retained after one year in state employment;

(4) the number of employees with terminated appointments and the reason for termination;

(5) the average length of time in an on-the-job demonstration appointment;

(6) the number and category of entity certifications; and

(7) by department or agency, the number of appointments and hires and the number of managers and supervisors trained.

(b) The commissioner shall develop and administer an annual survey of participants in the 700-hour on-the-job demonstration experience who are hired and those who are not hired, as well as the managers of participants in the 700-hour on-the-job demonstration experience.

(c) The commissioner must consult at least annually with the Department of Employment and Economic Development's Vocational Rehabilitation Services and State Services for the Blind, the Disability Agency Forum, and other disability experts to review the survey results, assess program satisfaction, and recommend areas for continuous improvement.

(d) The commissioner shall annually develop and publish a report on the department's website that includes the data described in paragraph (a), survey results described in paragraph (b), and recommendations for continuous improvement described in paragraph (c).

Sec. 44. Minnesota Statutes 2020, section 43A.183, subdivision 1, is amended to read:

Subdivision 1. **Payment required.** Each agency head shall pay to each eligible member an amount equal to the person's salary differential for each month or portion of month that the person is ordered to serve in active service.

This payment may be made only to a person for whom the amount in subdivision 2, paragraph (b), clause (1), is greater than the amount in subdivision 2, paragraph (b), clause (2). Payments must be made at the intervals at which the member received pay as a state employee, except that any back pay due under this section may be paid as a lump sum. Payment under this section must not extend beyond four years from the date the employee reported for active service, plus any additional time the employee may be legally required to serve. An eligible member may apply for the salary differential benefits authorized under this section ~~prior to, during, or following the person's active service on or after May 29, 2003~~ no later than two years after completion of active service. A copy of military orders showing active service must be provided prior to payment.

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

Sec. 45. Minnesota Statutes 2020, section 43A.183, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Salary differential" means the difference between:

(1) the person's monthly total gross earnings as an active state employee, ~~excluding any overtime pay received but including all other earnings,~~ averaged over the last three full calendar months of the person's active state employment prior to reporting to active service, and including any additional salary or earnings adjustments that the person would have received at any time during the person's authorized leave from state employment had the person been serving as an active state employee during that time; and

(2) the person's monthly base pay in active service.

(c) "Eligible member" means:

(1) any member of the National Guard or other reserve component of the United States armed forces who was an employee of the state of Minnesota at the time the member took military leave under section 192.261 to report for active military service; and

(2) any member of any other nonmilitary reserve component of the uniformed services of the United States who was an employee of Minnesota at the time the member took properly authorized leave from state employment under substantially comparable federal or state authority ordering the person to report for federal or state active service.

(d) "State employee" means an employee of the executive, judicial, or legislative branch of state government or an employee of the Minnesota State Retirement System, the Public Employee Retirement Association, or the Teachers Retirement Association.

(e) "Active service" has the meaning given in section 190.05, subdivision 5, for military members, and includes substantially comparable service for reserve members of other nonmilitary components of the uniformed services of the United States, but excludes service performed exclusively for purposes of:

(1) basic training, advanced individual training, annual training, and periodic inactive duty training;

(2) special training periodically made available to reserve members;

(3) service performed in accordance with section 190.08, subdivision 3; and

(4) service performed as part of the active guard/reserve program pursuant to United States Code, title 32, section 502(f), or other applicable authority, as well as substantially comparable service by members of other nonmilitary components of the uniformed services of the United States.

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

Sec. 46. Minnesota Statutes 2020, section 43A.19, subdivision 1, is amended to read:

Subdivision 1. **Statewide affirmative action program.** (a) To assure that positions in the executive branch of the civil service are equally accessible to all qualified persons, and to eliminate the ~~underutilization of qualified members of protected groups~~ effects of past and present discrimination, intended or unintended, on the basis of protected group status, the commissioner shall adopt and periodically revise, if necessary, a statewide affirmative action program. The statewide affirmative action program must consist of at least the following:

(1) objectives, goals, and policies;

(2) procedures, standards, and assumptions to be used by agencies in the preparation of agency affirmative action plans, including methods by which goals and timetables are established;

(3) the analysis of separation patterns to determine the impact on protected group members; and

(4) requirements for annual objectives and submission of affirmative action progress reports from heads of agencies.

Agency heads must report the data in clause (3) to the state Director of Recruitment, Retention and Affirmative Action and the state ADA coordinator, in addition to being available to anyone upon request. The commissioner of management and budget must annually post the aggregate and agency-level reports under clause (4) on the agency's website.

(b) The commissioner shall establish statewide affirmative action goals for each of the federal Equal Employment Opportunity (EEO) occupational categories applicable to state employment, using at least the following factors:

(1) the percentage of members of each protected class in the recruiting area population who have the necessary skills; and

(2) the availability for promotion or transfer of current employees who are members of protected classes.

(c) The commissioner may use any of the following factors in addition to the factors required under paragraph (b):

(1) the extent of unemployment of members of protected classes in the recruiting area population;

(2) the existence of training programs in needed skill areas offered by employing agencies and other institutions; and

(3) the expected number of available positions to be filled.

(d) The commissioner shall designate a state director of diversity and equal employment opportunity who may be delegated the preparation, revision, implementation, and administration of the program. The commissioner of management and budget may place the director's position in the unclassified service if the position meets the criteria established in section 43A.08, subdivision 1a.

(e) The commissioner shall designate a statewide ADA and disability employment director who may be delegated the preparation, revision, implementation, evaluation, and administration of the program. This position must administer the 700-hour on-the-job demonstration experience under the supported work program and disabled veteran's employment programs. The ADA and disability employment director shall have education, knowledge, and skills in disability policy, employment, and the ADA. The commissioner may place the director's position in the unclassified service if the position meets the criteria established in section 43A.08, subdivision 1a.

(f) Agency affirmative action plans, including reports and progress, must be posted on the agency's public and internal websites within 30 days of being approved. The commissioner of management and budget shall post a link to all executive branch agency-approved affirmative action plans on its public website. Accessible copies of the affirmative action plan must be available to all employees and members of the general public upon request.

Sec. 47. Minnesota Statutes 2020, section 43A.191, is amended to read:

43A.191 AGENCY AFFIRMATIVE ACTION PROGRAMS.

Subdivision 1. **Affirmative action officers.** (a) Each agency with 1,000 employees or more shall have at least one full-time affirmative action officer, who shall have primary responsibility for developing and maintaining the agency's affirmative action plan. The officer shall devote full time to affirmative action activities. The affirmative action officer shall report administratively and on policy issues directly to the agency head. Pursuant to section 43A.08, subdivision 1a, clause (4), the affirmative action officer must not be an unclassified employee.

(b) The agency heads shall assign affirmative action officers or designees for agencies with fewer than 1,000 employees. The designees shall report administratively and on policy issues directly to the agency head.

(c) An agency may not use authority under section 43A.08, subdivision 1a, to place the position of an agency affirmative action officer or designee in the unclassified service.

Subd. 2. **Agency affirmative action plans.** (a) The head of each agency in the executive branch shall prepare and implement an agency affirmative action plan consistent with this section and rules issued under section 43A.04, subdivision 3.

(b) The agency plan must include a plan for the provision of reasonable accommodation in the hiring and promotion of qualified ~~disabled~~ persons with disabilities. The reasonable accommodation plan must consist of at least the following:

(1) procedures for compliance with sections 16E.03, subdivision 9, 363A.08 to 363A.19, and 363A.28, subdivision 10, and, where appropriate, regulations implementing United States Code, title 29, section 794, as amended through December 31, 1984, which is section 504 of the Rehabilitation Act of 1973, as amended and the Americans with Disabilities Act, United States Code, title 42, sections 101 to 108, 201 to 231, 241 to 246, 401, 402, and 501 to 514;

(2) methods and procedures for providing timely access to reasonable accommodations during the application process, throughout current employment, and when seeking promotion; ~~timely access to reasonable accommodation for disabled job applicants, current employees, and employees accommodations during the application process, throughout current employment, and when seeking promotion;~~

(3) provisions for funding reasonable accommodations; and

(4) the number of requests made, the number of requests approved, and the number of requests reimbursed from the state accommodation account under section 16B.4805.

(c) The agency plan must be prepared by the agency head with the assistance of the agency affirmative action officer and the director of diversity and equal employment opportunity. The agency may consult with the Council on Disability, vocational rehabilitation services, state services for the blind, and other disability experts to review and make recommendations on recruitment and retention of people with disabilities.

(d) The agency plan must identify any positions in the agency that can be used for supported employment as defined in section 268A.01, subdivision 13, of persons with severe disabilities. The agency shall report this information to the commissioner. An agency that hires more than one supported worker in the identified positions must receive recognition for each supported worker toward meeting the agency's affirmative action goals and objectives.

(e) An agency affirmative action plan may not be implemented without the commissioner's approval.

Subd. 2a. Disability recruitment, hiring, and advancement. (a) Each agency affirmative action plan must include a section that provides sufficient assurances, procedures, and commitments to provide adequate hiring, placement, and advancement opportunities for individuals with disabilities at all levels of state employment. The criteria for this section of the agency affirmative action plan must include a section on disability hiring and advancement, including the provisions in this subdivision.

(b) The plan must describe specific actions to ensure that a broad range of individuals with disabilities will be aware of and be encouraged to apply for job vacancies when eligible. The actions must include, at a minimum:

(1) the use of programs and resources that identify job applicants with disabilities who are eligible to be appointed under a hiring authority that takes disability into account, consistent with the demonstration program under section 43A.15, subdivision 14. The programs may include the Department of Employment and Economic Development's Vocational Rehabilitation Services and State Services for the Blind that provide the qualifications necessary for positions within the agency to individuals with disabilities. Resources may include databases of individuals with disabilities who previously applied to the agency but were not hired for the positions they applied for, and training and internship programs that lead directly to employment for individuals with disabilities; and

(2) establishment and maintenance of contacts, which may include formal agreements, with organizations that specialize in providing assistance to individuals with disabilities in securing and maintaining employment, such as the Department of Employment and Economic Development's Vocational Rehabilitation Services, State Services for the Blind, community rehabilitation programs, day training and habilitation programs, and employment network service providers.

(c) The plan must ensure that the agency has designated sufficient staff to handle any disability-related issues that arise during the application and selection process, and shall require the agency to provide staff with sufficient training, support, and other resources to carry out the responsibilities under this section. Responsibilities include, at a minimum:

(1) ensuring that disability-related questions from members of the public regarding the agency's application and selection processes are answered promptly and correctly, including questions about reasonable accommodations needed by job applicants during the application and selection process and questions about how individuals may apply for positions under hiring authorities that take disability into account;

(2) processing requests for reasonable accommodations needed by job applicants during the application and placement process and ensuring that the agency provides such accommodations when required;

(3) accepting applications for a position under hiring authorities that take disability into account;

(4) if an individual has applied for appointment to a particular position under a hiring authority that takes disability into account, determining whether the individual is eligible for appointment under such authority and, if so, forwarding the individual's application to the relevant hiring officials with an explanation of how and when the individual may be appointed, consistent with all applicable laws; and

(5) overseeing any other agency programs designed to increase hiring of individuals with disabilities.

Subd. 3. Audits; sanctions and incentives. (a) The commissioner shall annually audit the record of each agency to determine the rate of compliance with affirmative action requirements. The department must report all audit findings to the governor's office if a state agency fails to meet any of its affirmative action requirements for two consecutive years.

(b) By March 1 of each odd-numbered year, the commissioner shall submit a report on affirmative action progress of each agency and the state as a whole to the governor and to the Finance Committee of the senate, the Ways and Means Committee of the house of representatives, the Governmental Operations Committees of both houses of the legislature, and the Legislative Coordinating Commission. The report must include noncompetitive appointments made under section 43A.08, subdivision 2a, or 43A.15, subdivisions 3 to 7, 10, and 12, and cover each agency's rate of compliance with affirmative action requirements. The report must be made available to the public on the department's website.

(c) An agency that does not meet its hiring goals must justify its nonaffirmative action hires in competitive appointments and noncompetitive appointments made under section 43A.08, subdivisions 1, clauses (9), (11), and (16), and 2a; and section 43A.15, subdivisions 3, 10, 12, and 13, according to criteria issued by the department of ~~Management and Budget~~. In addition, an agency shall:

- (1) demonstrate a good faith effort to recruit protected group members by following an active recruitment plan;
 - (2) implement a coordinated retention plan; and
 - (3) have an established complaint resolution procedure.
- (d) The commissioner shall develop reporting standards and procedures for measuring compliance.

(e) An agency is encouraged to develop other innovative ways to promote awareness, acceptance, and appreciation for diversity and affirmative action. These innovations will be considered when evaluating an agency's compliance with this section.

(f) An agency not in compliance with affirmative action requirements of this section must identify methods and programs to improve performance, to reallocate resources internally in order to increase support for affirmative action programs, and to submit program and resource reallocation proposals to the commissioner for approval. An agency must submit these proposals within 120 days of being notified by the commissioner that it is out of compliance with affirmative action requirements. The commissioner shall monitor quarterly the affirmative action programs of an agency found to be out of compliance.

(g) The commissioner shall establish a program to recognize an agency that has made significant and measurable progress in implementing an affirmative action plan.

(h) The commissioner must maintain and make available, on an annual basis, summary data as defined in section 13.02, subdivision 19, on the percentage of members of each protected group as defined in section 43A.02, subdivision 33, that were hired in the executive branch in each of the federal Equal Employment Opportunity (EEO) occupational categories applicable to state employment. Nothing in this provision, however, shall require any person to disclose their protected group status, nor shall it require the commissioner or any appointing authority to determine the protected group status of any person.

Sec. 48. Minnesota Statutes 2020, section 43A.21, subdivision 1, is amended to read:

Subdivision 1. **Authority; purpose.** The commissioner, in coordination with the statewide ADA and disability employment director and chief inclusion officer, shall develop and interpret policy and administer and, to the extent possible, conduct programs in training and development for employees to, at a minimum:

- (1) promote individual, group and agency efficiency and effectiveness;

(2) build employee capacity to deliver accessible and inclusive services to the public, including people with disabilities; and

(3) support an inclusive work environment for employees with disabilities and employees of other protected classes.

Sec. 49. Minnesota Statutes 2020, section 43A.21, subdivision 2, is amended to read:

Subd. 2. **Responsibilities.** (a) The commissioner is responsible for developing and coordinating consistent training policy which shall be binding on all state agencies in the executive branch. The policies shall include conditions under which employees may receive or be assigned to training; internships and work-training programs; minimum and maximum training standards for employee participation and agency reporting requirements. At a minimum, state employees must receive annual training on statutes or policies related to:

(1) Title II of the Americans with Disabilities Act;

(2) the state's affirmative action policy;

(3) equal opportunity employment; and

(4) digital accessibility standards.

(b) Career development training is a permissive subject of collective bargaining. Each appointing authority in the executive branch, including the Minnesota State Retirement System and the Teachers Retirement Association, is primarily responsible for planning, budgeting, conducting and evaluating training programs.

Sec. 50. Minnesota Statutes 2020, section 43A.21, subdivision 3, is amended to read:

Subd. 3. **Programs.** (a) The commissioner or the commissioner's designee shall design and implement management training and development programs for the state service. The programs shall include but not be limited to mandatory training and development requirements for managers and supervisors. No person shall acquire permanent status in a management or supervisory position in the classified service until training and development requirements have been met.

(b) All managers and supervisors must receive training on inclusive work environments, disability awareness, cultural competence, and other equity and diversity areas.

(c) Agencies shall conduct an annual Americans with Disabilities Act self-assessment to ensure training programs meet the standards for universal design in learning.

Sec. 51. Minnesota Statutes 2020, section 43A.21, is amended by adding a subdivision to read:

Subd. 6. **Accessibility.** The commissioner is responsible for ensuring that all training content and platforms meet the accessibility standards under section 16E.03, subdivisions 2, clause (3), and 9. Reasonable accommodations must be implemented in a timely and appropriate manner to ensure that all state employees can participate in state-offered trainings. All state employees, including ADA coordinators and human resources staff, must have the training and resources to implement an accessible and inclusive workplace.

Sec. 52. Minnesota Statutes 2020, section 43A.36, subdivision 1, is amended to read:

Subdivision 1. **Cooperation; state agencies.** (a) The commissioner may delegate administrative functions associated with the duties of the commissioner to appointing authorities who have the capability to perform such functions when the commissioner determines that it is in the best interests of the state civil service. The commissioner shall consult with agencies and agencies shall cooperate as appropriate in implementation of this chapter.

(b) The commissioner, in conjunction with appointing authorities, shall analyze and assess current and future human resource requirements of the civil service and coordinate personnel actions throughout the civil service to meet the requirements. The commissioner shall provide recruiting assistance and make the applicant database available to appointing authorities to use in making appointments to positions in the unclassified service.

(c) The head of each agency in the executive branch shall designate an agency personnel officer. The agency personnel officer shall be accountable to the agency head for all personnel functions prescribed by laws, rules, collective bargaining agreements, the commissioner and the agency head. Except when otherwise prescribed by the agency head in a specific instance, the personnel officer shall be assumed to be the authority accountable to the agency head over any other officer or employee in the agency for personnel functions.

(d) The head of each agency in the executive branch shall designate an affirmative action officer who shall have primary responsibility for the administration of the agency's affirmative action plan. The officer shall report directly to the head of the agency on affirmative action matters.

(e) Pursuant to section 43A.431, the head of each agency in the executive branch shall designate an ADA coordinator who shall have primary responsibility for the administration of ADA policies, procedures, trainings, requests, and arbitration. The coordinator shall report directly to the commissioner.

Sec. 53. Minnesota Statutes 2020, section 43A.421, is amended to read:

43A.421 SUPPORTED WORK PROGRAM.

Subdivision 1. **Program established.** ~~A total of 50 full time~~ Active positions within agencies of state government may be selected for inclusion for a supported work program for persons with ~~severe~~ significant disabilities. A full-time position may be shared by up to three persons with ~~severe~~ significant disabilities and their job coach. The job coach is not a state employee within the scope of section 43A.02, subdivision 21, or 179A.03, subdivision 14, unless the job coach holds another position within the scope of section 43A.02, subdivision 21, or 179A.03, subdivision 14. All classified supported work job postings need to link to the overview and application process for the supported work program.

Subd. 2. **Responsibilities.** (a) The commissioner is responsible for the administration and oversight of the supported work program, including the establishment of policies and procedures, data collection and reporting requirements, and compliance.

(b) The commissioner or the commissioner's designee shall design and implement a training curriculum for the supported work program. All executive leaders, managers, supervisors, human resources professionals, affirmative action officers, and Americans with Disabilities Act coordinators must receive annual training regarding the program.

(c) The commissioner or the commissioner's designee shall develop, administer, and make public a formal grievance process for individuals in the program.

Sec. 54. **[43A.431] AMERICANS WITH DISABILITIES ACT COORDINATORS.**

(a) Each state agency shall designate at least one ADA coordinator who is responsible for implementation of Title I of the ADA, to advance the prohibition on discrimination against qualified individuals with disabilities in job application procedures, hiring, firing, advancement, compensation, job training and other terms, conditions, and privileges of employment. The ADA coordinator must have demonstrated knowledge and experience in:

(1) the recruitment, selection, development, and retention of people with disabilities;

(2) workforce data analysis;

(3) disability employment laws and regulations; and

(4) strategy development for universal and inclusive workplaces.

(b) The ADA coordinator is responsible for overseeing the development, implementation, monitoring, and evaluation of effective strategies to attract, engage, and advance people with disabilities. This includes assisting employees with identifying, acquiring, and maintaining effective accommodations and submitting reimbursement requests to the statewide accommodation fund under section 16B.4805.

(c) The ADA coordinator is responsible for collecting data and preparing reports to ensure transparency and accountability and must serve as a key liaison for disability employment and training initiatives.

Sec. 55. Minnesota Statutes 2020, section 82.75, subdivision 8, is amended to read:

Subd. 8. **Accrued interest.** (a) Each broker shall maintain a pooled interest-bearing trust account for deposit of client funds. The interest accruing on the trust account, less reasonable transaction costs, must be paid to the ~~commissioner of management and budget~~ Minnesota Housing Finance Agency for deposit in the housing trust fund account created under section 462A.201 unless otherwise specified pursuant to an expressed written agreement between the parties to a transaction.

(b) For an account created under paragraph (a), each broker shall direct the financial institution to:

(1) pay the interest, less reasonable transaction costs, computed in accordance with the financial institution's standard accounting practice, at least quarterly, to the ~~commissioner of management and budget~~ Minnesota Housing Finance Agency; and

(2) send a statement to the ~~commissioner of management and budget~~ Minnesota Housing Finance Agency showing the name of the broker for whom the payment is made, the rate of interest applied, the amount of service charges deducted, and the account balance for the period in which the report is made.

The ~~commissioner of management and budget~~ Minnesota Housing Finance Agency shall credit the amount collected under this subdivision to the housing trust fund account established in section 462A.201.

(c) The financial institution must promptly notify the commissioner if a draft drawn on the account is dishonored. A draft is not dishonored if a stop payment order is requested by an issuer who has a good faith defense to payment on the draft.

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

Sec. 56. Minnesota Statutes 2020, section 118A.09, subdivision 1, is amended to read:

Subdivision 1. **Definition; qualifying government.** "Qualifying government" means:

(1) a county or statutory or home rule charter city with a population of more than 100,000;

(2) a county or statutory or home rule charter city ~~which had its most recently issued general obligation bonds rated in the highest category by a national bond rating agency~~ whose most recent long-term, senior, general obligation rating by one or more national rating organizations in the prior 18-month period is AA or higher; or

(3) a self-insurance pool listed in section 471.982, subdivision 3.

A county or statutory or home rule charter city with a population of 100,000 or less that is a qualifying government, but is subsequently ~~rated less than the highest category by a national bond rating agency on a general obligation bond issue~~ does not meet the threshold under clause (2), may not invest additional funds under this section but may continue to manage funds previously invested under subdivision 2.

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

Sec. 57. Minnesota Statutes 2020, section 118A.09, subdivision 2, is amended to read:

Subd. 2. **Additional investment authority.** Qualifying governments may invest the amount described in subdivision 3:

(1) in index mutual funds based in the United States and indexed to a broad market United States equity index, on the condition that index mutual fund investments must be made directly with the main sales office of the fund; or

(2) with the Minnesota State Board of Investment subject to such terms and minimum amounts as may be adopted by the board. ~~Index mutual fund investments must be made directly with the main sales office of the fund.~~

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

Sec. 58. **[118A.10] SELF-INSURANCE POOLS; ADDITIONAL INVESTMENT AUTHORITY.**

Subdivision 1. **Definition.** For the purposes of this section, "qualifying government" means a self-insurance pool formed under section 471.982.

Subd. 2. **Additional investment authority.** A qualifying government may invest in the securities specified in section 11A.24.

Subd. 3. **Approval.** Before investing pursuant to this section, the governing body of a qualifying government must adopt an investment policy pursuant to a resolution that includes both of the following statements:

(1) the governing body understands that investments under this section have a risk of loss; and

(2) the governing body understands the type of funds that are being invested and the specific investment itself.

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

Sec. 59. Minnesota Statutes 2020, section 136F.02, subdivision 1, is amended to read:

Subdivision 1. **Membership.** (a) The board consists of 15 members appointed by the governor, including three members who are students who have attended an institution for at least one year and are enrolled at the time of appointment at least half time in a degree, diploma, or certificate program in an institution governed by the board. The student members shall include one member from a community college, one member from a state university, and one member from a technical college. One member representing labor must be appointed after considering the recommendations made under section 136F.045. The governor is not bound by the recommendations. Appointments to the board are with the advice and consent of the senate. At least one member of the board must be a resident of each congressional district. All other members must be appointed to represent the state at large. In selecting appointees, the governor must consider the needs of the board and the balance of the board membership with respect to labor and business representation ~~and~~; racial, gender, geographic, and ethnic composition; ~~and~~ occupation and experience. In selecting appointees, the governor must consider the needs of the board for skills relevant to the governance of the Minnesota State Colleges and Universities and the candidate's ability to discharge the responsibilities of the board.

(b) A commissioner of a state agency may not serve as a member of the board.

Sec. 60. Minnesota Statutes 2020, section 138.081, subdivision 3, is amended to read:

Subd. 3. **Administration of federal act.** ~~The Department of Administration~~ Minnesota Historical Society is designated as the state agency to administer the provisions of the federal act providing for the preservation of historical and archaeological data, United States Code, title ~~46~~ 54, ~~sections 469 to 469C~~ section 312501, as amended, insofar as the provisions of the act provide for implementation by the state.

Sec. 61. Minnesota Statutes 2020, section 138.665, subdivision 2, is amended to read:

Subd. 2. **Mediation; consultation.** The state, state departments, agencies, and political subdivisions, including the Board of Regents of the University of Minnesota, have a responsibility to protect the physical features and historic character of properties designated in sections 138.662 and 138.664 or listed on the National Register of Historic Places created by Public Law 89-665. Before carrying out any undertaking that will affect designated or listed properties, or funding or licensing an undertaking by other parties, the state department or agency shall consult with the State Historic Preservation Office pursuant to the ~~society's~~ State Historic Preservation Office's established procedures to determine appropriate treatments and to seek ways to avoid and mitigate any adverse effects on designated or listed properties. If the state department or agency and the State Historic Preservation Office agree in writing on a suitable course of action, the project may proceed. If the parties cannot agree, any one of the parties may request that the governor appoint and convene a mediation task force consisting of five members, two appointed by the governor, the chair of the State Review Board of the State Historic Preservation Office, the commissioner of administration or the commissioner's designee, and one member ~~who is not an employee of the Minnesota Historical Society~~ appointed by the director of the Minnesota Historical Society. The two appointees of the governor and ~~the one~~ of the director of the society shall be qualified by training or experience in one or more of the following disciplines: (1) history; (2) archaeology; and (3) architectural history. The mediation task force is not subject to the conditions of section 15.059. This subdivision does not apply to section 138.662, subdivision 24, and section 138.664, subdivisions 8 and 111.

Sec. 62. Minnesota Statutes 2020, section 161.1419, subdivision 2, is amended to read:

Subd. 2. **Members.** (a) The commission shall be composed of 15 members of whom:

(1) one shall be appointed by the commissioner of transportation;

(2) one shall be appointed by the commissioner of natural resources;

- (3) one shall be appointed by the director of Explore Minnesota Tourism;
- (4) one shall be appointed by the commissioner of agriculture;
- (5) one shall be appointed by the director of the Minnesota Historical Society;
- (6) two shall be members of the senate to be appointed by the Committee on Committees;
- (7) two shall be members of the house of representatives to be appointed by the speaker;
- (8) one shall be the secretary appointed pursuant to subdivision 3; and

(9) five shall be citizen members appointed to staggered four-year terms by the commission after receiving recommendations from five citizen committees established by the members appointed under clauses (1) to (8), with each citizen committee established within and representing each of the following geographic segments along the Mississippi River:

- (i) Lake Itasca to but not including the city of Grand Rapids;
- (ii) Grand Rapids to but not including the city of Brainerd;
- (iii) Brainerd to but not including the city of Elk River;
- (iv) Elk River to but not including the city of Hastings; and
- (v) Hastings to the Iowa border.

Each citizen ~~committee~~ member shall be a resident of the geographic segment that the ~~committee and~~ member represents.

(b) The members of the commission appointed in paragraph (a), clauses (1) to (8), shall serve for a term expiring at the close of each regular session of the legislature and until their successors are appointed.

(c) Successor members shall be appointed by the same appointing authorities. Members may be reappointed. Any vacancy shall be filled by the appointing authority. The commissioner of transportation, the commissioner of natural resources, and the director of the Minnesota Historical Society shall be ex officio members, and shall be in addition to the 15 members heretofore provided for. Immediately upon making the appointments to the commission the appointing authorities shall so notify the Mississippi River Parkway Commission, hereinafter called the National Commission, giving the names and addresses of the members so appointed.

Sec. 63. Minnesota Statutes 2020, section 307.08, as amended by Laws 2021, chapter 31, article 2, section 16, is amended to read:

307.08 DAMAGES; ILLEGAL MOLESTATION OF HUMAN REMAINS; BURIALS; CEMETERIES; PENALTY; AUTHENTICATION.

Subdivision 1. **Legislative intent; scope.** It is a declaration and statement of legislative intent that all human burials, human remains, and human burial grounds shall be accorded equal treatment and respect for human dignity without reference to their ethnic origins, cultural backgrounds, or religious affiliations. The provisions of this section shall apply to all human burials, human remains, or human burial grounds found on or in all public or private lands or waters in Minnesota. Nothing in this section should be interpreted to conflict with federal law, including the Native American Graves Protection and Repatriation Act (NAGPRA), 25 United States Code 3001 et seq. and its implementing regulations, 43 Code of Federal Regulations, part 10.

Subd. 2. **Felony; gross misdemeanor.** (a) A person who intentionally, willfully, and knowingly does any of the following is guilty of a felony:

- (1) destroys, mutilates, or injures human burials or human burial grounds; or
- (2) without the consent of the appropriate authority, disturbs human burial grounds or removes human remains.

(b) A person who, without the consent of the appropriate authority and the landowner, intentionally, willfully, and knowingly does any of the following is guilty of a gross misdemeanor:

- (1) removes any tombstone, monument, or structure placed in any public or private cemetery or authenticated human burial ground; or
- (2) removes any fence, railing, or other work erected for protection or ornament, or any tree, shrub, or plant or grave goods and artifacts within the limits of a public or private cemetery or authenticated human burial ground; or
- (3) discharges any firearms upon or over the grounds of any public or private cemetery or authenticated burial ground.

Subd. 3. **Protective posting.** Upon the agreement of the appropriate authority and the landowner, an authenticated or recorded human burial ground may be posted for protective purposes every 75 feet around its perimeter with signs listing the activities prohibited by subdivision 2 and the penalty for violation of it. Posting is at the discretion of the Indian affairs council in the case of American Indian burials or at the discretion of the state archaeologist in the case of ~~non-Indian~~ non-American Indian burials. This subdivision does not require posting of a burial ground. The size, description, location, and information on the signs used for protective posting must be approved by the appropriate authority and the landowner.

Subd. 3a. **Authentication.** The state archaeologist shall authenticate all burial grounds for purposes of this section. The state archaeologist may retain the services of a qualified professional archaeologist, a qualified physical anthropologist, or other appropriate experts for the purpose of gathering information that the state archaeologist can use to authenticate or identify burial grounds. If probable American Indian burial grounds are to be ~~disturbed or probable Indian remains~~ analyzed, investigated, or disturbed, the Indian Affairs Council must approve the professional archaeologist, qualified anthropologist, or other appropriate expert. Authentication is at the discretion of the state archaeologist based on the needs identified in this section or upon request by an agency, a landowner, or other appropriate authority. The state archaeologist shall implement and maintain a system of records identifying the location of known, recorded, or suspected cemeteries. The state archaeologist shall provide access to the records as provided in subdivision 11.

Subd. 5. ~~**Cost; use of data.**~~ The cost of authentication, recording, surveying, and marking burial grounds and the cost of identification, analysis, rescue, and reburial of human remains on public lands or waters shall be the responsibility of the state or political subdivision controlling the lands or waters. On private lands or waters these costs shall be borne by the state, but may be borne by the landowner upon mutual agreement with the state. ~~The state archaeologist must make the data collected for this activity available using standards adopted by the Department of Information Technology Services and geospatial technology standards and guidelines published by the Minnesota Geospatial Information Office. Costs associated with this data delivery must be borne by the state.~~

Subd. 7. **Remains found outside of recorded cemeteries.** (a) All unidentified human remains or burials found outside of recorded cemeteries or unplatted graves or burials found within recorded cemeteries and in contexts which indicate antiquity greater than 50 years shall be treated with the utmost respect for all human dignity and dealt with according to the provisions of this section.

(b) If such burials are not American Indian or their ethnic identity cannot be ascertained, as determined by the state archaeologist, they shall be dealt with in accordance with provisions established by the state archaeologist and other appropriate authority.

(c) If such burials are American Indian, as determined by the state archaeologist and Indian Affairs Council, efforts shall be made by the state archaeologist and the Indian Affairs Council to ascertain their tribal identity to follow procedures as defined in 25 United States Code 3001 et seq. and its implementing regulations, 43 Code of Federal Regulations, part 10. ~~If their probable tribal identity can be determined and the remains have been removed from their original context, such remains shall be turned over to contemporary tribal leaders for disposition. If tribal identity cannot be determined, the Indian remains must be dealt with in accordance with provisions established by the state archaeologist and the Indian Affairs Council if they are from public land. If removed Indian remains are from private land they shall be dealt with in accordance with provisions established by the Indian Affairs Council. If it is deemed desirable by the state archaeologist or the Indian Affairs Council, removed remains shall be studied in a timely and respectful manner by a qualified professional archaeologist or a qualified physical anthropologist before being delivered to tribal leaders or before being reburied. Application by a landowner for permission to develop or disturb nonburial areas within authenticated or recorded burial grounds shall be made to the state archaeologist and other appropriate authority in the case of non-Indian burials and to the Indian Affairs Council and other appropriate authority in the case of Indian burials. Landowners with authenticated or suspected human burial grounds on their property are obligated to inform prospective buyers of the burial ground.~~

Subd. 7a. **Landowner responsibilities.** (a) Application by a landowner for permission to develop or disturb nonburial areas within authenticated or recorded burial grounds shall be made to:

(1) the state archaeologist and other appropriate authority in the case of non-American Indian burials; and

(2) the Indian Affairs Council and other appropriate authority in the case of American Indian burials.

(b) Landowners with authenticated or suspected human burial grounds on their property are obligated to inform prospective buyers of the burial ground.

Subd. 8. **Burial ground relocation.** No ~~non-Indian~~ non-American Indian burial ground may be relocated without the consent of the appropriate authority. No American Indian burial ground may be relocated unless the request to relocate is approved by the Indian Affairs Council. When a burial ground is located on public lands or waters, any burial relocations must be duly licensed under section 138.36 and the cost of removal is the responsibility of and shall be paid by the state or political subdivision controlling the lands or waters. If burial grounds are authenticated on private lands, efforts may be made by the state to purchase and protect them instead of removing them to another location.

Subd. 9. **Interagency cooperation.** (a) The state archaeologist and the Indian Affairs Council shall enter into a memorandum of understanding to coordinate their responsibilities under this section.

(b) The Department of Natural Resources, the Department of Transportation, and all other state agencies and local governmental units whose activities may be affected, shall cooperate with the state archaeologist and the Indian Affairs Council to carry out the provisions of this section.

Subd. 10. **Construction and development plan review.** When human burials are known or suspected to exist, on public lands or waters, the state or political subdivision controlling the lands or waters or, in the case of private lands, the landowner or developer, shall submit construction and development plans to the state archaeologist for review prior to the time ~~bids are advertised~~ development is proposed and prior to any disturbance within the burial area. If the known or suspected burials are thought to be American Indian, plans shall also be submitted to the Indian Affairs Council. The state archaeologist and the Indian Affairs Council shall review the plans within ~~30~~ 45 days of receipt and make recommendations for the preservation in place or removal of the human burials or remains, which may be endangered by construction or development activities.

Subd. 11. **Burial sites data.** ~~(a) Burial sites locational and related data maintained by~~ under the authority of the Office of the State Archaeologist and accessible through the office's "Unplatted Burial Sites and Earthworks in Minnesota" website or Indian Affairs Council are security information for purposes of section 13.37. Persons who gain access to ~~the this data maintained on the site~~ are subject to liability under section 13.08 and the penalty established by section 13.09 if they improperly use or further disseminate the data.

Subd. 12. **Right of entry.** The state archaeologist or designee may enter on property for the purpose of authenticating burial sites. The Indian Affairs Council or a designated representative of the Indian Affairs Council may enter on property for the purpose of assessing, identifying, or authenticating American Indian cemeteries. Only after obtaining permission from the property owner or lessee, descendants of persons buried in burial grounds covered by this section may enter the burial grounds for the purpose of conducting religious or commemorative ceremonies. This right of entry must not unreasonably burden property owners or unnecessarily restrict their use of the property.

Subd. 13. **Definitions.** As used in this section, the following terms have the meanings given.

(a) "Abandoned cemetery" means a cemetery where the cemetery association has disbanded or the cemetery is neglected and contains marked graves older than 50 years.

(b) "Appropriate authority" means:

(1) the trustees when the trustees have been legally defined to administer burial grounds;

(2) the Indian Affairs Council in the case of American Indian burial grounds lacking trustees;

(3) the county board in the case of abandoned cemeteries under section 306.243; and

(4) the state archaeologist in the case of ~~non-Indian~~ non-American Indian burial grounds lacking trustees or not officially defined as abandoned.

(c) "Artifacts" means natural or artificial articles, objects, implements, or other items of archaeological interest.

(d) "Authenticate" means to establish the presence of or high potential of human burials or human skeletal remains being located in a discrete area, delimit the boundaries of human burial grounds or graves, and attempt to determine the ethnic, cultural, or religious affiliation of individuals interred.

(e) "Burial" means the organic remnants of the human body that were intentionally interred as part of a mortuary process.

(f) "Burial ground" means a discrete location that is known to contain or has high potential to contain human remains based on physical evidence, historical records, or reliable informant accounts.

(g) "Cemetery" means a discrete location that is known to contain or intended to be used for the interment of human remains.

(h) "Disturb" means any activity that ~~significantly~~ harms the physical integrity or setting of a human burial or human burial ground.

(i) "Grave goods" means objects or artifacts directly associated with human burials or human burial grounds that were placed as part of a mortuary ritual at the time of interment.

(j) "Human remains" means the ~~calcified portion of the human~~ body of a deceased person in whole or in part, regardless of the state of decomposition, not including isolated teeth, or cremated remains deposited in a container or discrete feature.

(k) "Identification" means to analyze organic materials to attempt to determine if they represent human remains and to attempt to establish the ethnic, cultural, or religious affiliations of such remains.

(l) "Marked" means a burial that has a recognizable tombstone or obvious grave marker in place or a legible sign identifying an area as a burial ground or cemetery.

(m) "Qualified physical anthropologist" means a specialist in identifying human remains who holds an advanced degree in anthropology or a closely related field.

(n) "Qualified professional archaeologist" means an archaeologist who meets the United States Secretary of the Interior's professional qualification standards in Code of Federal Regulations, title 36, part 61, appendix A, or subsequent revisions.

(o) "Recorded cemetery" means a cemetery that has a surveyed plat filed in a county recorder's office.

(p) "State" or "the state" means the state of Minnesota or an agency or official of the state acting in an official capacity.

(q) "Trustees" means the recognized representatives of the original incorporators, board of directors, or cemetery association.

Sec. 64. Minnesota Statutes 2020, section 327C.095, subdivision 12, is amended to read:

Subd. 12. **Payment to the Minnesota manufactured home relocation trust fund.** (a) If a manufactured home owner is required to move due to the conversion of all or a portion of a manufactured home park to another use, the closure of a park, or cessation of use of the land as a manufactured home park, the manufactured park owner shall, upon the change in use, pay to the ~~commissioner of management and budget~~ Minnesota Housing Finance Agency for deposit in the Minnesota manufactured home relocation trust fund under section 462A.35, the lesser amount of the actual costs of moving or purchasing the manufactured home approved by the neutral third party and paid by the Minnesota Housing Finance Agency under subdivision 13, paragraph (a) or (e), or \$3,250 for each single section manufactured home, and \$6,000 for each multisection manufactured home, for which a manufactured home owner has made application for payment of relocation costs under subdivision 13, paragraph (c). The manufactured home park owner shall make payments required under this section to the Minnesota manufactured home relocation trust fund within 60 days of receipt of invoice from the neutral third party.

(b) A manufactured home park owner is not required to make the payment prescribed under paragraph (a), nor is a manufactured home owner entitled to compensation under subdivision 13, paragraph (a) or (e), if:

(1) the manufactured home park owner relocates the manufactured home owner to another space in the manufactured home park or to another manufactured home park at the park owner's expense;

(2) the manufactured home owner is vacating the premises and has informed the manufactured home park owner or manager of this prior to the mailing date of the closure statement under subdivision 1;

(3) a manufactured home owner has abandoned the manufactured home, or the manufactured home owner is not current on the monthly lot rental, personal property taxes;

(4) the manufactured home owner has a pending eviction action for nonpayment of lot rental amount under section 327C.09, which was filed against the manufactured home owner prior to the mailing date of the closure statement under subdivision 1, and the writ of recovery has been ordered by the district court;

(5) the conversion of all or a portion of a manufactured home park to another use, the closure of a park, or cessation of use of the land as a manufactured home park is the result of a taking or exercise of the power of eminent domain by a governmental entity or public utility; or

(6) the owner of the manufactured home is not a resident of the manufactured home park, as defined in section 327C.01, subdivision 9; the owner of the manufactured home is a resident, but came to reside in the manufactured home park after the mailing date of the closure statement under subdivision 1; or the owner of the manufactured home has not paid the \$15 assessment when due under paragraph (c).

(c) If the unencumbered fund balance in the manufactured home relocation trust fund is less than \$2,000,000 as of June 30 of each year, the ~~commissioner of management and budget~~ Minnesota Housing Finance Agency shall assess each manufactured home park owner by mail the total amount of \$15 for each licensed lot in their park, payable on or before December 15 of that year. Failure to notify and timely assess the manufactured home park owner by July 31 of any year shall waive the assessment and payment obligations of the manufactured home park owner for that year. Together with said assessment notice, each year the ~~commissioner of management and budget~~ Minnesota Housing Finance Agency shall prepare and distribute to park owners a letter explaining whether funds are being collected for that year, information about the collection, an invoice for all licensed lots, a notice for distribution to the residents, and a sample form for the park owners to collect information on which park residents and lots have been accounted for. In a font no smaller than 14-point, the notice provided by ~~management and budget~~ the Minnesota Housing Finance Agency for distribution to residents by the park owner will include the payment deadline of October 31 and the following language: "THIS IS NOT AN OPTIONAL FEE. IF YOU OWN A MANUFACTURED HOME ON A LOT YOU RENT IN A MANUFACTURED HOME PARK, AND YOU RESIDE IN THAT HOME, YOU MUST PAY WHEN PROVIDED NOTICE." If assessed under this paragraph, the park owner may recoup the cost of the \$15 assessment as a lump sum or as a monthly fee of no more than \$1.25 collected from park residents together with monthly lot rent as provided in section 327C.03, subdivision 6. If, by September 15, a park owner provides the notice to residents for the \$15 lump sum, a park owner may adjust payment for lots in their park that are vacant or otherwise not eligible for contribution to the trust fund under section 327C.095, subdivision 12, paragraph (b), and for park residents who have not paid the \$15 assessment when due to the park owner by October 31, and deduct from the assessment accordingly. The ~~commissioner of management and budget~~ Minnesota Housing Finance Agency shall deposit any payments in the Minnesota manufactured home relocation trust fund and ~~provide to the Minnesota Housing Finance Agency by December 31,~~ maintain an annual record for each manufactured home park of the amount received for that park and the number of deductions made for each of the following reasons: vacant lots, ineligible lots, and uncollected fees.

(d) This subdivision and subdivision 13, paragraph (c), clause (5), are enforceable by the neutral third party, on behalf of the Minnesota Housing Finance Agency, or by action in a court of appropriate jurisdiction. The court may award a prevailing party reasonable attorney fees, court costs, and disbursements.

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

Sec. 65. Minnesota Statutes 2020, section 327C.095, subdivision 13, is amended to read:

Subd. 13. **Change in use, relocation expenses; payments by park owner.** (a) If a manufactured home owner is required to relocate due to the conversion of all or a portion of a manufactured home park to another use, the closure of a manufactured home park, or cessation of use of the land as a manufactured home park under subdivision 1, and the manufactured home owner complies with the requirements of this section, the manufactured home owner is entitled to payment from the Minnesota manufactured home relocation trust fund equal to the manufactured home owner's actual relocation costs for relocating the manufactured home to a new location within a 50-mile radius of the

park that is being closed, up to a maximum of \$7,000 for a single-section and \$12,500 for a multisection manufactured home. The actual relocation costs must include the reasonable cost of taking down, moving, and setting up the manufactured home, including equipment rental, utility connection and disconnection charges, minor repairs, modifications necessary for transportation of the home, necessary moving permits and insurance, moving costs for any appurtenances, which meet applicable local, state, and federal building and construction codes.

(b) A manufactured home owner is not entitled to compensation under paragraph (a) if the manufactured home park owner is not required to make a payment to the Minnesota manufactured home relocation trust fund under subdivision 12, paragraph (b).

(c) Except as provided in paragraph (e), in order to obtain payment from the Minnesota manufactured home relocation trust fund, the manufactured home owner shall submit to the neutral third party and the Minnesota Housing Finance Agency, with a copy to the park owner, an application for payment, which includes:

- (1) a copy of the closure statement under subdivision 1;
- (2) a copy of the contract with a moving or towing contractor, which includes the relocation costs for relocating the manufactured home;
- (3) a statement with supporting materials of any additional relocation costs as outlined in subdivision 1;
- (4) a statement certifying that none of the exceptions to receipt of compensation under subdivision 12, paragraph (b), apply to the manufactured home owner;
- (5) a statement from the manufactured park owner that the lot rental is current and that the annual \$15 payment to the Minnesota manufactured home relocation trust fund has been paid when due; and
- (6) a statement from the county where the manufactured home is located certifying that personal property taxes for the manufactured home are paid through the end of that year.

(d) The neutral third party shall promptly process all payments for completed applications within 14 days. If the neutral third party has acted reasonably and does not approve or deny payment within 45 days after receipt of the information set forth in paragraph (c), the payment is deemed approved. Upon approval and request by the neutral third party, the Minnesota Housing Finance Agency shall issue two checks in equal amount for 50 percent of the contract price payable to the mover and towing contractor for relocating the manufactured home in the amount of the actual relocation cost, plus a check to the home owner for additional certified costs associated with third-party vendors, that were necessary in relocating the manufactured home. The moving or towing contractor shall receive 50 percent upon execution of the contract and 50 percent upon completion of the relocation and approval by the manufactured home owner. The moving or towing contractor may not apply the funds to any other purpose other than relocation of the manufactured home as provided in the contract. A copy of the approval must be forwarded by the neutral third party to the park owner with an invoice for payment of the amount specified in subdivision 12, paragraph (a).

(e) In lieu of collecting a relocation payment from the Minnesota manufactured home relocation trust fund under paragraph (a), the manufactured home owner may collect an amount from the fund after reasonable efforts to relocate the manufactured home have failed due to the age or condition of the manufactured home, or because there are no manufactured home parks willing or able to accept the manufactured home within a 25-mile radius. A manufactured home owner may tender title of the manufactured home in the manufactured home park to the manufactured home park owner, and collect an amount to be determined by an independent appraisal. The appraiser must be agreed to by both the manufactured home park owner and the manufactured home owner. If the appraised

market value cannot be determined, the tax market value, averaged over a period of five years, can be used as a substitute. The maximum amount that may be reimbursed under the fund is \$8,000 for a single-section and \$14,500 for a multisection manufactured home. The minimum amount that may be reimbursed under the fund is \$2,000 for a single section and \$4,000 for a multisection manufactured home. The manufactured home owner shall deliver to the manufactured home park owner the current certificate of title to the manufactured home duly endorsed by the owner of record, and valid releases of all liens shown on the certificate of title, and a statement from the county where the manufactured home is located evidencing that the personal property taxes have been paid. The manufactured home owner's application for funds under this paragraph must include a document certifying that the manufactured home cannot be relocated, that the lot rental is current, that the annual \$15 payments to the Minnesota manufactured home relocation trust fund have been paid when due, that the manufactured home owner has chosen to tender title under this section, and that the park owner agrees to make a payment to the ~~commissioner of management and budget~~ Minnesota Housing Finance Agency in the amount established in subdivision 12, paragraph (a), less any documented costs submitted to the neutral third party, required for demolition and removal of the home, and any debris or refuse left on the lot, not to exceed \$1,500. The manufactured home owner must also provide a copy of the certificate of title endorsed by the owner of record, and certify to the neutral third party, with a copy to the park owner, that none of the exceptions to receipt of compensation under subdivision 12, paragraph (b), clauses (1) to (6), apply to the manufactured home owner, and that the home owner will vacate the home within 60 days after receipt of payment or the date of park closure, whichever is earlier, provided that the monthly lot rent is kept current.

(f) Notwithstanding paragraph (a), the manufactured home owner's compensation for relocation costs from the fund under section 462A.35, is the greater of the amount provided under this subdivision, or the amount under the local ordinance in effect on May 26, 2007, that is applicable to the manufactured home owner. Nothing in this paragraph is intended to increase the liability of the park owner.

(g) Neither the neutral third party nor the Minnesota Housing Finance Agency shall be liable to any person for recovery if the funds in the Minnesota manufactured home relocation trust fund are insufficient to pay the amounts claimed. The Minnesota Housing Finance Agency shall keep a record of the time and date of its approval of payment to a claimant.

(h)(1) By October 15, 2019, the Minnesota Housing Finance Agency shall post on its website and report to the chairs of the senate Finance Committee and house of representatives Ways and Means Committee on the Minnesota manufactured home relocation trust fund, including the account balance, payments to claimants, the amount of any advances to the fund, the amount of any insufficiencies encountered during the previous calendar year, and any itemized administrative charges or expenses deducted from the trust fund balance. If sufficient funds become available, the Minnesota Housing Finance Agency shall pay the manufactured home owner whose unpaid claim is the earliest by time and date of approval.

(2) Beginning in 2019, the Minnesota Housing Finance Agency shall post on its website and report to the chairs of the senate Finance Committee and house of representatives Ways and Means Committee by October 15 of each year on the Minnesota manufactured home relocation trust fund, including the aggregate account balance, the aggregate assessment payments received, summary information regarding each closed park including the total payments to claimants and payments received from each closed park, the amount of any advances to the fund, the amount of any insufficiencies encountered during the previous fiscal year, reports of neutral third parties provided pursuant to subdivision 4, and any itemized administrative charges or expenses deducted from the trust fund balance, all of which should be reconciled to the previous year's trust fund balance. If sufficient funds become available, the Minnesota Housing Finance Agency shall pay the manufactured home owner whose unpaid claim is the earliest by time and date of approval.

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

Sec. 66. Minnesota Statutes 2020, section 327C.095, subdivision 16, is amended to read:

Subd. 16. **Reporting of licensed manufactured home parks.** The Department of Health or, if applicable, local units of government that have entered into a delegation of authority agreement with the Department of Health as provided in section 145A.07 shall provide, by March 31 of each year, a list of names and addresses of the manufactured home parks licensed in the previous year, and for each manufactured home park, the current licensed owner, the owner's address, the number of licensed manufactured home lots, and other data as they may request for the ~~Department of Management and Budget~~ Minnesota Housing Finance Agency to invoice each licensed manufactured home park in Minnesota.

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

Sec. 67. **[412.925] NATIVE LANDSCAPES.**

(a) A statutory city or home rule charter city shall allow an owner, authorized agent, or authorized occupant of any privately owned lands or premises, to install and maintain a managed natural landscape. For purposes of this section, the terms are defined as follows:

(1) "managed natural landscape" means a planned, intentional, and maintained planting of native or nonnative grasses, wildflowers, forbs, ferns, shrubs, or trees, including but not limited to rain gardens, meadow vegetation, and ornamental plants. Managed natural landscapes does not include turf-grass lawns left unattended for the purpose of returning to a natural state;

(2) "meadow vegetation" means grasses and flowering broad-leaf plants that are native to, or adapted to, the state of Minnesota and that are commonly found in meadow and prairie plant communities, not including noxious weeds. Noxious weed shall have the meaning in section 18.77, subdivision 8;

(3) "ornamental plants" means grasses, perennials, annuals, and groundcovers purposely planted for aesthetic reasons;

(4) "rain garden" means a native plant garden that is designed not only to aesthetically improve properties, but also to reduce the amount of stormwater and accompanying pollutants from entering streams, lakes, and rivers; and

(5) "turf-grass lawn" means a lawn comprised mostly of grasses commonly used in regularly cut lawns or play areas, including but not limited to bluegrass, fescue, and ryegrass blends, intended to be maintained at a height of no more than eight inches.

(b) Managed natural landscapes may include plants and grasses in excess of eight inches in height and that have gone to seed, but may not include any noxious weeds and must be maintained.

(c) Except as part of a managed natural landscape as defined in this section, any weeds or grasses growing upon any lot or parcel of land in a city to a greater height than eight inches or that have gone or are about to go to seed are prohibited.

Sec. 68. Minnesota Statutes 2020, section 645.44, subdivision 5, is amended to read:

Subd. 5. **Holiday.** "Holiday" includes New Year's Day, January 1; Martin Luther King's Birthday, the third Monday in January; Washington's and Lincoln's Birthday, the third Monday in February; Memorial Day, the last Monday in May; Juneteenth, June 19; Independence Day, July 4; Labor Day, the first Monday in September; ~~Christopher Columbus~~ Indigenous Peoples' Day, the second Monday in October; Veterans Day, November 11;

Thanksgiving Day, the fourth Thursday in November; and Christmas Day, December 25; provided, when New Year's Day, January 1; or Juneteenth, June 19; or Independence Day, July 4; or Veterans Day, November 11; or Christmas Day, December 25; falls on Sunday, the following day shall be a holiday and, provided, when New Year's Day, January 1; or Juneteenth, June 19; or Independence Day, July 4; or Veterans Day, November 11; or Christmas Day, December 25; falls on Saturday, the preceding day shall be a holiday. No public business shall be transacted on any holiday, except in cases of necessity and except in cases of public business transacted by the legislature, nor shall any civil process be served thereon. However, for the executive branch of the state of Minnesota, "holiday" also includes the Friday after Thanksgiving ~~but does not include Christopher Columbus Day~~. Other branches of state government and political subdivisions shall have the option of determining whether ~~Christopher Columbus Day~~ ~~and~~ the Friday after Thanksgiving shall be ~~holidays~~ a holiday. Where it is determined that ~~Columbus Day~~ or the Friday after Thanksgiving is not a holiday, public business may be conducted thereon.

Any agreement between a public employer and an employee organization citing Veterans Day as the fourth Monday in October shall be amended to cite Veterans Day as November 11.

Sec. 69. **CANCELLATION OF DEBT RELATED TO MILITARY SALARY DIFFERENTIAL OVERPAYMENTS.**

Notwithstanding any other law to the contrary, any debt incurred prior to the effective date of this section by a current or former state employee on account of overpayment of military salary differential under Minnesota Statutes, section 43A.183, is canceled.

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

Sec. 70. **DEPARTMENT OF IRON RANGE RESOURCES AND REHABILITATION; SEPARATION AND RETENTION INCENTIVE PROGRAM AUTHORIZATION.**

The commissioner of Iron Range resources and rehabilitation may provide separation and retention incentive programs for employees of the department that are consistent with the provisions of Laws 2009, chapter 78, article 7, section 2, as amended by Laws 2010, chapter 215, article 9, section 2, and Laws 2010, chapter 216, section 53. The cost of such incentives are payable solely by funds made available to the commissioner under Minnesota Statutes, chapter 298. Employees are not required to participate in the programs.

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

Sec. 71. **OFFICE OF SMALL AGENCIES STUDY.**

Subdivision 1. **Study; requirements.** The commissioner of administration must review the unique issues faced by small agencies other than the departments of the state government as designated in Minnesota Statutes, section 15.01. Small agencies include boards, commissions, councils, task forces, and authorities. The commissioner must assess whether the current support model provides adequate support for the small agencies as well as the volunteer board members. The study must examine how other states support their small agencies and provide recommendations on how to most effectively support small agencies in delivery of important functions of government.

Subd. 2. **Report.** By February 1, 2023, the commissioner of administration must submit the findings and recommendations of the study to the governor and the chairs and ranking minority members of the legislative committees with primary jurisdiction over state government.

Sec. 72. **STATE EMBLEMS REDESIGN COMMISSION.**

Subdivision 1. **Establishment.** The State Emblems Redesign Commission is established. The purpose of the commission is to develop, design, and recommend to the legislature and governor new designs for the official state flag and the official state seal no later than January 1, 2023.

Subd. 2. **Membership; meetings.** (a) The commission consists of the following members:

(1) three members of the public, appointed by the governor;

(2) two members of the house of representatives, one each appointed by the speaker of the house and the minority leader of the house;

(3) two members of the senate, one representing the majority caucus and one representing the minority caucus, appointed by the Subcommittee on Committees of the Senate Committee on Rules and Administration;

(4) one member appointed by the Council for Minnesotans of African Heritage;

(5) one member appointed by the Minnesota Council on Latino Affairs;

(6) one member appointed by the Council on Asian-Pacific Minnesotans; and

(7) two members appointed by the Indian Affairs Council.

(b) The following serve as ex-officio, nonvoting members of the commission:

(1) the secretary of state or the secretary's designee;

(2) the executive director of the Minnesota Historical Society or the director's designee;

(3) the chair of the Capitol Area Architectural and Planning Board or the chair's designee;

(4) the chair of the Minnesota Arts Board or the chair's designee; and

(5) the executive director of Explore Minnesota Tourism or the director's designee.

(c) Appointments to the commission must be made no later than August 1, 2022. The voting members of the commission shall elect a chair and vice-chair. An appointee designated by the governor shall convene the commission's first meeting. Decisions of the commission must be made by majority vote. The Minnesota Historical Society must provide office space and administrative support to the commission.

Subd. 3. **Meetings.** Meetings of the commission are subject to Minnesota Statutes, chapter 13D.

Subd. 4. **Duties; form and style of recommended state emblems.** The commission shall develop, design, and recommend to the legislature and governor a new design for the official state seal and a new design for the official state flag. The designs must accurately and respectfully reflect Minnesota's shared history, resources, and diverse cultural communities. Symbols, emblems, or likenesses that represent only a single community or person, regardless of whether real or stylized, may not be included in a design. The commission may solicit and secure the voluntary service and aid of vexillologists and other persons who have either technical or artistic skill in flag construction and design, or the design of official seals, to assist in the work. The commission must also solicit public feedback and suggestions to inform its work.

Subd. 5. **Report.** The commission shall make its recommendation in a report to the legislature and governor no later than January 1, 2023. In addition to the recommended designs, the commission's report must describe the symbols and other meanings incorporated in the design. The commission expires upon submission of its report.

Sec. 73. LEGISLATIVE ACTION; RETIREMENT OF CURRENT OFFICIAL SEAL AND FLAG.

The legislature intends to hold necessary votes on adoption of the State Emblems Redesign Commission's recommended designs during the 2023 regular session in an effort to ensure that a new official state seal and a new official state flag may each be adopted and become effective no later than May 11, 2023. The legislature is encouraged to adopt procedures that allow for the current official state flag and official state seal to be retired and replaced in a respectful manner, and its history preserved in an appropriate location on the State Capitol complex.

Sec. 74. LEGISLATIVE TASK FORCE ON AGING.

Subdivision 1. **Establishment.** A legislative task force is established to examine whether a state department on aging is necessary to:

- (1) develop plans for the aging and workforce demographics;
- (2) develop and guide restructuring of state and local policy, programs, and funding that is aimed at healthy aging in the community;
- (3) coordinate public, private, and independent sector endeavors for renovating system-based solutions that cover all major areas of the aging life experience, such as health, human services, housing, transportation, consumer affairs, employment and economic security, and business development;
- (4) focus state resources on aging visibility and developing priorities for an aging demographic;
- (5) develop measurable outcomes to address aging priorities while accounting for infrastructure differences such as transportation, Internet, and cell phone service across urban and rural localities;
- (6) support an aging population through statewide and local endeavors for people to remain in their communities; and
- (7) ensure all aging-related policies are inclusive of race, ethnicity, culture, geography, sexual orientation, abilities, and other characteristics that reflect the full population of the state.

Subd. 2. **Duties.** The task force review shall include but is not limited to:

- (1) all current aging-related governmental functions, programs, and services across all state departments;
- (2) the potential for public and private savings resulting from developing a state department on aging that leads and implements aging policies across all state agencies and departments;
- (3) current public strategies to plan and execute policies and funding statewide including:
 - (i) redefining work and retirement;
 - (ii) supporting caregivers of all ages;
 - (iii) sustaining neighborhoods and communities;

(iv) improving delivery systems for health care and long-term care services; and

(v) integrating the Minnesota Age Friendly Council;

(4) the necessity for planning and economic development for aging in the state to address:

(i) recognition of longevity and the impact it has on economics, the workforce, advancing technology and innovations, and perception of what it means to age;

(ii) creating and integrating housing, land-use, transportation, economic, social service, and health systems that support a high quality of life for individuals of all ages and abilities;

(iii) a multigenerational plan to reduce statewide risk of social isolation, poverty, declining health, and poor economic well-being;

(iv) long-term and sustainable systems change that will address transportation needs at the scale needed for an aging population;

(v) developing markets for financial products that allow older adults to safely access the equity in their homes;

(vi) increasing the availability of affordable rental housing;

(vii) increasing coordination between health services and housing supports; and

(viii) integrating aging in the community across the range of state and federal programs; and

(5) coordinating the review of aging issues across all state agencies, Tribal nations, cities, counties, businesses, and neighborhoods.

Subd. 3. **Membership.** (a) The task force shall include the following members:

(1) two members from the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader;

(2) two members from the senate, one appointed by the majority leader and one appointed by the minority leader;

(3) the chair of the Minnesota Board on Aging, or a board member as designee;

(4) the chair of the Minnesota Council on Disabilities, or an agency employee as designee;

(5) the chair of the Minnesota Indian Affairs Council, or a council member, except the legislative council member, as designee; and

(6) the director of the University of Minnesota Center for Healthy Aging and Innovation, or a University of Minnesota employee as a designee.

(b) The speaker of the house and the senate majority leader shall appoint a chair and a vice-chair for the membership of the task force. The chair and the vice-chair shall rotate after each meeting.

(c) The task force shall expire June 1, 2026.

Subd. 4. **Meetings.** (a) The task force shall meet at least once per month. The meetings shall take place in person in the Capitol Complex. If the Capitol Complex is closed to the public, the meetings shall be held remotely by video conference, telephone, or other remote means.

(b) The legislative member appointed as chair shall call the first monthly meeting no later than September 28, 2022.

Subd. 5. **Expenses; per diem.** Members serving on the task force shall receive the following per diem:

(1) the Board on Aging task force member who is a volunteer citizen member shall receive the per diem in Minnesota Statutes, section 15.059, subdivision 3;

(2) the Council on Disability task force member shall not receive a per diem;

(3) the Indian Affairs Council task force member who is a citizen member shall receive the per diem in Minnesota Statutes, section 15.059, subdivision 3;

(4) the University of Minnesota task force member shall not receive a per diem; and

(5) legislative members on the task force shall receive the standard per diem allowed during the legislature's interim period.

Subd. 6. **Report.** The task force shall submit a report with recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy and state government by May 30, 2026.

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

Sec. 75. **ADVISORY COMMITTEE ON SERVICE WORKER STANDARDS.**

The commissioner of management and budget shall convene an advisory committee to review and make recommendations regarding updates and clarifications to the service worker class specifications under Minnesota Statutes, section 43A.071. By January 15, 2023, the commissioner shall report to the legislative committees with jurisdiction over state government employees on recommendations for changes to Minnesota Statutes, section 43A.071.

Sec. 76. **MISSISSIPPI RIVER PARKWAY COMMISSION; CITIZEN MEMBERS.**

Citizens currently appointed to the Mississippi River Parkway Commission under Minnesota Statutes, section 161.1419, subdivision 2, serve terms as follows:

(1) Lake Itasca, to but not including the city of Grand Rapids, for a term ending December 31, 2025;

(2) Grand Rapids, to but not including the city of Brainerd, for a term ending December 31, 2025;

(3) Brainerd, to but not including the city of Elk River, for a term ending December 31, 2025;

(4) Elk River, to but not including the city of Hastings, for a term ending December 31, 2025; and

(5) Hastings, to the Iowa border, for a term ending December 31, 2025.

Sec. 77. **REVISOR INSTRUCTION.**

(a) The revisor of statutes in coordination with Senate Counsel, Research and Fiscal Analysis and the House Research Department shall conduct a study of Minnesota Statutes and Minnesota Rules to determine compliance with the provisions of the Equal Rights Amendment to the United States Constitution, specifically focusing on a review of sex-specific language and sex-specific treatments or requirements.

(b) The revisor of statutes in coordination with Senate Counsel, Research and Fiscal Analysis and the House Research Department shall prepare a bill for the 2023 legislative session correcting any language in conflict with the Equal Rights Amendment.

Sec. 78. **REPEALER.**

Subdivision 1. **Critical IT Infrastructure.** Minnesota Statutes 2020, section 12.03, subdivision 5d, is repealed.

Subd. 2. **State emblems.** Minnesota Statutes 2020, sections 1.135; and 1.141, are repealed effective May 11, 2023.

Subd. 3. **Trustee Candidate Advisory Council.** Minnesota Statutes 2020, section 136F.03, is repealed.

Subd. 4. **Office of Collaboration and Dispute Resolution.** Minnesota Statutes 2020, sections 179.90; and 179.91, are repealed.

ARTICLE 3
CAMPAIGN FINANCE AND ELECTIONS

Section 1. Minnesota Statutes 2020, section 5B.06, is amended to read:

5B.06 VOTING BY PROGRAM PARTICIPANT; ABSENTEE BALLOT.

A program participant who is otherwise eligible to vote may register with the secretary of state as a permanent absentee voter. Notwithstanding section 203B.04, subdivision 5, the secretary of state is not required to send an absentee ballot application prior to each election to a program participant registered as a permanent absentee voter under this section. As soon as practicable before each election, the secretary of state shall determine the precinct in which the residential address of ~~the a~~ program participant is located ~~and~~. Upon making a precinct determination, the secretary of state shall either (1) request from and receive from the county auditor or other election official the ballot for that precinct and ~~shall forward mail~~ the absentee ballot to the program participant ~~with the other~~, or (2) using the Minnesota statewide voter registration system, prepare the program participant's ballot for that precinct and mail the absentee ballot to the program participant. The secretary of state shall include with each mailed absentee ballot all corresponding materials for absentee balloting as required by Minnesota law. The program participant shall complete the ballot and return it to the secretary of state, who shall review the ballot in the manner provided by section 203B.121, subdivision 2. If the ballot and ballot materials comply with the requirements of that section, the ballot must be certified by the secretary of state as the ballot of a program participant, and must be forwarded to the appropriate electoral jurisdiction for tabulation along with all other ballots. The name and address of a program participant must not be listed in the statewide voter registration system.

Sec. 2. Minnesota Statutes 2021 Supplement, section 10A.01, subdivision 16a, is amended to read:

Subd. 16a. **Expressly advocating.** "Expressly advocating" means:

(1) that a communication clearly identifies a candidate or a local candidate and uses words or phrases of express advocacy; ~~or~~

(2) that a communication when taken as a whole and with limited reference to external events, such as the proximity to the election, is susceptible of no reasonable interpretation other than as an appeal advocating the election or defeat of one or more clearly identified candidates.

Sec. 3. Minnesota Statutes 2020, section 10A.273, subdivision 1, is amended to read:

Subdivision 1. **Contributions during legislative session.** (a) A candidate for the legislature or for constitutional office, the candidate's principal campaign committee, or a political committee or party unit established by all or a part of the party organization within a house of the legislature, must not solicit or accept a contribution from a registered lobbyist, political committee, political fund, or an association not registered with the board during a regular session of the legislature.

(b) A registered lobbyist, political committee, political fund, or an association not registered with the board must not make a contribution to a candidate for the legislature or for constitutional office, the candidate's principal campaign committee, or a political committee or party unit established by all or a part of the party organization within a house of the legislature during a regular session of the legislature.

(c) A candidate for the legislature or for constitutional office, the candidate's principal campaign committee, or a political committee or party unit established by all or a part of the party organization within a house of the legislature must not solicit or accept, at any time of year, a contribution from a registered lobbyist, political committee, political fund, or an association not registered with the board, if in exchange for the contribution:

(1) a registered lobbyist or any other individual is granted special access to a meeting room, hospitality area, or other event space where candidates for the legislature or for constitutional office are likely to gather; and

(2) the purpose of granting the special access is to facilitate informal meetings or socialization with a candidate for the legislature or for constitutional office during a regular or special session of the legislature.

As used in this paragraph, "special access" means privileges to enter and use a space that is not freely available to members of the public or that is subject to the discretionary approval of the responsible candidate, principal campaign committee, or a political committee or party unit established by all or part of the party organization within a house of the legislature. A registered lobbyist, political committee, political fund, or an association not registered with the board is prohibited from offering or making a contribution that may not be solicited or accepted under this paragraph.

Sec. 4. Minnesota Statutes 2020, section 201.061, subdivision 3, is amended to read:

Subd. 3. **Election day registration.** (a) An individual who is eligible to vote may register on election day by appearing in person at the polling place for the precinct in which the individual maintains residence, by completing a registration application, making an oath in the form prescribed by the secretary of state and providing proof of residence. An individual may prove residence for purposes of registering by:

(1) presenting a driver's license or Minnesota identification card issued pursuant to section 171.07;

(2) presenting any document approved by the secretary of state as proper identification;

(3) presenting one of the following:

(i) a current valid student identification card from a postsecondary educational institution in Minnesota, if a list of students from that institution has been prepared under section 135A.17 and certified to the county auditor in the manner provided in rules of the secretary of state; or

(ii) a current student fee statement that contains the student's valid address in the precinct together with a picture identification card; or

(4) having a voter who is registered to vote in the precinct, or an employee employed by and working in a residential facility in the precinct and vouching for a resident in the facility, sign an oath in the presence of the election judge vouching that the voter or employee personally knows that the individual is a resident of the precinct. A voter who has been vouched for on election day may not sign a proof of residence oath vouching for any other individual on that election day. A voter who is registered to vote in the precinct may sign up to eight proof-of-residence oaths on any election day. This limitation does not apply to an employee of a residential facility described in this clause. The secretary of state shall provide a form for election judges to use in recording the number of individuals for whom a voter signs proof-of-residence oaths on election day. The form must include space for the maximum number of individuals for whom a voter may sign proof-of-residence oaths. For each proof-of-residence oath, the form must include a statement that the individual: (i) is registered to vote in the precinct or is an employee of a residential facility in the precinct, (ii) personally knows that the voter is a resident of the precinct, and (iii) is making the statement on oath. The form must include a space for the voter's printed name, signature, telephone number, and address.

The oath required by this subdivision and Minnesota Rules, part 8200.9939, must be attached to the voter registration application.

(b) The operator of a residential facility shall prepare a list of the names of its employees currently working in the residential facility and the address of the residential facility. The operator shall certify the list and provide it to the appropriate county auditor no less than 20 days before each election for use in election day registration.

(c) "Residential facility" means transitional housing as defined in section 256E.33, subdivision 1; a supervised living facility licensed by the commissioner of health under section 144.50, subdivision 6; a nursing home as defined in section 144A.01, subdivision 5; ~~a residence registered with the commissioner of health as a housing with services establishment as defined in section 144D.01, subdivision 4~~ an assisted living facility licensed by the commissioner of health under chapter 144G; a veterans home operated by the board of directors of the Minnesota Veterans Homes under chapter 198; a residence licensed by the commissioner of human services to provide a residential program as defined in section 245A.02, subdivision 14; a residential facility for persons with a developmental disability licensed by the commissioner of human services under section 252.28; a setting authorized to provide housing support as defined in section 256I.03, subdivision 3; a shelter for battered women as defined in section 611A.37, subdivision 4; ~~or~~ a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations for the homeless; a facility where a provider operates a residential treatment program as defined in section 245.462, subdivision 23; or a facility where a provider operates an adult foster care program as defined in section 245A.02, subdivision 6c.

(d) For tribal band members, an individual may prove residence for purposes of registering by:

(1) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, address, signature, and picture of the individual; or

(2) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, signature, and picture of the individual and also presenting one of the documents listed in Minnesota Rules, part 8200.5100, subpart 2, item B.

(e) A county, school district, or municipality may require that an election judge responsible for election day registration initial each completed registration application.

Sec. 5. Minnesota Statutes 2020, section 201.071, subdivision 1, is amended to read:

Subdivision 1. **Form.** Both paper and electronic voter registration applications must contain the same information unless otherwise provided by law. A voter registration application must contain spaces for the following required information: voter's first name, middle name, and last name; voter's previous name, if any; voter's current address; voter's previous address, if any; voter's date of birth; voter's municipality and county of residence; voter's telephone number, if provided by the voter; date of registration; current and valid Minnesota driver's license number or Minnesota state identification number, or if the voter has no current and valid Minnesota driver's license or Minnesota state identification, the last four digits of the voter's Social Security number; and voter's signature. The paper registration application may include the voter's e-mail address, if provided by the voter. The electronic voter registration application must include the voter's e-mail address. The registration application may include the voter's interest in serving as an election judge, if indicated by the voter. The application must also contain the following certification of voter eligibility:

"I certify that I:

- (1) will be at least 18 years old on election day;
- (2) am a citizen of the United States;
- (3) will have ~~resided~~ maintained residence in Minnesota for 20 days immediately preceding election day;
- (4) maintain residence at the address given on the registration form;
- (5) am not under court-ordered guardianship in which the court order revokes my right to vote;
- (6) have not been found by a court to be legally incompetent to vote;
- (7) have the right to vote because, if I have been convicted of a felony, my felony sentence has expired (been completed) or I have been discharged from my sentence; and
- (8) have read and understand the following statement: that giving false information is a felony punishable by not more than five years imprisonment or a fine of not more than \$10,000, or both."

The certification must include boxes for the voter to respond to the following questions:

"(1) Are you a citizen of the United States?" and

"(2) Will you be 18 years old on or before election day?"

And the instruction:

"If you checked 'no' to either of these questions, do not complete this form."

The form of the voter registration application and the certification of voter eligibility must be as provided in this subdivision and approved by the secretary of state. Voter registration forms authorized by the National Voter Registration Act must also be accepted as valid. The federal postcard application form must also be accepted as valid if it is not deficient and the voter is eligible to register in Minnesota.

An individual may use a voter registration application to apply to register to vote in Minnesota or to change information on an existing registration.

Sec. 6. Minnesota Statutes 2020, section 201.071, subdivision 3, is amended to read:

Subd. 3. **Deficient registration.** ~~No (a) A~~ voter registration application is not deficient if it contains the voter's:

(1) name, address, and date of birth;

(2) current and valid Minnesota driver's license number or, Minnesota state identification number, or if the voter has no current and valid Minnesota driver's license or Minnesota state identification number, the last four digits of the voter's Social Security number, if the voter has been issued a Social Security number;

(3) prior registration, if any; and

(4) signature.

(b) A voter registration application is not deficient due to any of the following:

(1) the absence of a zip code number does not cause the registration to be deficient;

(2) failure to check a box on an application form that a voter has certified to be true does not cause the registration to be deficient. The election judges shall request an individual to correct a voter registration application if it is deficient or illegible. No eligible voter may be prevented from voting unless the voter's registration application is deficient or the voter is duly and successfully challenged in accordance with section 201.195 or 204C.12; or

(3) the absence of a number listed under paragraph (a), clause (2), if the voter has not been issued one of those numbers and the information can be verified in another government database associated with the applicant's name and date of birth, or the application was accepted before January 1, 2004.

(c) A voter registration application:

(1) accepted prior to August 1, 1983, is not deficient for lack of date of birth. The county or municipality may attempt to obtain the date of birth for a voter registration application accepted prior to August 1, 1983, by a request to the voter at any time except at the polling place. Failure by the voter to comply with this request does not make the registration deficient; and

A voter registration application accepted before January 1, 2004, is not deficient for lack of a valid Minnesota driver's license or state identification number or the last four digits of a Social Security number.

A voter registration application submitted by a voter who does not have a Minnesota driver's license or state identification number, or a Social Security number, is not deficient for lack of any of these numbers.

A voter registration application (2) submitted electronically through the website of the secretary of state prior to April 30, 2014, is not invalid as a result of its electronic submission.

(d) An election judge must request an individual to correct a voter registration application if it is deficient or illegible. An eligible voter must not be prevented from voting unless the voter's registration application is deficient or the voter's eligibility to vote is successfully challenged under section 201.195 or 204C.12.

Sec. 7. Minnesota Statutes 2020, section 201.071, subdivision 8, is amended to read:

Subd. 8. **School district assistance.** School districts shall assist county auditors in determining the school district in which a voter ~~resides~~ maintains residence.

Sec. 8. Minnesota Statutes 2020, section 201.091, subdivision 2, is amended to read:

Subd. 2. **Corrected list.** By February 15 of each year, the secretary of state shall prepare the master list for each county auditor. The records in the statewide registration system must be periodically corrected and updated by the county auditor. An updated master list for each precinct must be available for absentee voting at least 46 days before each election. A final corrected master list must be available ~~seven~~ 14 days before each election.

Sec. 9. Minnesota Statutes 2020, section 201.12, subdivision 2, is amended to read:

Subd. 2. **Moved within state.** If any nonforwardable mailing from an election official is returned as undeliverable but with a permanent forwarding address in this state, the county auditor may change the voter's status to "inactive" in the statewide registration system and shall transmit a copy of the mailing to the auditor of the county in which the new address is located. If an election is scheduled to occur in the precinct in which the voter ~~resides~~ maintains residence in the next 47 days, the county auditor shall promptly update the voter's address in the statewide voter registration system. If there is not an election scheduled, the auditor may wait to update the voter's address until after the next list of address changes is received from the secretary of state. Once updated, the county auditor shall mail to the voter a notice stating the voter's name, address, precinct, and polling place, except that if the voter's record is challenged due to a felony conviction, noncitizenship, name change, incompetence, or a court's revocation of voting rights of individuals under guardianship, the auditor must not mail the notice. The notice must advise the voter that the voter's voting address has been changed and that the voter must notify the county auditor within 21 days if the new address is not the voter's address of residence. The notice must state that it must be returned if it is not deliverable to the voter at the named address.

Sec. 10. Minnesota Statutes 2020, section 201.13, subdivision 3, is amended to read:

Subd. 3. **Use of change of address system.** (a) At least once each month the secretary of state shall obtain a list of individuals registered to vote in this state who have filed with the United States Postal Service a change of their permanent address. The secretary of state may also periodically obtain a list of individuals with driver's licenses or state identification cards to identify those who are registered to vote who have applied to the Department of Public Safety for a replacement driver's license or state identification card with a different address, and a list of individuals for whom the Department of Public Safety received notification of a driver's license or state identification card cancellation due to a change of residency out of state. However, the secretary of state shall not load data derived from these lists into the statewide voter registration system within the 47 days before the state primary or 47 days before a November general election.

(b) If the address is changed to another address in this state, the secretary of state shall locate the precinct in which the voter ~~resides~~ maintains residence, if possible. If the secretary of state is able to locate the precinct in which the voter ~~resides~~ maintains residence, the secretary must transmit the information about the changed address by electronic means to the county auditor of the county in which the new address is located. For addresses for which the secretary of state is unable to determine the precinct, the secretary may forward information to the appropriate county auditors for individual review. If the voter has not voted or submitted a voter registration application since the address change, upon receipt of the information, the county auditor shall update the voter's address in the statewide voter registration system. The county auditor shall mail to the voter a notice stating the voter's name, address, precinct, and polling place, unless the voter's record is challenged due to a felony conviction, noncitizenship, name change, incompetence, or a court's revocation of voting rights of individuals under

guardianship, in which case the auditor must not mail the notice. The notice must advise the voter that the voter's voting address has been changed and that the voter must notify the county auditor within 21 days if the new address is not the voter's address of residence. The notice must state that it must be returned if it is not deliverable to the voter at the named address.

(c) If the change of permanent address is to an address outside this state, the secretary of state shall notify by electronic means the auditor of the county where the voter formerly ~~resided~~ maintained residence that the voter has moved to another state. If the voter has not voted or submitted a voter registration application since the address change, the county auditor shall promptly mail to the voter at the voter's new address a notice advising the voter that the voter's status in the statewide voter registration system will be changed to "inactive" unless the voter notifies the county auditor within 21 days that the voter is retaining the former address as the voter's address of residence, except that if the voter's record is challenged due to a felony conviction, noncitizenship, name change, incompetence, or a court's revocation of voting rights of individuals under guardianship, the auditor must not mail the notice. If the notice is not received by the deadline, the county auditor shall change the voter's status to "inactive" in the statewide voter registration system.

(d) If, in order to maintain voter registration records, the secretary of state enters an agreement to share information or data with an organization governed exclusively by a group of states, the secretary must first determine that the data security protocols are sufficient to safeguard the information or data shared. If required by such an agreement, the secretary of state may share the following data from the statewide voter registration system and data released to the secretary of state under section 171.12, subdivision 7a:

- (1) name;
- (2) date of birth;
- (3) address;
- (4) driver's license or state identification card number;
- (5) the last four digits of an individual's Social Security number; and
- (6) the date that an individual's record was last updated.

If the secretary of state enters into such an agreement, the secretary and county auditors must process changes to voter records based upon that data in accordance with this section. Except as otherwise provided in this subdivision, when data is shared with the secretary of state by another state, the secretary of state must maintain the same data classification that the data had while it was in the possession of the state providing the data.

Sec. 11. Minnesota Statutes 2020, section 201.1611, subdivision 1, is amended to read:

Subdivision 1. **Forms.** All postsecondary institutions that enroll students accepting state or federal financial aid shall provide voter registration forms to each student as early as possible in the fall quarter. All school districts shall make available voter registration applications each May and September to all students registered as students of the school district who will be eligible to vote at the next election after those months. A school district has no obligation to provide voter registration applications to students who participate in a postsecondary education option program or who otherwise ~~reside~~ maintain residence in the district but do not attend a school operated by the district. A school district fulfills its obligation to a student under this section if it provides a voter registration application to the student one time. The forms must contain spaces for the information required in section 201.071, subdivision 1, and applicable rules of the secretary of state. The institutions and school districts may request these forms from the

secretary of state. Institutions shall consult with their campus student government in determining the most effective means of distributing the forms and in seeking to facilitate election day registration of students under section 201.061, subdivision 3. School districts must advise students that completion of the voter registration application is not a school district requirement.

Sec. 12. Minnesota Statutes 2021 Supplement, section 201.225, subdivision 2, is amended to read:

Subd. 2. **Technology requirements.** An electronic roster must:

(1) be able to be loaded with a data file that includes voter registration data in a file format prescribed by the secretary of state;

(2) allow for data to be exported in a file format prescribed by the secretary of state;

(3) allow for data to be entered manually or by scanning a Minnesota driver's license or identification card to locate a voter record or populate a voter registration application that would be printed and signed and dated by the voter. The printed registration application can be either a printed form, labels printed with voter information to be affixed to a preprinted form, or a combination of both;

(4) allow an election judge to update data that was populated from a scanned driver's license or identification card;

(5) cue an election judge to ask for and input data that is not populated from a scanned driver's license or identification card that is otherwise required to be collected from the voter or an election judge;

(6) immediately alert the election judge if the voter has provided information that indicates that the voter is not eligible to vote;

(7) immediately alert the election judge if the electronic roster indicates that a voter has already voted in that precinct, the voter's registration status is challenged, or it appears the voter ~~resides~~ maintains residence in a different precinct;

(8) provide immediate instructions on how to resolve a particular type of challenge when a voter's record is challenged;

(9) provide for a printed voter signature certificate, containing the voter's name, address of residence, date of birth, voter identification number, the oath required by section 204C.10, and a space for the voter's original signature. The printed voter signature certificate can be either a printed form or a label printed with the voter's information to be affixed to the oath;

(10) contain only preregistered voters within the precinct, and not contain preregistered voter data on voters registered outside of the precinct;

(11) be only networked within the polling location on election day, except for the purpose of updating absentee ballot records;

(12) meet minimum security, reliability, and networking standards established by the Office of the Secretary of State in consultation with the Department of Information Technology Services;

(13) be capable of providing a voter's correct polling place; and

(14) perform any other functions necessary for the efficient and secure administration of the participating election, as determined by the secretary of state.

Electronic rosters used only for election day registration do not need to comply with clauses (1), (8), and (10). Electronic rosters used only for preregistered voter processing do not need to comply with clauses (4) and (5).

Sec. 13. Minnesota Statutes 2020, section 202A.16, subdivision 1, is amended to read:

Subdivision 1. **Eligible voters.** Only those individuals who are or will be eligible to vote at the time of the next state general election, may vote or be elected a delegate or officer at the precinct caucus. An eligible voter may vote or be elected a delegate or officer only in the precinct where the voter ~~resides~~ maintains residence at the time of the caucus.

Sec. 14. Minnesota Statutes 2020, section 203B.01, is amended by adding a subdivision to read:

Subd. 5. **Utility worker.** "Utility worker" means an employee of a public utility as defined by section 216B.02, subdivision 4.

Sec. 15. Minnesota Statutes 2020, section 203B.02, is amended by adding a subdivision to read:

Subd. 4. **Emergency response providers.** Any trained or certified emergency response provider or utility worker who is deployed during the time period authorized by law for absentee voting, on election day, or during any state of emergency declared by the President of the United States or any governor of any state within the United States may vote by absentee ballot either as provided by sections 203B.04 to 203B.15 or 203B.16 to 203B.27.

Sec. 16. Minnesota Statutes 2020, section 203B.07, subdivision 1, is amended to read:

Subdivision 1. **Delivery of envelopes, directions.** The county auditor or the municipal clerk shall prepare, print, and transmit a return envelope, a signature envelope, a ~~ballot secrecy~~ envelope, and a copy of the directions for casting an absentee ballot to each applicant whose application for absentee ballots is accepted pursuant to section 203B.04. The county auditor or municipal clerk shall provide first class postage for the return envelope. The directions for casting an absentee ballot shall be printed in at least 14-point bold type with heavy leading and may be printed on the ~~ballot secrecy~~ envelope. When a person requests the directions in Braille or on audio file, the county auditor or municipal clerk shall provide them in the form requested. The secretary of state shall prepare Braille and audio file copies and make them available.

When a voter registration application is sent to the applicant as provided in section 203B.06, subdivision 4, the directions or registration application shall include instructions for registering to vote.

Sec. 17. Minnesota Statutes 2020, section 203B.07, subdivision 2, is amended to read:

Subd. 2. **Design of envelopes.** (a) The ~~return signature~~ envelope shall be of sufficient size to conveniently enclose and contain the ~~ballot secrecy~~ envelope and a folded voter registration application. The ~~return signature~~ envelope shall be designed to open on the left-hand end.

(b) The return envelope must be designed in one of the following ways:

(1) it must be of sufficient size to contain ~~an additional~~ a signature envelope that when and when the return envelope is sealed, it conceals the signature, identification, and other information; or

(2) it must be the signature envelope and provide an additional flap that when sealed, conceals the signature, identification, and other information.

(c) Election officials may open the flap or the ~~additional~~ return envelope at any time after receiving the returned ballot to inspect the returned certificate for completeness or to ascertain other information.

Sec. 18. Minnesota Statutes 2020, section 203B.07, subdivision 3, is amended to read:

Subd. 3. **Eligibility certificate.** A certificate of eligibility to vote by absentee ballot shall be printed on the back of the ~~return~~ signature envelope. The certificate shall contain space for the voter's Minnesota driver's license number, state identification number, or the last four digits of the voter's Social Security number, or to indicate that the voter does not have one of these numbers. The space must be designed to ensure that the voter provides the same type of identification as provided on the voter's absentee ballot application for purposes of comparison. The certificate must also contain a statement to be signed and sworn by the voter indicating that the voter meets all of the requirements established by law for voting by absentee ballot and space for a statement signed by a person who is registered to vote in Minnesota or by a notary public or other individual authorized to administer oaths stating that:

(1) the ballots were displayed to that individual unmarked;

(2) the voter marked the ballots in that individual's presence without showing how they were marked, or, if the voter was physically unable to mark them, that the voter directed another individual to mark them; and

(3) if the voter was not previously registered, the voter has provided proof of residence as required by section 201.061, subdivision 3.

Sec. 19. Minnesota Statutes 2020, section 203B.081, subdivision 1, is amended to read:

Subdivision 1. **Location; timing.** An eligible voter may vote by absentee ballot in the office of the county auditor and at any other polling place designated by the county auditor during the 46 days before the election, except as provided in this section. The county auditor shall make such polling place designations at least 14 weeks before the election. Voters casting absentee ballots in person for a town election held in March may do so during the 30 days before the election.

Sec. 20. Minnesota Statutes 2020, section 203B.081, subdivision 2, is amended to read:

Subd. 2. ~~**Town elections**~~ **Voting booth; electronic ballot marker.** ~~Voters casting absentee ballots in person for a town election held in March may do so during the 30 days before the election. The county auditor shall make such designations at least 14 weeks before the election. For purposes of this section, the county auditor must make available in each polling place (1) at least one voting booth in each polling place must be made available by the county auditor for this purpose. The county auditor must also make available, and (2) at least one electronic ballot marker in each polling place that has implemented a voting system that is accessible for individuals with disabilities pursuant to section 206.57, subdivision 5.~~

Sec. 21. Minnesota Statutes 2020, section 203B.081, subdivision 3, is amended to read:

Subd. 3. **Alternative procedure.** (a) The county auditor may make available a ballot counter and ballot box for use by the voters during the ~~seven~~ 14 days before the election. If a ballot counter and ballot box is provided, a voter must be given the option either (1) to vote using the process provided in section 203B.08, subdivision 1, or (2) to vote in the manner provided in this subdivision.

(b) If a voter chooses to vote in the manner provided in this subdivision, the voter must state the voter's name, address, and date of birth to the county auditor or municipal clerk. The voter shall sign a voter's certificate, which must include the voter's name, identification number, and the certification required by section 201.071, subdivision 1. The signature of an individual on the voter's certificate and the issuance of a ballot to the individual is evidence of the intent of the individual to vote at that election.

(c) After signing the voter's certificate, the voter shall be issued a ballot and immediately retire to a voting station or other designated location in the polling place to mark the ballot. The ballot must not be taken from the polling place. If the voter spoils the ballot, the voter may return it to the election official in exchange for a new ballot. After completing the ballot, the voter shall deposit the ballot into the ballot box.

(d) The election official must immediately record that the voter has voted in the manner provided in section 203B.121, subdivision 3.

(e) The election duties required by this subdivision must be performed by the county auditor, municipal clerk, or a deputy of the auditor or clerk.

Sec. 22. Minnesota Statutes 2021 Supplement, section 203B.082, subdivision 2, is amended to read:

Subd. 2. **Minimum security and integrity standards.** The county auditor or municipal clerk may provide locations at which a voter may deposit a completed absentee ballot enclosed in the completed signature envelope in a secure drop box, consistent with the following security and integrity standards:

(1) at least one location must be provided for every 50,000 registered voters in the jurisdiction. If there are fewer than 50,000 registered voters in the jurisdiction, the county auditor or municipal clerk must provide at least one location;

(2) if more than one location is required, the locations must be distributed in a manner that ensures equitable access to the drop boxes among all voters in the jurisdiction;

(3) at the request of a federally recognized Tribe with a reservation in the county, the county auditor must establish at least one ballot drop box on the reservation on a site selected by the Tribe that is accessible to the county auditor by a public road;

~~(4)~~ (4) each drop box must be continually recorded during the absentee voting period;

~~(5)~~ (5) each drop box must be designed to prevent an unauthorized person from moving, removing, or tampering with the drop box;

~~(6)~~ (6) each drop box placed in an outdoor location must be fastened to a building, bolted to a concrete pad, or otherwise attached to a similarly secure structure;

~~(7)~~ (7) ballots deposited in a drop box must be secured against access by any unauthorized person, and in the case of a drop box located in an outdoor location, the drop box must be secured against damage due to weather or other natural conditions;

(8) each drop box must be assigned an identification number that is unique to that drop box;

~~(9)~~ (9) each drop box must contain signage or markings that:

(i) clearly identifies the drop box as an official absentee ballot return location; ~~and~~

(ii) include the statement: "You can only return your own ballot in this drop box.";

~~(ii)~~ (iii) include the location and hours where an agent may return an absentee ballot; and

(iv) include the identification number assigned to the drop box;

~~(6)~~ (10) deposited ballots must be collected at least once per business day during the absentee voting period by the county auditor, municipal clerk, or an elections official trained by the county auditor or municipal clerk in the proper maintenance and handling of absentee ballots and absentee ballot drop boxes, and in the security measures used to protect absentee ballots; and

~~(7)~~ (11) ballots collected from each drop box must be properly date-stamped and stored in a locked ballot container or other secured and locked space consistent with any applicable laws governing the collection and storage of absentee ballots.

Sec. 23. Minnesota Statutes 2021 Supplement, section 203B.082, is amended by adding a subdivision to read:

Subd. 5. **Ballot collection log and report.** The county auditor or municipal clerk must maintain a log for each drop box. The log must include the unique identification number assigned to the drop box. The log must include the following information for each day during the absentee voting period:

(1) the date and time of each ballot collection;

(2) the person who collected the ballots; and

(3) the number of ballots collected.

Sec. 24. Minnesota Statutes 2020, section 203B.11, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) Each full-time municipal clerk or school district clerk who has authority under section 203B.05 to administer absentee voting laws shall designate election judges to deliver absentee ballots in accordance with this section. The county auditor must also designate election judges to perform the duties in this section. A ballot may be delivered only to an eligible voter who is a temporary or permanent resident or patient in a health care facility or hospital located in the municipality in which the voter maintains residence. The ballots shall be delivered by two election judges, each of whom is affiliated with a different major political party. When the election judges deliver or return ballots as provided in this section, they shall travel together in the same vehicle. Both election judges shall be present when an applicant completes the certificate of eligibility and marks the absentee ballots, and may assist an applicant as provided in section 204C.15. The election judges shall deposit the return envelopes containing the marked absentee ballots in a sealed container and return them to the clerk on the same day that they are delivered and marked.

(b) At the discretion of a full-time municipal clerk, school district clerk, or county auditor, absentee ballots may be delivered in the same manner as prescribed in paragraph (a) to a veterans home operated by the board of directors of the Minnesota veterans homes under chapter 198 or a shelter for battered women as defined in section 611A.37, subdivision 4.

Sec. 25. Minnesota Statutes 2021 Supplement, section 203B.121, subdivision 2, is amended to read:

Subd. 2. **Duties of ballot board; absentee ballots.** (a) The members of the ballot board shall take possession of all signature envelopes delivered to them in accordance with section 203B.08. Upon receipt from the county auditor, municipal clerk, or school district clerk, two or more members of the ballot board shall examine each signature envelope and shall mark it accepted or rejected in the manner provided in this subdivision. Election judges performing the duties in this section must be of different major political parties, unless they are exempt from that requirement under section 205.075, subdivision 4, or section 205A.10, subdivision 2.

(b) The members of the ballot board shall mark the signature envelope "Accepted" and initial or sign the signature envelope below the word "Accepted" if a majority of the members of the ballot board examining the envelope are satisfied that:

(1) the voter's name and address on the signature envelope are the same as the information provided on the absentee ballot application;

(2) the voter signed the certification on the envelope;

(3) the voter's Minnesota driver's license, state identification number, or the last four digits of the voter's Social Security number are the same as a number on the voter's absentee ballot application or voter record. If the number does not match, the election judges must compare the signature provided by the applicant to determine whether the ballots were returned by the same person to whom they were transmitted;

(4) the voter is registered and eligible to vote in the precinct or has included a properly completed voter registration application in the signature envelope;

(5) the certificate has been completed as prescribed in the directions for casting an absentee ballot; and

(6) the voter has not already voted at that election, either in person or, if it is after the close of business on the ~~seventh~~ 14th day before the election, by absentee ballot.

The signature envelope from accepted ballots must be preserved and returned to the county auditor.

(c)(1) If a majority of the members of the ballot board examining a signature envelope find that an absentee voter has failed to meet one of the requirements provided in paragraph (b), they shall mark the signature envelope "Rejected," initial or sign it below the word "Rejected," list the reason for the rejection on the envelope, and return it to the county auditor. There is no other reason for rejecting an absentee ballot beyond those permitted by this section. Failure to place the ballot within the secrecy envelope before placing it in the outer white envelope is not a reason to reject an absentee ballot.

(2) If an envelope has been rejected at least five days before the election, the envelope must remain sealed and the official in charge of the ballot board shall provide the voter with a replacement absentee ballot and signature envelope in place of the rejected ballot.

(3) If an envelope is rejected within five days of the election, the envelope must remain sealed and the official in charge of the ballot board must attempt to contact the voter by telephone or e-mail to notify the voter that the voter's ballot has been rejected. The official must document the attempts made to contact the voter.

(d) The official in charge of the absentee ballot board must mail the voter a written notice of absentee ballot rejection between six and ten weeks following the election. If the official determines that the voter has otherwise cast a ballot in the election, no notice is required. If an absentee ballot arrives after the deadline for submission provided by this chapter, the notice must be provided between six to ten weeks after receipt of the ballot. A notice of absentee ballot rejection must contain the following information:

(1) the date on which the absentee ballot was rejected or, if the ballot was received after the required deadline for submission, the date on which the ballot was received;

(2) the reason for rejection; and

(3) the name of the appropriate election official to whom the voter may direct further questions, along with appropriate contact information.

(e) An absentee ballot signature envelope marked "Rejected" may not be opened or subject to further review except in an election contest filed pursuant to chapter 209.

Sec. 26. Minnesota Statutes 2020, section 203B.121, subdivision 3, is amended to read:

Subd. 3. **Record of voting.** (a) When applicable, the county auditor or municipal clerk must immediately record that a voter's absentee ballot has been accepted. After the close of business on the ~~seventh~~ 14th day before the election, a voter whose record indicates that an absentee ballot has been accepted must not be permitted to cast another ballot at that election. In a state primary, general, or state special election for federal or state office, the auditor or clerk must also record this information in the statewide voter registration system.

(b) The roster must be marked, and a supplemental report of absentee voters who submitted a voter registration application with their ballot must be created, no later than the start of voting on election day to indicate the voters that have already cast a ballot at the election. The roster may be marked either:

- (1) by the county auditor or municipal clerk before election day;
- (2) by the ballot board before election day; or
- (3) by the election judges at the polling place on election day.

The record of a voter whose absentee ballot was received after the close of business on the ~~seventh~~ 14th day before the election is not required to be marked on the roster or contained in a supplemental report as required by this paragraph.

Sec. 27. Minnesota Statutes 2021 Supplement, section 203B.121, subdivision 4, is amended to read:

Subd. 4. **Opening of envelopes.** After the close of business on the ~~seventh~~ 14th day before the election, the ballots from secrecy envelopes within the signature envelopes marked "Accepted" may be opened, duplicated as needed in the manner provided in section 206.86, subdivision 5, initialed by the members of the ballot board, and deposited in the appropriate ballot box. If more than one voted ballot is enclosed in the ~~ballot~~ secrecy envelope, the ballots must be returned in the manner provided by section 204C.25 for return of spoiled ballots, and may not be counted.

Sec. 28. Minnesota Statutes 2020, section 203B.16, subdivision 2, is amended to read:

Subd. 2. **Indefinite residence outside United States.** Sections 203B.16 to 203B.27 provide the exclusive voting procedure for United States citizens who are living indefinitely outside the territorial limits of the United States who meet all the qualifications of an eligible voter except residence in Minnesota, but who are authorized by federal law to vote in Minnesota because they or, if they have never ~~resided~~ maintained residence in the United States, a parent maintained residence in Minnesota for at least 20 days immediately prior to their departure from the United States. Individuals described in this subdivision shall be permitted to vote only for the offices of president, vice-president, senator in Congress, and representative in Congress.

Sec. 29. Minnesota Statutes 2020, section 203B.21, subdivision 1, is amended to read:

Subdivision 1. **Form.** Absentee ballots under sections 203B.16 to 203B.27 shall conform to the requirements of the Minnesota Election Law, except that modifications in the size or form of ballots or envelopes may be made if necessary to satisfy the requirements of the United States postal service. The return envelope must be designed in one of the following ways:

(1) it must be of sufficient size to contain ~~an additional~~ a signature envelope that when and when the return envelope is sealed, it conceals the signature, identification, and other information; or

(2) it must be the signature envelope and provide an additional flap that when sealed, conceals the signature, identification, and other information.

The flap or the ~~additional~~ return envelope must be perforated to permit election officials to inspect the returned certificate for completeness or to ascertain other information at any time after receiving the returned ballot without opening the ~~return~~ signature envelope.

Sec. 30. Minnesota Statutes 2020, section 203B.21, subdivision 3, is amended to read:

Subd. 3. **Back of ~~return~~ signature envelope.** On the back of the ~~return~~ signature envelope a certificate shall appear with space for:

- (1) the voter's address of present or former residence in Minnesota;
- (2) the voter's current e-mail address, if the voter has one;
- (3) a statement indicating the category described in section 203B.16 to which the voter belongs;
- (4) a statement that the voter has not cast and will not cast another absentee ballot in the same election or elections;
- (5) a statement that the voter personally marked the ballots without showing them to anyone, or if physically unable to mark them, that the voter directed another individual to mark them; and
- (6) the same voter's passport number, Minnesota driver's license or state identification card number, or the last four digits of the voter's Social Security number as provided on the absentee ballot application; if the voter does not have access to any of these documents, the voter may attest to the truthfulness of the contents of the certificate under penalty of perjury.

The certificate shall also contain a signed oath in the form required by section 705 of the Help America Vote Act, Public Law 107-252, which must read:

"I swear or affirm, under penalty of perjury, that:

I am a member of the uniformed services or merchant marine on active duty or an eligible spouse or dependent of such a member; a United States citizen temporarily residing outside the United States; or other United States citizen residing outside the United States; and I am a United States citizen, at least 18 years of age (or will be by the date of the election), and I am eligible to vote in the requested jurisdiction; I have not been convicted of a felony, or other disqualifying offense, or been adjudicated mentally incompetent, or, if so, my voting rights have been reinstated; and I am not registering, requesting a ballot, or voting in any other jurisdiction in the United States except the jurisdiction cited in this voting form. In voting, I have marked and sealed my ballot in private and have not allowed any person to observe the marking of the ballot, except for those authorized to assist voters under state or federal law. I have not been influenced.

The information on this form is true, accurate, and complete to the best of my knowledge. I understand that a material misstatement of fact in completion of this document may constitute grounds for a conviction for perjury."

Sec. 31. Minnesota Statutes 2020, section 203B.23, subdivision 2, is amended to read:

Subd. 2. **Duties.** (a) The absentee ballot board must examine all returned absentee ballot envelopes for ballots issued under sections 203B.16 to 203B.27 and accept or reject the absentee ballots in the manner provided in section 203B.24. If the certificate of voter eligibility is not printed on the ~~return or administrative~~ signature envelope, the certificate must be attached to the ~~ballot~~ secrecy envelope.

(b) The absentee ballot board must immediately examine the ~~return signature~~ envelopes or certificates of voter eligibility that are attached to the secrecy envelopes and mark them "accepted" or "rejected" during the 45 days before the election. If an envelope has been rejected at least five days before the election, the ballots in the envelope must be considered spoiled ballots and the official in charge of the absentee ballot board must provide the voter with a replacement absentee ballot and ~~return envelope envelopes~~ in place of the spoiled ballot.

(c) If a county has delegated the responsibility for administering absentee balloting to a municipality under section 203B.05, accepted absentee ballots must be delivered to the appropriate municipality's absentee ballot board. The absentee ballot board with the authority to open and count the ballots must do so in accordance with section 203B.121, subdivisions 4 and 5.

Sec. 32. Minnesota Statutes 2021 Supplement, section 203B.24, subdivision 1, is amended to read:

Subdivision 1. **Check of voter eligibility; proper execution of certificate.** Upon receipt of an absentee ballot returned as provided in sections 203B.16 to 203B.27, the election judges shall compare the voter's name with the names recorded under section 203B.19 in the statewide registration system to insure that the ballot is from a voter eligible to cast an absentee ballot under sections 203B.16 to 203B.27. The election judges shall mark the signature envelope "Accepted" and initial or sign the signature envelope below the word "Accepted" if the election judges are satisfied that:

(1) the voter's name and address on the signature envelope appears in substantially the same form as on the application records provided to the election judges by the county auditor;

(2) the voter has signed the federal oath prescribed pursuant to section 705(b)(2) of the Help America Vote Act, Public Law 107-252;

(3) the voter has set forth the same voter's passport number, or Minnesota driver's license or state identification card number, or the last four digits of the voter's Social Security number as submitted on the application, if the voter has one of these documents;

(4) the voter is not known to have died; and

(5) the voter has not already voted at that election, either in person or by absentee ballot.

If the identification number described in clause (3) does not match the number as submitted on the application, the election judges must make a reasonable effort to satisfy themselves through other information provided by the applicant, or by an individual authorized to apply on behalf of the voter, that the ballots were returned by the same person to whom the ballots were transmitted.

An absentee ballot cast pursuant to sections 203B.16 to 203B.27 may only be rejected for the lack of one of clauses (1) to (5). In particular, failure to place the ballot within the secrecy envelope before placing it in the ~~outer white~~ signature envelope is not a reason to reject an absentee ballot.

Election judges must note the reason for rejection on the back of the envelope in the space provided for that purpose.

Failure to return unused ballots shall not invalidate a marked ballot, but a ballot shall not be counted if the certificate on the ~~return signature~~ envelope is not properly executed. In all other respects the provisions of the Minnesota Election Law governing deposit and counting of ballots shall apply. Notwithstanding other provisions of this section, the counting of the absentee ballot of a deceased voter does not invalidate the election.

Sec. 33. Minnesota Statutes 2020, section 203B.28, is amended to read:

203B.28 POSTELECTION REPORT TO LEGISLATURE.

By January 15 of every odd-numbered year, the secretary of state shall provide to the chair and ranking minority members of the legislative committees with jurisdiction over elections a statistical report related to absentee voting in the most recent general election cycle. The statistics must be organized by county, and include:

- (1) the number of absentee ballots transmitted to voters;
- (2) the number of absentee ballots returned by voters;
- (3) the number of absentee ballots that were rejected, categorized by the reason for rejection;
- (4) the number of absentee ballots submitted pursuant to sections 203B.16 to 203B.27, along with the number of returned ballots that were accepted, rejected, and the reason for any rejections; ~~and~~
- (5) the number of absentee ballots that were not counted because the ballot return envelope was received after the deadlines provided in this chapter; and
- (6) the number of absentee ballots by method of return, including drop box, mail, in-person, and direct balloting.

Sec. 34. Minnesota Statutes 2020, section 204B.06, subdivision 4a, is amended to read:

Subd. 4a. **State and local offices.** Candidates who seek nomination for the following offices shall state the following additional information on the affidavit:

- (1) for governor or lieutenant governor, that on the first Monday of the next January the candidate will be 25 years of age or older and, on the day of the state general election, a resident of Minnesota for not less than one year;
- (2) for supreme court justice, court of appeals judge, or district court judge, that the candidate is learned in the law;
- (3) for county, municipal, school district, or special district office, that the candidate meets any other qualifications for that office prescribed by law;
- (4) for senator or representative in the legislature, that on the day of the general or special election to fill the office the candidate will have ~~resided~~ maintained residence not less than one year in the state and not less than six months in the legislative district from which the candidate seeks election.

Sec. 35. Minnesota Statutes 2020, section 204B.09, subdivision 1, is amended to read:

Subdivision 1. **Candidates in state and county general elections.** (a) Except as otherwise provided by this subdivision, affidavits of candidacy and nominating petitions for county, state, and federal offices filled at the state general election shall be filed not more than 84 days nor less than 70 days before the state primary. The affidavit may be prepared and signed at any time between 60 days before the filing period opens and the last day of the filing period.

(b) Notwithstanding other law to the contrary, the affidavit of candidacy must be signed in the presence of a notarial officer or an individual authorized to administer oaths under section 358.10.

(c) This provision does not apply to candidates for presidential elector nominated by major political parties. Major party candidates for presidential elector are certified under section 208.03. Other candidates for presidential electors may file petitions at least 77 days before the general election day pursuant to section 204B.07. Nominating petitions to fill vacancies in nominations shall be filed as provided in section 204B.13. No affidavit or petition shall be accepted later than 5:00 p.m. on the last day for filing.

(d) Affidavits and petitions for county offices must be filed with the county auditor of that county. Affidavits and petitions for federal offices must be filed with the secretary of state. Affidavits and petitions for state offices must be filed with the secretary of state or with the county auditor of the county in which the candidate ~~resides~~ maintains residence.

(e) Affidavits other than those filed pursuant to subdivision 1a must be submitted by mail or by hand, notwithstanding chapter 325L, or any other law to the contrary and must be received by 5:00 p.m. on the last day for filing.

Sec. 36. Minnesota Statutes 2021 Supplement, section 204B.09, subdivision 3, is amended to read:

Subd. 3. **Write-in candidates.** (a) A candidate for county, state, or federal office who wants write-in votes for the candidate to be counted must file a written request with the filing office for the office sought not more than 84 days before the primary and no later than the ~~seventh~~ 14th day before the general election. The filing officer shall provide copies of the form to make the request. The filing officer shall not accept a written request later than 5:00 p.m. on the last day for filing a written request.

(b) A candidate for president of the United States who files a request under this subdivision must file jointly with another individual seeking nomination as a candidate for vice president of the United States. A candidate for vice president of the United States who files a request under this subdivision must file jointly with another individual seeking nomination as a candidate for president of the United States. The request must also include the name of at least one candidate for presidential elector. The total number of names of candidates for presidential elector on the request may not exceed the total number of electoral votes to be cast by Minnesota in the presidential election.

(c) A candidate for governor who files a request under this subdivision must file jointly with another individual seeking nomination as a candidate for lieutenant governor. A candidate for lieutenant governor who files a request under this subdivision must file jointly with another individual seeking nomination as a candidate for governor.

Sec. 37. Minnesota Statutes 2020, section 204B.13, is amended by adding a subdivision to read:

Subd. 6a. **Candidates for federal office.** This section does not apply to a vacancy in nomination for a federal office.

Sec. 38. Minnesota Statutes 2021 Supplement, section 204B.16, subdivision 1, is amended to read:

Subdivision 1. **Authority; location.** (a) By December 31 of each year, the governing body of each municipality and of each county with precincts in unorganized territory must designate by ordinance or resolution ~~a polling place for each election precinct. The polling places designated in the ordinance or resolution are the polling places for the following calendar year, unless a change is made: any changes to a polling place location. A polling place must be maintained for the following calendar year unless changed:~~

(1) by ordinance or resolution by December 31 of the previous year;

~~(+)~~ (2) pursuant to section 204B.175;

~~(-)~~ (3) because a polling place has become unavailable;

(3) (4) because a township designates one location for all state, county, and federal elections and one location for all township only elections; and

(4) (5) pursuant to section 204B.14, subdivision 3.

(b) Polling places must be designated and ballots must be distributed so that no one is required to go to more than one polling place to vote in a school district and municipal election held on the same day. The polling place for a precinct in a city or in a school district located in whole or in part in the metropolitan area defined by section 200.02, subdivision 24, shall be located within the boundaries of the precinct or within one mile of one of those boundaries unless a single polling place is designated for a city pursuant to section 204B.14, subdivision 2, or a school district pursuant to section 205A.11. The polling place for a precinct in unorganized territory may be located outside the precinct at a place which is convenient to the voters of the precinct. If no suitable place is available within a town or within a school district located outside the metropolitan area defined by section 200.02, subdivision 24, then the polling place for a town or school district may be located outside the town or school district within five miles of one of the boundaries of the town or school district.

Sec. 39. Minnesota Statutes 2020, section 204B.19, subdivision 6, is amended to read:

Subd. 6. **High school students.** Notwithstanding any other requirements of this section, a student enrolled in a high school in Minnesota or who is in a home school in compliance with sections 120A.22 and 120A.24, who has attained the age of 16 is eligible to be appointed as a without party affiliation trainee election judge in the county in which the student ~~resides~~ maintains residence, or a county adjacent to the county in which the student ~~resides~~ maintains residence. The student must meet qualifications for trainee election judges specified in rules of the secretary of state. A student appointed as a trainee election judge may be excused from school attendance during the hours that the student is serving as a trainee election judge if the student submits a written request signed and approved by the student's parent or guardian to be absent from school and a certificate from the appointing authority stating the hours during which the student will serve as a trainee election judge to the principal of the school at least ten days prior to the election. Students shall not serve as trainee election judges after 10:00 p.m. Notwithstanding section 177.24 to the contrary, trainee election judges may be paid not less than two-thirds of the minimum wage for a large employer. The principal of the school may approve a request to be absent from school conditioned on acceptable academic performance at the time of service as a trainee election judge.

Sec. 40. Minnesota Statutes 2020, section 204B.21, subdivision 2, is amended to read:

Subd. 2. **Appointing authority; powers and duties.** Election judges for precincts in a municipality shall be appointed by the governing body of the municipality. Election judges for precincts in unorganized territory and for performing election-related duties assigned by the county auditor shall be appointed by the county board. Election judges for a precinct composed of two or more municipalities must be appointed by the governing body of the municipality or municipalities responsible for appointing election judges as provided in the agreement to combine for election purposes. Except as otherwise provided in this section, appointments shall be made from the list of voters who ~~reside~~ maintain residence in each precinct, furnished pursuant to subdivision 1, subject to the eligibility requirements and other qualifications established or authorized under section 204B.19. At least two election judges in each precinct must be affiliated with different major political parties. If no lists have been furnished or if additional election judges are required after all listed names in that municipality have been exhausted, the appointing authority may appoint other individuals who meet the qualifications to serve as an election judge, including persons on the list furnished pursuant to subdivision 1 who indicated a willingness to travel to the municipality, and persons who are not affiliated with a major political party. An individual who is appointed from a source other than the list furnished pursuant to subdivision 1 must provide to the appointing authority the individual's major political party affiliation or a statement that the individual does not affiliate with any major political party. An individual who refuses to provide the individual's major political party affiliation or a statement that the individual does not affiliate with a major political party must not be appointed as an election judge. The appointments shall be made at least 25 days before the election at which the election judges will serve, except that the appointing authority may pass a resolution authorizing the appointment of additional election judges within the 25 days before the election if the appointing authority determines that additional election judges will be required.

Sec. 41. Minnesota Statutes 2020, section 204B.45, subdivision 1, is amended to read:

Subdivision 1. **Authorization.** A town of any size ~~not located in a metropolitan county as defined by section 473.121,~~ or a city having fewer than 400 registered voters on June 1 of an election year ~~and not located in a metropolitan county as defined by section 473.121,~~ may provide balloting by mail at any municipal, county, or state election with no polling place other than the office of the auditor or clerk or other locations designated by the auditor or clerk. The governing body may apply to the county auditor for permission to conduct balloting by mail. The county board may provide for balloting by mail in unorganized territory. The governing body of any municipality may designate for mail balloting any precinct having fewer than 100 registered voters, subject to the approval of the county auditor.

Voted ballots may be returned in person to any location designated by the county auditor or municipal clerk.

Sec. 42. Minnesota Statutes 2020, section 204B.45, subdivision 2, is amended to read:

Subd. 2. **Procedure.** Notice of the election and the special mail procedure must be given at least ten weeks prior to the election. Not more than 46 days nor later than 14 days before a regularly scheduled election and not more than 30 days nor later than 14 days before any other election, the auditor shall mail ballots by nonforwardable mail to all voters registered in the city, town, or unorganized territory. No later than 14 days before the election, the auditor must make a subsequent mailing of ballots to those voters who register to vote after the initial mailing but before the 20th day before the election. Eligible voters not registered at the time the ballots are mailed may apply for ballots as provided in chapter 203B. Ballot return envelopes, with return postage provided, must be preaddressed to the auditor or clerk and the voter may return the ballot by mail or in person to the office of the auditor or clerk. The auditor or clerk must appoint a ballot board to examine the mail and absentee ballot return envelopes and mark them "accepted" or "rejected" within three days of receipt if there are 14 or fewer days before election day, or within five days of receipt if there are more than 14 days before election day. The board may consist of deputy county auditors or deputy municipal clerks who have received training in the processing and counting of mail ballots, who need not be affiliated with a major political party. Election judges performing the duties in this section must be of different major political parties, unless they are exempt from that requirement under section 205.075, subdivision 4, or section 205A.10. If an envelope has been rejected at least five days before the election, the ballots in the envelope must remain sealed and the auditor or clerk shall provide the voter with a replacement ballot and return envelope in place of the spoiled ballot. If the ballot is rejected within five days of the election, the envelope must remain sealed and the official in charge of the ballot board must attempt to contact the voter by telephone or e-mail to notify the voter that the voter's ballot has been rejected. The official must document the attempts made to contact the voter.

If the ballot is accepted, the county auditor or municipal clerk must mark the roster to indicate that the voter has already cast a ballot in that election. After the close of business on the ~~seventh~~ 14th day before the election, the ballots from return envelopes marked "Accepted" may be opened, duplicated as needed in the manner provided by section 206.86, subdivision 5, initialed by the members of the ballot board, and deposited in the ballot box.

In all other respects, the provisions of the Minnesota Election Law governing deposit and counting of ballots apply.

The mail and absentee ballots for a precinct must be counted together and reported as one vote total. No vote totals from mail or absentee ballots may be made public before the close of voting on election day.

The costs of the mailing shall be paid by the election jurisdiction in which the voter ~~resides~~ maintains residence. Any ballot received by 8:00 p.m. on the day of the election must be counted.

Sec. 43. Minnesota Statutes 2020, section 204B.46, is amended to read:

204B.46 MAIL ELECTIONS; QUESTIONS.

A county, municipality, or school district submitting questions to the voters at a special election may conduct an election by mail with no polling place other than the office of the auditor or clerk. No offices may be voted on at a mail election, except in overlapping school and municipality jurisdictions, where a mail election may include an office when one of the jurisdictions also has a question on the ballot. Notice of the election must be given to the county auditor at least 74 days prior to the election. This notice shall also fulfill the requirements of Minnesota Rules, part 8210.3000. The special mail ballot procedures must be posted at least six weeks prior to the election. Not more than 46 nor later than 14 days prior to the election, the auditor or clerk shall mail ballots by nonforwardable mail to all voters registered in the county, municipality, or school district. No later than 14 days before the election, the auditor or clerk must make a subsequent mailing of ballots to those voters who register to vote after the initial mailing but before the 20th day before the election. Eligible voters not registered at the time the ballots are mailed may apply for ballots pursuant to chapter 203B. The auditor or clerk must appoint a ballot board to examine the mail and absentee ballot return envelopes and mark them "Accepted" or "Rejected" within three days of receipt if there are 14 or fewer days before election day, or within five days of receipt if there are more than 14 days before election day. The board may consist of deputy county auditors, deputy municipal clerks, or deputy school district clerks who have received training in the processing and counting of mail ballots, who need not be affiliated with a major political party. Election judges performing the duties in this section must be of different major political parties, unless they are exempt from that requirement under section 205.075, subdivision 4, or section 205A.10. If an envelope has been rejected at least five days before the election, the ballots in the envelope must remain sealed and the auditor or clerk must provide the voter with a replacement ballot and return envelope in place of the spoiled ballot. If the ballot is rejected within five days of the election, the envelope must remain sealed and the official in charge of the ballot board must attempt to contact the voter by telephone or e-mail to notify the voter that the voter's ballot has been rejected. The official must document the attempts made to contact the voter.

If the ballot is accepted, the county auditor or municipal clerk must mark the roster to indicate that the voter has already cast a ballot in that election. After the close of business on the ~~seventh~~ 14th day before the election, the ballots from return envelopes marked "Accepted" may be opened, duplicated as needed in the manner provided by section 206.86, subdivision 5, initialed by the ballot board, and deposited in the appropriate ballot box.

In all other respects, the provisions of the Minnesota Election Law governing deposit and counting of ballots apply.

The mail and absentee ballots for a precinct must be counted together and reported as one vote total. No vote totals from ballots may be made public before the close of voting on election day.

Sec. 44. Minnesota Statutes 2020, section 204C.15, subdivision 1, is amended to read:

Subdivision 1. **Physical assistance in marking ballots.** A voter who claims a need for assistance because of inability to read English or physical inability to mark a ballot may obtain the aid of two election judges who are members of different major political parties. The election judges shall mark the ballots as directed by the voter and in as secret a manner as circumstances permit. A voter in need of assistance may alternatively obtain the assistance of any individual the voter chooses. Only the following persons may not provide assistance to a voter: the voter's employer, an agent of the voter's employer, an officer or agent of the voter's union, or a candidate for election. The person who assists the voter shall, unaccompanied by an election judge, retire with that voter to a booth and mark the ballot as directed by the voter. ~~No person who assists another voter as provided in the preceding sentence shall mark the ballots of more than three voters at one election.~~ Before the ballots are deposited, the voter may show them privately to an election judge to ascertain that they are marked as the voter directed. An election judge or other individual assisting a voter shall not in any manner request, persuade, induce, or attempt to persuade or induce the voter to vote for any particular political party or candidate. The election judges or other individuals who assist the voter shall not reveal to anyone the name of any candidate for whom the voter has voted or anything that took place while assisting the voter.

Sec. 45. Minnesota Statutes 2020, section 204C.33, subdivision 3, is amended to read:

Subd. 3. **State canvass.** The State Canvassing Board shall meet at a public meeting space located in the Capitol complex area on the third Tuesday following the state general election to canvass the certified copies of the county canvassing board reports received from the county auditors and shall prepare a report that states:

- (1) the number of individuals voting in the state and in each county;
- (2) the number of votes received by each of the candidates, specifying the counties in which they were cast; and
- (3) the number of votes counted for and against each constitutional amendment, specifying the counties in which they were cast.

Upon completion of the canvass, the State Canvassing Board shall declare the candidates duly elected who received the highest number of votes for each federal and state office. All members of the State Canvassing Board shall sign the report and certify its correctness. The State Canvassing Board shall declare the result within three days after completing the canvass.

Sec. 46. Minnesota Statutes 2020, section 204D.19, subdivision 2, is amended to read:

Subd. 2. **Special election when legislature will be in session.** Except for vacancies in the legislature which occur at any time between the last day of session in an odd-numbered year and the ~~40th~~ 54th day prior to the opening day of session in the succeeding even-numbered year, when a vacancy occurs and the legislature will be in session so that the individual elected as provided by this section could take office and exercise the duties of the office immediately upon election, the governor shall issue within five days after the vacancy occurs a writ calling for a special election. The special election shall be held as soon as possible, consistent with the notice requirements of section 204D.22, subdivision 3, but in no event more than ~~35~~ 49 days after the issuance of the writ. ~~A special election must not be held during the four days before or the four days after a holiday as defined in section 645.44, subdivision 5.~~

Sec. 47. Minnesota Statutes 2020, section 204D.22, subdivision 3, is amended to read:

Subd. 3. **Notice of special election.** The county auditor of a county in which a special election is to be held shall direct the clerk of each municipality in which the election is to be held to post a notice of the special primary and special election at least ~~seven~~ 14 days before the special primary and at least ~~14~~ 21 days before the special election in the manner provided in sections 204B.33 and 204B.34. If the special primary is to be held ~~14~~ 21 days before the special election, a single notice of both elections may be posted seven days before the primary.

When the special primary or special election is to be held on the same day as any other election, notice of the special primary or special election may be included in the notice of the other election, if practicable.

Sec. 48. Minnesota Statutes 2020, section 204D.23, subdivision 2, is amended to read:

Subd. 2. **Time of filing.** Except as provided in subdivision 3, the affidavits and petitions shall be filed no later than ~~14~~ 21 days before the special primary.

Sec. 49. Minnesota Statutes 2020, section 205.13, subdivision 5, is amended to read:

Subd. 5. **Nominating petition; cities of the first class.** A nominating petition filed on behalf of a candidate for municipal office in a city of the first class shall be signed by eligible voters who ~~reside~~ maintain residence in the election district from which the candidate is to be elected. The number of signers shall be at least 500, or two percent of the total number of individuals who voted in the municipality, ward, or other election district at the last preceding municipal general election, whichever is greater.

Sec. 50. Minnesota Statutes 2020, section 205A.10, subdivision 5, is amended to read:

Subd. 5. **School district canvassing board.** For the purpose of a recount of a special election conducted under section 126C.17, subdivision 9, or 475.59, the school district canvassing board shall consist of one member of the school board other than the clerk, selected by the board, the clerk of the school board, the county auditor of the county in which the greatest number of school district residents ~~reside~~ maintain residence, the court administrator of the district court of the judicial district in which the greatest number of school district residents ~~reside~~ maintain residence, and the mayor or chair of the town board of the school district's most populous municipality. Any member of the canvassing board may appoint a designee to appear at the meeting of the board, except that no designee may be a candidate for public office. If one of the individuals fails to appear at the meeting of the canvassing board, the county auditor shall appoint an eligible voter of the school district, who must not be a member of the school board, to fill the vacancy. Not more than two school board members shall serve on the canvassing board at one time. Four members constitute a quorum.

The school board shall serve as the school district canvassing board for the election of school board members.

Sec. 51. Minnesota Statutes 2020, section 205A.12, subdivision 5, is amended to read:

Subd. 5. **Board elections.** If the proposal for the establishment of election districts is approved by the voters, the board shall specify the election districts from which vacancies shall be filled as they occur until such time as each board member represents an election district. A candidate for school board in a subsequent election must file an affidavit of candidacy to be elected as a school board member for the election district in which the candidate ~~resides~~ maintains residence. If there are as many election districts as there are members of the board, one and only one member of the board shall be elected from each election district. In school districts where one or more board members are elected by election districts, candidates must indicate on the affidavit of candidacy the number of the district from which they seek election or, if appropriate, that they seek election from one of the offices elected at large. If the election districts have two or three members each, the terms of the members must be staggered. Each board member must be a resident of the election district for which elected but the creation of an election district or a change in election district boundaries shall not disqualify a board member from serving for the remainder of a term.

Sec. 52. Minnesota Statutes 2020, section 207A.12, is amended to read:

207A.12 CONDUCTING PRESIDENTIAL NOMINATION PRIMARY.

(a) Except as otherwise provided by law, the presidential nomination primary must be conducted, and the results canvassed and returned, in the manner provided by law for the state primary.

(b) An individual seeking to vote at the presidential nomination primary must be registered to vote pursuant to section 201.054, subdivision 1. The voter must request the ballot of the party for whose candidate the individual wishes to vote. Notwithstanding section 204C.18, subdivision 1, the election judge must record in the polling place roster the name of the political party whose ballot the voter requested. When posting voter history pursuant to section 201.171, the county auditor must include the name of the political party whose ballot the voter requested. The political party ballot selected by a voter is private data on individuals as defined under section 13.02, subdivision 12, except as provided in section 201.091, subdivision 4a. A voter eligible to cast a ballot as provided in section 5B.06 must be permitted to cast a ballot at the presidential nomination primary consistent with the requirements of that section.

(c) Immediately after the state canvassing board declares the results of the presidential nomination primary, the secretary of state must notify the chair of each party of the results.

(d) The results of the presidential nomination primary must bind the election of delegates in each party.

Sec. 53. Minnesota Statutes 2021 Supplement, section 207A.13, subdivision 2, is amended to read:

Subd. 2. **Candidates on the ballot.** (a) Each party participating in the presidential nomination primary must determine which candidates are to be placed on the presidential nomination primary ballot for that party. The chair of each participating party must submit to the secretary of state the names of the candidates to appear on the ballot for that party no later than 63 days before the presidential nomination primary. Once submitted, changes must not be made to the candidates that will appear on the ballot.

(b) No later than the ~~seventh~~ 14th day before the presidential nomination primary, the chair of each participating party must submit to the secretary of state the names of write-in candidates, if any, to be counted for that party.

Sec. 54. Minnesota Statutes 2020, section 209.021, subdivision 2, is amended to read:

Subd. 2. **Notice filed with court.** If the contest relates to a nomination or election for statewide office, the contestant shall file the notice of contest with the court administrator of District Court in Ramsey County. For contests relating to any other office, the contestant shall file the notice of contest with the court administrator of district court in the county where the contestee ~~resides~~ maintains residence.

If the contest relates to a constitutional amendment, the contestant shall file the notice of contest with the court administrator of District Court in Ramsey County. If the contest relates to any other question, the contestant shall file the notice of contest with the court administrator of district court for the county or any one of the counties where the question appeared on the ballot.

Sec. 55. Minnesota Statutes 2020, section 211B.04, subdivision 2, is amended to read:

Subd. 2. **Independent expenditures.** (a) The required form of the disclaimer on a written independent expenditure is: "This is an independent expenditure prepared and paid for by (name of entity participating in the expenditure), (address). It is not coordinated with or approved by any candidate nor is any candidate responsible for it. The top three contributors funding this expenditure are (1), (2), and (3)" The address must be either the entity's mailing address or the entity's website, if the website includes the entity's mailing address. When a written independent expenditure is produced and disseminated without cost, the words "and paid for" may be omitted from the disclaimer.

(b) The required form of the disclaimer on a broadcast independent expenditure is: "This independent expenditure is paid for by (name of entity participating in the expenditure). It is not coordinated with or approved by any candidate nor is any candidate responsible for it. The top three contributors funding this expenditure are (1), (2), and (3)" When a broadcast independent expenditure is produced and disseminated without cost, the following disclaimer may be used: "..... (name of entity participating in the expenditure) is responsible for the contents of this independent expenditure. It is not coordinated with or approved by any candidate nor is any candidate responsible for it."

(c) The listing of the top three contributors required to be included in a disclaimer under this subdivision must identify by name the three individuals or entities making the largest aggregate contribution or contributions required to be reported under chapter 10A to the expending entity during the 12-month period preceding the first date at which the expenditure was published or presented to the public. Contributions to the expending entity that are segregated, tracked, and used for purposes other than expenditures requiring the disclaimer should not be included in calculating the top three contributors required to be identified under this subdivision.

Sec. 56. Minnesota Statutes 2020, section 211B.04, subdivision 3, is amended to read:

Subd. 3. **Material that does not need a disclaimer.** (a) This section does not apply to fund-raising tickets, business cards, personal letters, or similar items that are clearly being distributed by the candidate.

(b) This section does not apply to an individual or association that is not required to register or report under chapter 10A or 211A.

(c) This section does not apply to the following:

(1) bumper stickers, pins, buttons, pens, or similar small items on which the disclaimer cannot be conveniently printed; and

(2) skywriting, wearing apparel, or other means of displaying an advertisement of such a nature that the inclusion of a disclaimer would be impracticable; ~~and~~

~~(3) online banner ads and similar electronic communications that link directly to an online page that includes the disclaimer.~~

(d) This section does not modify or repeal section 211B.06.

Sec. 57. Minnesota Statutes 2020, section 211B.04, is amended by adding a subdivision to read:

Subd. 3a. **Certain electronic communications and advertisements.** Notwithstanding subdivisions 1 and 2, the Campaign Finance and Public Disclosure Board must adopt rules using the expedited process in section 14.389 to specify the form and content of the disclaimer required by those subdivisions for small electronic communications for which it is technologically impossible to clearly and conspicuously print the full disclaimer, including but not limited to online banner ads, text messages, social media communications, and small advertisements appearing on a mobile telephone or other handheld electronic device.

Sec. 58. **[211B.075] ABSENTEE BALLOT APPLICATIONS DISTRIBUTED BY COMMITTEES AND PRIVATE ORGANIZATIONS.**

(a) Any mailing sent by or on behalf of a committee or other private organization that includes an absentee ballot application or a sample ballot designed to encourage voting at an election must include the applicable set of statements, printed in capital letters on the outside of the mailing so that the statements are clearly visible at the time of opening, as follows:

(1) if an absentee ballot application is enclosed, "THIS IS AN ABSENTEE BALLOT APPLICATION, NOT AN OFFICIAL BALLOT"; and

(2) if a sample ballot is enclosed, "THIS IS A SAMPLE BALLOT, NOT AN OFFICIAL BALLOT."

(b) As used in this subdivision, "sample ballot" means a document enclosed in the mailing that is formatted and printed in a manner that would lead a reasonable person to believe the document is an official ballot. A document that contains the names of particular candidates or ballot questions alongside illustrations of a generic ballot or common ballot markings is not a sample ballot for purposes of this subdivision, so long as the format and style of the document would not lead a reasonable person to mistake it for an official ballot.

Sec. 59. **[211B.076] INTIMIDATION AND INTERFERENCE RELATED TO THE PERFORMANCE OF DUTIES BY AN ELECTION OFFICIAL; PENALTIES.**

Subdivision 1. **Definition.** For the purposes of this section, "election official" means a member of a canvassing board, the county auditor or municipal clerk charged with duties relating to elections, a member of an absentee ballot board, an election judge, an election judge trainee, or any other individual assigned by a state entity or municipal government to perform official duties related to elections.

Subd. 2. **Intimidation.** (a) A person may not directly or indirectly use or threaten force, coercion, violence, restraint, damage, harm, or loss, including loss of employment or economic reprisal, against another with the intent to influence an election official in the performance of a duty of election administration.

(b) In a civil action brought to prevent and restrain violations of this subdivision or to require the payment of civil penalties, the moving party may show that the action or attempted action would cause a reasonable person to feel intimidated. The moving party does not need to show that the actor intended to cause the victim to feel intimidated.

Subd. 3. **Interfering with or hindering the administration of an election.** A person may not intentionally hinder, interfere with, or prevent an election official's performance of a duty related to election administration.

Subd. 4. **Dissemination of personal information about an election official.** (a) A person may not knowingly and without consent, make publicly available, including but not limited to through the Internet, personal information about an election official or an election official's family or household member if:

(1) the dissemination poses an imminent and serious threat to the official's safety or the safety of an official's family or household member; and

(2) the person making the information publicly available knows or reasonably should know of any imminent and serious threat.

(b) As used in this subdivision, "personal information" means the home address of the election official or a member of an election official's family, directions to that home, or photographs of that home.

Subd. 5. **Obstructing access.** A person may not intentionally and physically obstruct an election official's access to or egress from a polling place, meeting of a canvassing board, place where ballots and elections equipment are located or stored, or any other place where the election official performs a duty related to election administration.

Subd. 6. **Vicarious liability; conspiracy.** A person may be held vicariously liable for any damages resulting from the violation of this section and may be identified in an order restraining violations of this section if that person:

(1) intentionally aids, advises, hires, counsels, abets, incites, compels, or coerces a person to violate any provision of this section or attempts to aid, advise, hire, counsel, abet, incite, compel, or coerce a person to violate any provision of this section; or

(2) conspires, combines, agrees, or arranges with another to either commit a violation of this section or aid, advise, hire, counsel, abet, incite, compel, or coerce a third person to violate any provision of this section.

Subd. 7. **Criminal penalty.** A person who violates this section is guilty of a gross misdemeanor.

Subd. 8. Attorney general; civil enforcement. When the attorney general has information providing a reasonable ground to believe that any person has violated or is about to violate this section, the attorney general shall have the power to investigate those violations, or suspected violations, in the same manner as provided for by section 8.31, subdivisions 2 and 2a. The attorney general shall be entitled, on behalf of the state, to sue for and recover the same relief and remedies for violations of this section, or violations that are about to occur, as provided in section 8.31, subdivisions 3 and 3a.

Subd. 9. Election official; civil remedies. In addition to any remedies otherwise provided by law, an election official injured or threatened to be injured by a violation of this section may bring a civil action and obtain the following remedies:

(1) injunctive relief in any court of competent jurisdiction against any such violation or threatened violation without abridging the penalties provided by law; and

(2) damages, together with costs and disbursements, including costs of investigation and reasonable attorney fees, and other equitable relief as determined by the court.

Subd. 10. Cumulative remedies. Civil remedies allowable under this section are cumulative and do not restrict any other right or remedy otherwise available. Any civil action brought under this section must be commenced within two years after the cause of action accrues. Sections 211B.31 to 211B.37 do not apply to violations of this section.

EFFECTIVE DATE. This section is effective July 1, 2022, and applies to violations committed on or after that date.

Sec. 60. Minnesota Statutes 2020, section 211B.11, subdivision 1, is amended to read:

Subdivision 1. **Soliciting near polling places.** A person may not display campaign material, post signs, ask, solicit, or in any manner try to induce or persuade a voter within a polling place or within 100 feet of the building in which a polling place is situated, or anywhere on the public property on which a polling place is situated, on primary or election day to vote for or refrain from voting for a candidate or ballot question. A person may not provide political badges, political buttons, or other political insignia to be worn at or about the polling place on the day of a primary or election. A political badge, political button, or other political insignia may not be worn at or about the polling place on primary or election day. This section applies only during voting hours and to areas established by the county auditor or municipal clerk for absentee voting as provided in chapter 203B.

Nothing in this subdivision prohibits the distribution of "I VOTED" stickers as provided in section 204B.49.

Sec. 61. Minnesota Statutes 2020, section 211B.32, subdivision 1, is amended to read:

Subdivision 1. **Administrative remedy; exhaustion.** (a) Except as provided in ~~paragraph~~ paragraphs (b) and (c), a complaint alleging a violation of chapter 211A or 211B must be filed with the office. The complaint must be finally disposed of by the office before the alleged violation may be prosecuted by a county attorney.

(b) Complaints arising under those sections and related to those individuals and associations specified in section 10A.022, subdivision 3, must be filed with the Campaign Finance and Public Disclosure Board.

(c) Violations of section 211B.076 may be enforced as provided in section 211B.076.

Sec. 62. Minnesota Statutes 2020, section 367.03, subdivision 6, is amended to read:

Subd. 6. **Vacancies.** (a) When a vacancy occurs in a town office, the town board shall fill the vacancy by appointment. Except as provided in paragraph (b), the person appointed shall hold office until the next annual town election, when a successor shall be elected for the unexpired term.

(b) When a vacancy occurs in a town office:

(1) with more than one year remaining in the term; and

(2) on or after the 14th day before the first day to file an affidavit of candidacy for the town election;

the vacancy must be filled by appointment. The person appointed serves until the next annual town election following the election for which affidavits of candidacy are to be filed, when a successor shall be elected for the unexpired term.

(c) A vacancy in the office of supervisor must be filled by an appointment committee comprised of the remaining supervisors and the town clerk.

(d) Any person appointed to fill the vacancy in the office of supervisor must, upon assuming the office, be an eligible voter, be 21 years of age, and have ~~resided~~ maintained residence in the town for at least 30 days.

(e) When, because of a vacancy, more than one supervisor is to be chosen at the same election, candidates for the offices of supervisor shall file for one of the specific terms being filled.

(f) When, for any reason, the town board or the appointment committee fails to fill a vacancy in the position of an elected town officer by appointment, a special election may be called. To call a special election, the supervisors and town clerk, or any two of them together with at least 12 other town freeholders, must file a statement in the town clerk's office. The statement must tell why the election is called and that the interests of the town require the election. When the town board or the appointment committee fails to fill a vacancy by appointment, a special town election may also be called on petition of 20 percent of the electors of the town. The percentage is of the number of voters at the last general election. A special town election must be conducted in the manner required for the annual town election.

(g) Law enforcement vacancies must be filled by appointment by the town board.

Sec. 63. Minnesota Statutes 2020, section 447.32, subdivision 4, is amended to read:

Subd. 4. **Candidates; ballots; certifying election.** A person who wants to be a candidate for the hospital board shall file an affidavit of candidacy for the election either as member at large or as a member representing the city or town where the candidate ~~resides~~ maintains residence. The affidavit of candidacy must be filed with the city or town clerk not more than 98 days nor less than 84 days before the first Tuesday after the first Monday in November of the year in which the general election is held. The city or town clerk must forward the affidavits of candidacy to the clerk of the hospital district or, for the first election, the clerk of the most populous city or town immediately after the last day of the filing period. A candidate may withdraw from the election by filing an affidavit of withdrawal with the clerk of the district no later than 5:00 p.m. two days after the last day to file affidavits of candidacy.

Voting must be by secret ballot. The clerk shall prepare, at the expense of the district, necessary ballots for the election of officers. Ballots must be prepared as provided in the rules of the secretary of state. The ballots must be marked and initialed by at least two judges as official ballots and used exclusively at the election. Any proposition to be voted on may be printed on the ballot provided for the election of officers. The hospital board may also

authorize the use of voting systems subject to chapter 206. Enough election judges may be appointed to receive the votes at each polling place. The election judges shall act as clerks of election, count the ballots cast, and submit them to the board for canvass.

After canvassing the election, the board shall issue a certificate of election to the candidate who received the largest number of votes cast for each office. The clerk shall deliver the certificate to the person entitled to it in person or by certified mail. Each person certified shall file an acceptance and oath of office in writing with the clerk within 30 days after the date of delivery or mailing of the certificate. The board may fill any office as provided in subdivision 1 if the person elected fails to qualify within 30 days, but qualification is effective if made before the board acts to fill the vacancy.

ARTICLE 4 BARBERING AND COSMETOLOGY

Section 1. Minnesota Statutes 2020, 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 2020, section 154.003, is amended to read:

154.003 FEES.

(a) The fees collected, as required in this chapter, chapter 214, and the rules of the board, shall be paid to the board. The board shall deposit the fees in the general fund in the state treasury.

(b) The board shall charge the following fees:

- (1) examination and certificate, registered barber, \$85;
- (2) retake of written examination, \$10;
- (3) examination and certificate, instructor, \$180;
- (4) certificate, instructor, \$65;
- (5) temporary teacher permit, \$80;
- (6) temporary registered barber, military, \$85;
- (7) temporary barber instructor, military, \$180;
- (8) renewal of registration, registered barber, \$80;

- (9) renewal of registration, instructor, \$80;
- (10) renewal of temporary teacher permit, \$65;
- (11) student permit, \$45;
- (12) renewal of student permit, \$25;
- (13) initial shop registration, \$85;
- (14) initial mobile barber shop registration, \$150;
- ~~(14)~~ (15) initial school registration, \$1,030;
- ~~(15)~~ (16) renewal shop registration, \$85;
- ~~(16)~~ (17) renewal school registration, \$280;
- (18) renewal mobile barber shop registration, \$100;
- ~~(17)~~ (19) restoration of registered barber registration, \$95;
- ~~(18)~~ (20) restoration of shop registration, \$105;
- ~~(19)~~ (21) change of ownership or location, \$55;
- (22) restoration of mobile barber shop registration, \$120;
- ~~(20)~~ (23) duplicate registration, \$40;
- ~~(21)~~ (24) home study course, \$75;
- ~~(22)~~ (25) letter of registration verification, \$25; and
- ~~(23)~~ (26) reinspection, \$100.

(c) If the board uses a board-approved examination provider for the entire comprehensive examination or for a portion of the comprehensive examination, any fees required by that approved examination provider must be paid directly to the approved examination provider by the examinee and is not included and is separate from any required fees paid by the examinee to the board.

Sec. 3. Minnesota Statutes 2020, 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~~ this chapter by the Board of Barber Examiners.

(c) A registered barber must only provide barbering services in a registered barber shop ~~or~~ barber school, or mobile barber shop 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 2020, 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 2020, 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, barber shop, ~~or~~ barber school, or mobile barber shop 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 2020, section 154.02, subdivision 5, is amended to read:

Subd. 5. **Designated registered barber.** The "designated registered barber" is a registered barber designated as the manager of a barber shop or a mobile barber shop.

Sec. 7. Minnesota Statutes 2020, section 154.02, is amended by adding a subdivision to read:

Subd. 7. **Mobile barber shop.** A "mobile barber shop" means a barber shop that is operated in a mobile vehicle or a mobile structure for the exclusive use of practicing barbering services performed by a registered barber in compliance with this chapter.

Sec. 8. Minnesota Statutes 2020, section 154.02, is amended by adding a subdivision to read:

Subd. 8. **Straight razor.** 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. 9. Minnesota Statutes 2020, section 154.02, is amended by adding a subdivision to read:

Subd. 9. **Waxing.** The process of removing hair from a part of the body by applying wax and peeling off the wax.

Sec. 10. Minnesota Statutes 2020, 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 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. 11. **[154.052] MOBILE BARBER SHOPS.**

Subdivision 1. **Registration.** (a) No person shall operate a mobile barber shop unless:

(1) at all times, the mobile barber shop is under the direct supervision and management of a registered barber; and

(2) the owner or operator of the mobile barber shop possesses a current mobile barber shop registration that was issued by the Board of Barber Examiners.

Subd. 2. **Services and location reporting requirements.** (a) A mobile barber shop is limited to providing only hair cutting and straight razor shave services.

(b) A mobile barber shop is subject to the barber shop requirements in this chapter and Minnesota Rules, except when this chapter or the rule conflicts with specific mobile barber shop requirements. Any reference to a barber shop in this chapter and in Minnesota Rules includes mobile barber shops, except when this chapter or the rule conflicts with specific mobile barber shop requirements.

(c) A mobile barber shop registration holder must:

(1) maintain a permanent address for receiving correspondence and service of process and provide an address where the mobile barber shop is kept when the mobile barber shop is not in service;

(2) visibly display the name of the mobile barber shop and the mobile barber shop's registration number as shown on the registration certificate on at least one exterior side of the mobile barber shop;

(3) supply to the board the make, model, and vehicle identification and license plate number of any vehicle or mobile structure used as a mobile barber shop. Each mobile barber shop registration is valid for only one specific mobile vehicle or mobile structure;

(4) have a functioning phone available at all times;

(5) submit to the board, on or before the first day of each month, the mobile barber shop's schedule of locations and times of operation during the month. The mobile barber shop registration holder must report any proposed changes to the schedule to the board via e-mail at the beginning of the week during which the changes will occur; and

(6) comply with the requirements of all federal, state, and local laws, rules, and ordinances.

Subd. 3. Water and wastewater requirements. (a) A mobile barber shop must have self-contained water holding tanks with gauges that indicate the levels in the tanks and reserve capabilities. The water supply tanks must be integrated and plumbed into the wastewater tanks or gray water tanks.

(b) A mobile barber shop must have a potable water capacity of not less than 20 gallons and a designated hose that the mobile barber shop only uses to fill the potable water tank.

(c) A mobile barber shop must have available hot water in a capacity of not less than five gallons or hot water on demand.

(d) A mobile barber shop must have a wastewater tank or gray water tank capacity that is 15 percent larger than the water supply holding tank.

(e) A mobile barber shop must not operate when:

(1) the available potable water supply is insufficient to comply with the infection control requirements in this chapter and Minnesota Rules; or

(2) a tank for wastewater, black water, or gray water is at 90 percent or greater capacity.

(f) A mobile barber shop must have a restroom in operating condition inside of the mobile barber shop that includes:

(1) an installed hand sink with potable water;

(2) soap;

(3) single-use towels; and

(4) a self-contained recirculating flush toilet with a holding tank or a properly maintained composting toilet.

(g) A mobile barber shop must discharge wastewater into a sanitary sewage system or a sanitary dumping station. When disposing of sewage and wastewater, a mobile barber shop must comply with all federal, state, and local environmental and sanitary regulations.

(h) In addition to the sink required in the restroom, the mobile barber shop must have at least one sink with hot and cold running water accessible to persons in the area where the mobile barber shop provides services. Sinks must be permanently installed and connected to the vehicle's or mobile structure's potable water supply and wastewater tanks.

Subd. 4. **Electrical and power requirements.** (a) If power for heating, air conditioning, and other equipment is supplied by a generator, the generator must be properly vented outside and all doors and windows must be closed when the generator is operating to avoid exhaust entering the mobile barber shop. The generator must comply with all applicable municipal noise ordinances.

(b) Liquefied petroleum gas systems installed in the mobile barber shop must comply with the current edition of the National Fire Protection Association Standard No. 58 LP-Gas Code as adopted under the State Fire Code. Use of portable heating units is prohibited.

(c) All heating and cooling systems must be factory installed and meet all state and federal regulations for mobile vehicle or mobile structure heating and cooling.

(d) The mobile barber shop must have working alarms for carbon monoxide, smoke, and combustible gas, either as single alarms or a combined alarm.

(e) All electrical wiring must comply with the State Electrical Code. Electrical equipment plugged into outlets must be UL-listed and must comply with state and local fire codes.

Subd. 5. **Safety, inspection, and infection control requirements.** (a) In addition to the safety and infection control requirements for barber shops in this chapter and Minnesota Rules, mobile barber shops must comply with the following requirements:

(1) the mobile barber shop must not provide services unless the mobile barber shop is parked with the engine off, stable, and leveled. The mobile barber shop must use stabilizing jacks when it is recommended by the manufacturer's instructions for the vehicle or mobile structure. The mobile barber shop must use at least two wheel chocks when the mobile barber shop is operating;

(2) the mobile barber shop must provide all services inside of the vehicle or mobile structure;

(3) all hazardous substances in the mobile barber shop must be stored upright in secured cabinets when the mobile barber shop is moving;

(4) the mobile barber shop must have a ventilation system that is sufficient to provide fresh air in the mobile barber shop; and

(5) all moving parts, including slide outs, disability ramps, and steps must be in good working order.

(b) Any duly authorized employee of the Board of Barber Examiners shall have authority to enter and inspect a mobile barber shop during normal business hours.

Subd. 6. **Compliance with local government law.** The mobile barber shop must comply with all city, township, and county ordinances regarding wastewater disposal, commercial motor vehicles, vehicle insurance, noise, signage, parking, commerce, business, and other local government requirements. The mobile barber shop owner must be informed about the requirements that apply to the mobile barber shop in each jurisdiction where the mobile barber shop operates, and must ensure that the mobile barber shop complies with those requirements.

Sec. 12. Minnesota Statutes 2020, 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. 13. Minnesota Statutes 2020, section 154.08, is amended to read:

154.08 APPLICATION; FEE.

Subdivision 1. Application and fee requirements. 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 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. 14. Minnesota Statutes 2020, 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 less than four~~ 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 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 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 include:

(1) a practical demonstration portion that consists of: a haircut, and three of the following practical services that the board shall determine: shave, beard trim, shampoo, perm wrap, facial, or 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 grading criteria for the written portion of the examination and the passing grade must be established by the board or a board-approved examination provider for each written examination at the time of the examination's preparation. The lowest passing grade established must not be less than 55.

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. 15. Minnesota Statutes 2020, 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. 16. Minnesota Statutes 2020, 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, which in the discretion of the board has curriculum requirements that are equivalent to the requirements in section 154.07 toward the 1,500 hours of study required under section 154.05 if the person:

(1) has a currently active license as a practicing cosmetologist and the license is verified by the issuing state;

(2) has a certificate of registration or equivalent as a practicing cosmetologist and the certificate is verified by the issuing state; 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 requirement of section 154.05, clause (1), the person is eligible for examination.

Sec. 17. Minnesota Statutes 2020, 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~~ nine 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 esthetician;

(4) one advanced practice esthetician;

~~(4)~~ (5) one nail technician; and

(6) one hair technician; and

~~(5)~~ (7) one public member, as defined in section 214.02.

(b) All cosmetologist, esthetician, and nail technician members must be currently licensed in the field of cosmetology, nail technology, or ~~esthetology~~, 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 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 be as provided in chapter 214.

(d) Members appointed to fill vacancies caused by death, resignation, or removal shall serve during the unexpired term of their predecessors.

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

Sec. 18. Minnesota Statutes 2020, 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 ~~practitioner~~, and who has a manager license and provides any services under that license, as defined in subdivision 3.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 19. Minnesota Statutes 2020, section 155A.23, subdivision 11, is amended to read:

Subd. 11. **Instructor.** An "instructor" is any person employed by a school to prepare and present the theoretical and practical education of cosmetology to persons who seek to practice cosmetology. ~~An instructor must maintain an active operator or manager's license in the area in which the instructor holds an instructor's license. As long as an instructor holds an active instructor license, the board must ensure that the instructor's license as an operator or a salon manager in the same field automatically continues to be active. The board must not assess an instructor any fees for an operator or a salon manager license while an instructor holds an active instructor license.~~

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 20. Minnesota Statutes 2020, 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.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 21. Minnesota Statutes 2020, section 155A.23, is amended by adding a subdivision to read:

Subd. 21. **Hair technician.** A "hair technician" is any person who, for compensation, performs personal services for the cosmetic care of hair on the scalp. Hair technician services include cutting hair and the application of dyes, bleach, reactive chemicals, keratin, or other preparations to color or alter the structure of hair. A person who only performs hairstyling as defined by subdivision 19 is not a hair technician.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 22. Minnesota Statutes 2020, section 155A.25, subdivision 1a, is amended to read:

Subd. 1a. **Schedule.** (a) The schedule for fees and penalties is as provided in this subdivision.

(b) Three-year license fees are as follows:

(1) \$195 initial practitioner, manager, or instructor license, divided as follows:

(i) \$155 for each initial license; and

- (ii) \$40 for each initial license application fee;
- (2) \$115 renewal of practitioner license, divided as follows:
 - (i) \$100 for each renewal license; and
 - (ii) \$15 for each renewal application fee;
- (3) \$145 renewal of manager or instructor license, divided as follows:
 - (i) \$130 for each renewal license; and
 - (ii) \$15 for each renewal application fee;
- (4) \$350 initial salon license, divided as follows:
 - (i) \$250 for each initial license; and
 - (ii) \$100 for each initial license application fee;
- (5) \$225 renewal of salon license, divided as follows:
 - (i) \$175 for each renewal; and
 - (ii) \$50 for each renewal application fee;
- (6) \$4,000 initial school license, divided as follows:
 - (i) \$3,000 for each initial license; and
 - (ii) \$1,000 for each initial license application fee; and
- (7) \$2,500 renewal of school license, divided as follows:
 - (i) \$2,000 for each renewal; and
 - (ii) \$500 for each renewal application fee.
- (c) Penalties may be assessed in amounts up to the following:
 - (1) reinspection fee, \$150;
 - (2) manager and owner with expired practitioner found on inspection, \$150 each;
 - (3) expired practitioner or instructor found on inspection, \$200;
 - (4) expired salon found on inspection, \$500;
 - (5) expired school found on inspection, \$1,000;
 - (6) failure to display current license, \$100;

(7) failure to dispose of single-use equipment, implements, or materials as provided under section 155A.355, subdivision 1, \$500;

(8) use of prohibited razor-type callus shavers, rasps, or graters under section 155A.355, subdivision 2, \$500;

(9) performing nail or cosmetology services in esthetician salon, or performing esthetician or cosmetology services in a nail salon, \$500;

(10) owner and manager allowing an operator to work as an independent contractor, \$200;

(11) operator working as an independent contractor, \$100;

(12) refusal or failure to cooperate with an inspection, \$500;

(13) practitioner late renewal fee, \$45; and

(14) salon or school late renewal fee, \$50.

(d) Administrative fees are as follows:

(1) homebound service permit, \$50 three-year fee;

(2) name change, \$20;

(3) certification of licensure, \$30 each;

(4) duplicate license, \$20;

(5) special event permit, \$75 per year;

~~(6) \$100 for each temporary military license for a cosmetologist, nail technician, esthetician, or advanced practice esthetician one year fee;~~

~~(7) expedited initial individual license, \$150;~~

~~(8) expedited initial salon license, \$300;~~

~~(9) instructor continuing education provider approval, \$150 each year; and~~

~~(10) practitioner continuing education provider approval, \$150 each year.~~

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 23. Minnesota Statutes 2020, section 155A.27, subdivision 1, is amended to read:

Subdivision 1. **Licensing.** A person must hold an individual license to practice in the state as a cosmetologist, esthetician, hair technician, nail technician, eyelash technician, advanced practice esthetician, manager, or instructor.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 24. Minnesota Statutes 2020, section 155A.27, subdivision 5a, is amended to read:

Subd. 5a. **Temporary military license.** The board shall establish temporary licenses for a cosmetologist, hair technician, nail technician, and esthetician in accordance with section 197.4552. A temporary license is valid for a three-year license cycle. An applicant may only apply once for a temporary license.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 25. Minnesota Statutes 2020, section 155A.27, subdivision 6, is amended to read:

Subd. 6. **Duration of license.** Licensing in each classification shall be for a period of three years. The board may extend a licensee's operator or salon manager license when issuing a new instructor license to the licensee to match expiration dates.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 26. Minnesota Statutes 2020, section 155A.27, subdivision 10, is amended to read:

Subd. 10. **Nonresident licenses.** (a) A nonresident cosmetologist, hair technician, nail technician, ~~or~~ esthetician, or 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, the Minnesota-specific written operator examination for cosmetologist, hair technician, nail technician, ~~or~~ esthetician, or eyelash technician. If a test is used to verify the qualifications of trained cosmetologists, the test should be translated into the nonresident's native language within the limits of available resources. Licenses shall 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, ~~or~~ esthetician, or eyelash technician. If a test is used to verify the qualifications of trained cosmetologists, the test should 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 supply official English-language translations of all required documents from a board-approved source.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 27. Minnesota Statutes 2020, section 155A.27, is amended by adding a subdivision to read:

Subd. 11. **Reciprocity for barbers.** A barber who has a currently active registration under Minnesota Statutes, chapter 154, may be granted credit, as determined by rule, toward the required hours of study required for licensure in cosmetology or hair technology.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 28. Minnesota Statutes 2020, section 155A.271, subdivision 1, is amended to read:

Subdivision 1. **Continuing education requirements.** (a) To qualify for license renewal under this chapter as an individual cosmetologist, hair technician, nail technician, esthetician, advanced practice esthetician, eyelash technician, or salon manager, the applicant must complete four hours of continuing education credits from a board-approved continuing education provider during the three years prior to the applicant's renewal date. One credit hour of the requirement must include instruction pertaining to state laws and rules governing the practice of cosmetology. Three credit hours must include instruction pertaining to health, safety, and infection control matters consistent with the United States Department of Labor's Occupational Safety and Health Administration standards applicable to the practice of cosmetology, or other applicable federal health, infection control, and safety standards, and must be regularly updated so as to incorporate newly developed standards and accepted professional best practices. Credit hours earned are valid for three years and may be applied simultaneously to all individual licenses held by a licensee under this chapter.

(b) ~~Effective August 1, 2017,~~ In addition to the hours of continuing education credits required under paragraph (a), to qualify for license renewal under this chapter as an individual cosmetologist, hair technician, nail technician, esthetician, advanced practice esthetician, or salon manager, the applicant must also complete a four credit hour continuing education course from a board-approved continuing education provider based on any of the following within the licensee's scope of practice:

- (1) product chemistry and chemical interaction;
- (2) proper use and maintenance of machines and instruments;
- (3) business management, professional ethics, and human relations; or
- (4) techniques relevant to the type of license held.

Credits are valid for three years and must be completed with a board-approved provider of continuing education during the three years prior to the applicant's renewal date and may be applied simultaneously to other individual licenses held as applicable, except that credits completed under this paragraph must not duplicate credits completed under paragraph (a).

(c) Paragraphs (a) and (b) do not apply to an instructor license, a school manager license, or an inactive license.

Sec. 29. Minnesota Statutes 2020, section 155A.29, subdivision 1, is amended to read:

Subdivision 1. **Licensing.** A person must not offer cosmetology services for compensation unless the services are provided by a licensee in a licensed salon or as otherwise provided in this section. ~~Each salon must be licensed as a cosmetology salon, a nail salon, esthetician salon, advanced practice esthetician salon, or eyelash extension salon. A salon may hold more than one type of salon license.~~

Sec. 30. Minnesota Statutes 2020, section 155A.30, subdivision 2, is amended to read:

Subd. 2. **Standards.** The board shall by rule establish minimum standards of course content and length specific to the educational preparation prerequisite to testing and licensing as cosmetologist, hair technician, esthetician, ~~and advanced practice esthetician~~, nail technician, and eyelash technician.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 31. Minnesota Statutes 2020, section 155A.30, subdivision 3, is amended to read:

Subd. 3. **Applications.** Application for a license shall be prepared on forms furnished by the board and shall 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 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 would assure protection of the public as determined by rule; and

(9) a copy of ~~all written material which 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.~~ written materials that the school will use for prospective student enrollment, including the enrollment contract, student handbook, and tuition and fee information.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 32. Minnesota Statutes 2020, section 155A.30, subdivision 4, is amended to read:

Subd. 4. **Verification of application.** Each application shall 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, except that schools in the Minnesota State Colleges and Universities system and secondary schools must provide a signature from the dean, principal, or other authorized signatory.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 33. Minnesota Statutes 2020, 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 for in paragraph (c). ~~Online instruction is permitted for board-approved theory-based classes.~~ Instruction may be given online for theory-based portions of a board-approved curriculum. Practice-based ~~classes~~ portions of a board-approved curriculum must not be given online.

(c) Schools may offer field trips outside of a licensed school building if the field trips are related to the course curriculum for industry educational purposes.

Sec. 34. **BOARD OF COSMETOLOGIST EXAMINERS LICENSING WORKING GROUP.**

The board shall establish a working group to study and report to the legislative committees with jurisdiction over the Board of Cosmetologist Examiners by January 1, 2024, on:

(1) evaluating the salon manager license and school manager license;

(2) evaluating the scope and requirements for special event services and homebound services permits and considering merging both permits; and

(3) evaluating an endorsement-based licensing structure.

Sec. 35. **REVISOR INSTRUCTION.**

The revisor of statutes must change "Board of Cosmetologist Examiners" to "Board of Cosmetology" wherever it appears in Minnesota Statutes.

Sec. 36. **REPEALER.**

Minnesota Rules, parts 2100.2500; 2100.2600; 2100.2900; 2100.3000; and 2100.3200, are repealed.

ARTICLE 5 VETERANS AND MILITARY AFFAIRS APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2021, First Special Session chapter 12, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is the fiscal year ending June 30, 2022. "The second year" is the fiscal year ending June 30, 2023. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2022, are effective the day following final enactment.

APPROPRIATIONS
Available for the Year
Ending June 30
2022 **2023**

Sec. 2. **MILITARY AFFAIRS**

Subdivision 1. **Total Appropriation**

\$-0- **\$2,865,000**

The base is increased \$3,242,000 in fiscal year 2024 and each year thereafter.

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **General Support**

-0- **865,000**

(a) **Holistic Health and Fitness Program.** \$765,000 in fiscal year 2023 is for administrative and payroll costs to create and operate Holistic Health and Fitness (H2F) initiatives across the Minnesota Army National Guard. The base for this program is \$742,000 in fiscal year 2024 and each year thereafter.

(b) **USS Minneapolis-St. Paul Commissioning.** \$100,000 in fiscal year 2023 is for a grant to the Minnesota Navy League to support activities related to the commissioning of the USS Minneapolis-St. Paul. This is a onetime appropriation.

Subd. 3. **Enlistment Incentives**

-0- **2,000,000**

\$2,000,000 in fiscal year 2023 is appropriated from the general fund to the adjutant general of military affairs for the purpose of providing enlistment incentives to attract highly qualified candidates for enlistment in the Minnesota National Guard. The base for this appropriation is \$2,500,000 in fiscal year 2024 and each year thereafter.

Sec. 3. **VETERANS AFFAIRS**

Subdivision 1. **Total Appropriation**

\$500,000 **\$40,514,000**

The base is increased \$10,809,000 in fiscal year 2024 and \$7,491,000 in fiscal year 2025.

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Veterans Programs and Services**

500,000 **40,514,000**

(a) **Base Adjustment.** The base is increased \$10,809,000 in fiscal year 2024 and \$7,491,000 in fiscal year 2025.

(b) **Veterans Bonus Program.** \$24,880,000 in fiscal year 2023 is for service bonuses to Post-9/11 Veterans and Gold Star families under Minnesota Statutes, section 197.79. This is a onetime appropriation.

(c) **Veterans Service Organizations Grant Program.** \$147,000 in fiscal year 2023 and each year thereafter is for grants to congressionally chartered veterans service organizations meeting eligibility requirements under Minnesota Statutes, section 197.61, subdivision 3, as designated by the commissioner.

(d) **County Veterans Service Office Grant Program.** \$450,000 in fiscal year 2023 and each year thereafter is for funding the County Veterans Service Office grant program under Minnesota Statutes, section 197.608.

(e) **Fisher House.** \$500,000 in fiscal year 2023 is for the purpose of supporting the creation of a new Fisher House near the Fargo Veterans Affairs (VA) Medical Center campus. The facility will provide temporary accommodations at no charge to families and caregivers of veterans receiving care at the Fargo VA Health Care System. This is a onetime appropriation and is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

(f) **Redwood Falls State Veterans Cemetery.** \$830,000 in fiscal year 2023 and each year thereafter is for operations of the state's veterans cemeteries, including operations in Redwood County.

(g) **Minnesota Assistance Council for Veterans.** \$8,000,000 in fiscal year 2023 is for a grant to the Minnesota Assistance Council for Veterans to provide assistance throughout Minnesota to veterans and former service members and their families who are homeless or in danger of homelessness, including assistance with the following:

(1) supportive services to maintain housing;

(2) employment;

(3) legal issues;

(4) housing and housing-related costs; and

(5) transportation.

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

This appropriation must be used for the establishment and management of permanent supportive housing options for homeless veterans and former service members.

The base for this appropriation is \$4,200,000 in fiscal year 2024 and \$1,200,000 each year thereafter.

Any unencumbered balance remaining in this subdivision in fiscal year 2023 is available in fiscal years 2024 and 2025.

(h) Increase Engagement and Outreach Activities; Support Temporary Housing Options. \$1,714,000 in fiscal year 2023 and each year thereafter is for temporary alternative housing options for homeless veterans and former service members and for staff to increase outreach activities to end homelessness. The commissioner of veterans affairs may use funds for personnel, research, marketing, and professional or technical contracts.

(i) Tenancy Supports and Landlord Engagement. \$1,100,000 in fiscal year 2023 is for incentives for landlords to assist in housing homeless veterans and former service members, staff, and funding to remove barriers to permanent housing. The commissioner of veterans affairs may use funds for financial assistance, personnel, research, marketing, and professional or technical contracts. The base in fiscal year 2024 and each year thereafter is \$975,000.

(j) Minnesota Veteran Suicide Prevention Initiative. \$2,125,000 in fiscal year 2023 is to address the problem of death by suicide among veterans in Minnesota. The commissioner of veterans affairs may use funds for personnel, training, research, marketing, and professional or technical contracts. Of this amount, the commissioner may use up to:

(1) \$400,000 to initiate a veteran connections pilot project by issuing a request for proposals to identify a community-based, mobile, mental health, and recovery tool to provide a secure environment for veterans to connect with other veterans; and

(2) \$150,000 to develop, in consultation with stakeholders, written information on the safe storage of firearms and means restriction. Stakeholders include organizations representing gun sellers and gun owners and organizations supporting suicide prevention and mental health. The written information must include information on Minnesota Statutes, section 609.666, and on how to store firearms safely, suicide risk factors, suicide lifelines, and mental health crisis services. The commissioner must provide the written information to licensed firearm dealers, shooting ranges, chiefs of police, sheriffs, county public health departments, and instructors on the safe use of firearms to distribute to people buying or using firearms.

The base for this appropriation is \$2,025,000 in fiscal year 2024 and \$2,175,000 in fiscal year 2025.

(k) **Metro Meals on Wheels.** \$468,000 in fiscal year 2023 is for a grant to Metro Meals on Wheels to provide:

(1) home-delivered meals to veterans; and

(2) technical, enrollment, fund-raising, outreach, and volunteer recruitment assistance to member programs.

The base for this appropriation is \$468,000 in fiscal year 2024 and \$0 in fiscal year 2025.

(l) **Veterans Campground Wastewater System Upgrades.** \$800,000 in fiscal year 2023 is for one or more grants to the Veterans Campground on Big Marine Lake, a 501(c)(3) nonprofit organization, to design, engineer, permit, and construct wastewater systems on campground property to increase the capacity of wastewater systems. This is a onetime appropriation.

Sec. 4. Laws 2021, First Special Session chapter 12, article 1, section 37, subdivision 2, is amended to read:

Subd. 2. **Veterans Programs and Services**

27,073,000

22,153,000

(a) **CORE Program.** \$750,000 each year is for the Counseling and Case Management Outreach Referral and Education (CORE) program.

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

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

(1) utilities;

(2) employment; and

(3) legal issues.

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

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

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

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

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

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

(i) **Veteran Homelessness Initiative.** \$3,165,000 each year is for an initiative to prevent and end veteran homelessness. The commissioner of veterans affairs may provide housing vouchers and other services to alleviate homelessness among veterans and former service members in Minnesota. The commissioner may contract for program administration and may establish a vacancy reserve fund. The base for this appropriation in fiscal year 2024 and each year thereafter is \$1,311,000.

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

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

(l) **Veterans Veteran Resilience Project.** \$400,000 each year is for a grant to the ~~veterans~~ veteran resilience project. Grant funds must be used to make eye movement desensitization and

reprocessing therapy available to veterans and current military service members who are suffering from posttraumatic stress disorder ~~and~~ or trauma. The base for this appropriation in fiscal year 2024 and each year thereafter is \$200,000.

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

(m) **9/11 Task Force.** \$500,000 the first year is for the Advisory Task Force on 9/11 and Global War on Terrorism Remembrance. The task force must collect, memorialize, and publish stories of Minnesotans' service in the Global War on Terrorism and impacts on their dependents. The task force must host a remembrance program in September 2021. This is a onetime appropriation.

ARTICLE 6 VETERANS AND MILITARY AFFAIRS POLICY

Section 1. Minnesota Statutes 2021 Supplement, section 196.081, is amended to read:

196.081 VETERANS STABLE HOUSING INITIATIVE; DATA; REPORT.

Subdivision 1. Veterans stable housing initiative. (a) The commissioner may establish a veterans stable housing initiative. If the commissioner establishes a veterans stable housing initiative under this section, the commissioner must provide resources and support to assist veterans experiencing homelessness in obtaining or maintaining stable housing.

(b) Data on individuals maintained by the commissioner in the Homeless Veteran Registry for purposes of the veterans stable housing initiative is private data on individuals as defined in section 13.02, subdivision 12, and must not be disclosed or shared except for coordinating homelessness prevention efforts with:

- (1) members of the Minnesota Interagency Council on Homelessness; and
- (2) Homeless Veteran Registry partners to address a veteran's episode of homelessness or maintain a veteran's housing plan through Department of Veterans Affairs funded programs.
- (c) For purposes of this section, "homelessness" means that a veteran lacks a fixed, nighttime residence.

Subd. 2. Annual report. Beginning January 15, 2023, and each year thereafter, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs and housing on the department's homelessness activities. The report must include the annual inflow and outflow of former service members on the homeless veteran registry, the number of currently homeless former service members, the utilization of homeless programs to prevent and end a former service member's episode of homelessness, and identify trends in the homeless response system.

Sec. 2. Minnesota Statutes 2020, section 197.608, subdivision 4, is amended to read:

Subd. 4. **Grant process.** (a) The commissioner shall determine the process for awarding grants. A grant may be used only for the purpose of enhancing the operations of the County Veterans Service Office.

(b) The commissioner shall provide a list of qualifying uses for grant expenditures as developed in subdivision 5 and shall approve a grant under subdivision 6 only for a qualifying use and if there are sufficient funds remaining in the grant program to cover the full amount of the grant.

(c) The commissioner is authorized to use any unexpended funding for this program ~~to provide training and education for county veterans service officers.~~ for the following purposes:

(1) to provide training and education for county veterans service officers; and

(2) to provide additional grants on a competitive basis to any county that proposes to provide programs and services that the commissioner determines to be new and innovative in serving veterans and their families.

Sec. 3. Minnesota Statutes 2020, section 197.608, subdivision 6, is amended to read:

Subd. 6. **Grant amount.** (a) Each county is eligible to receive an annual grant of \$7,500 for the following purposes:

(1) to provide outreach to the county's veterans;

(2) to assist in the reintegration of combat veterans into society;

(3) to collaborate with other social service agencies, educational institutions, and other community organizations for the purposes of enhancing services offered to veterans;

(4) to reduce homelessness among veterans; and

(5) to enhance the operations of the county veterans service office.

(b) In addition to the grant amount in paragraph (a), each county is eligible to receive an additional annual grant under this paragraph. The amount of each additional annual grant must be determined by the commissioner and may not exceed:

(1) \$0, if the county's veteran population is less than 1,000;

(2) \$2,500, if the county's veteran population is 1,000 or more but less than 3,000;

(3) \$5,000, if the county's veteran population is 3,000 or more but less than ~~4,999~~ 5,000;

(4) \$7,500, if the county's veteran population is 5,000 or more but less than ~~9,999~~ 10,000;

(5) \$10,000, if the county's veteran population is 10,000 or more but less than ~~19,999~~ 20,000;

(6) \$15,000, if the county's veteran population is 20,000 or more but less than ~~29,999~~ 30,000; or

(7) \$20,000, if the county's veteran population is 30,000 or more.

(c) The Minnesota Association of County Veterans Service Officers is eligible to receive an annual grant of ~~\$50,000~~ \$100,000. The grant shall be used for administrative costs of the association, certification of mandated county veterans service officer training and accreditation, and costs associated with reintegration services.

The veteran population of each county shall be determined by the figure supplied by the United States Department of Veterans Affairs, as adopted by the commissioner.

Sec. 4. **[197.61] VETERANS SERVICE ORGANIZATIONS GRANT PROGRAM.**

Subdivision 1. Grant program. A veterans service organization grant program is established to provide grants to congressionally chartered veterans service organizations (VSO) to enhance the effectiveness of veterans services. The program shall be administered by the commissioner of veterans affairs.

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

(b) "Accredited representation" means providing representation under the authority granted by the VA to representatives, agents, and attorneys to assist claimants in the preparation, presentation, and prosecution of claims for VA benefits.

(c) "Commissioner" means the commissioner of veterans affairs or a designee.

(d) "Congressionally chartered veterans service organizations" are organizations that have been granted charters by Congress through the enactment of public laws. Each congressionally chartered VSO is listed in United States Code, title 36, subtitle II: Patriotic and National Organizations.

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

(f) "Full member" means a veteran who meets the requirements for membership in a congressionally chartered veterans service organization and is entitled to all of the rights and privileges thereof. Full member does not include an associate or auxiliary member.

(g) "VA" means the United States Department of Veterans Affairs.

Subd. 3. Eligibility. To be eligible for a grant under subdivision 6, a veterans service organization must provide:

(1) accredited representation for the preparation and presentation of veteran claims to the United States government for compensation and other benefits to which a veteran is entitled as a result of the veteran's military service;

(2) a state or department level veterans service officer to provide programs and services to veterans; or

(3) statewide transportation services to veterans.

Subd. 4. Grant process. (a) A grant may be used only for the purpose of enhancing the operations of congressionally chartered veterans service organizations.

(b) The commissioner shall provide a list of qualifying uses for grant expenditures as required in subdivision 5 and shall approve a grant for a qualifying use if there is sufficient grant money remaining in the grant program to cover the full amount of the grant.

Subd. 5. **Qualifying uses.** The commissioner shall develop a list of qualifying uses for grants awarded under this section.

Subd. 6. **Grant amount.** (a) Each congressionally chartered veterans service organization is eligible to receive an annual grant determined by the commissioner as follows:

(1) a dollar amount per full member for each organization member to be established by the commissioner. The dollar amount may be adjusted every biennium, subject to available funding; and

(2) a dollar amount for each organization, established by the commissioner, based on the organization's share of the VA claims workload for veterans and their dependents who reside in Minnesota. The VA claims workload must be reported as a percentage of the state's total VA workload.

(b) The VA claims workload for each congressionally chartered veterans service organization must be determined by a report supplied by the VA, as adopted by the commissioner.

Subd. 7. **Recapture.** If a congressionally chartered veterans service organization fails to use the grant for a qualified use approved by the commissioner or does not spend the allocated grant money, the commissioner shall seek recovery of the grant from the organization and the organization must repay the grant amount or any unused grant money.

Sec. 5. Minnesota Statutes 2020, section 197.79, subdivision 1, is amended to read:

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

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

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

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

(1) the surviving spouse, if not remarried;

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

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

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

(5) the veteran's estate.

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

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

(f) "Eligibility period for the bonus" means the period from ~~August 2, 1990, to July 31, 1991~~ September 11, 2001, to August 30, 2021.

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

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

(1) an honorable discharge;

(2) a general discharge under honorable conditions;

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

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

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

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

(1) has been separated or discharged from the United States armed forces, and ~~whose home of record at the time of entry into active duty in the United States armed forces, as indicated on the person's form DD-214 or other documents the commissioner may authorize, is the state of Minnesota~~ has lived in Minnesota for at least 30 days at the time of application with the intention of residing in the state and not for any temporary purpose. An applicant may verify a residence address by presenting a valid state driver's license; a state identification card; a voter registration card; a rent receipt; a statement by the landlord, apartment manager, or homeowner verifying that the individual is residing at the address; or other form of verification approved by the commissioner; or

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

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

(l) "Veteran" has the meaning given in section 197.447; and does not include a member of the National Guard or the reserve components of the United States armed forces ordered to active duty for the sole purpose of training. Veteran also includes:

(1) a person who is providing honorable service on active duty in the United States armed forces and has not been separated or discharged; ~~or,~~

~~(2) a member of a reserve component of the armed forces of the United States, including the National Guard, who was ordered to active duty under United States Code, title 10, section 673b, during the eligibility period for the bonus and who was deployed to a duty station outside the state of Minnesota, as verified by the appropriate service authority. An applicant's DD-214 form showing eligibility for or award of the Southwest Asia service medal during the eligibility period for the bonus will suffice as verification.~~

~~"Veteran" does not include a member of the National Guard or the reserve components of the United States armed forces ordered to active duty for the sole purpose of training.~~

Sec. 6. Minnesota Statutes 2020, section 197.79, subdivision 2, is amended to read:

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

(1) ~~\$300~~ \$600, if the veteran did not receive the ~~Southwest Asia service medal~~ Armed Forces Expeditionary Medal, Global War on Terrorism Expeditionary Medal, Iraq Campaign Medal, or Afghanistan Campaign Medal during the eligibility period for the bonus;

(2) ~~\$600~~ \$1200, if the veteran received the ~~Southwest Asia service medal~~ Armed Forces Expeditionary Medal, Global War on Terrorism Expeditionary Medal, Iraq Campaign Medal, or Afghanistan Campaign Medal during the eligibility period for the bonus; or

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

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

~~(c) No payment may be made to a veteran or beneficiary who has received a similar bonus payment from another state.~~

Sec. 7. Minnesota Statutes 2020, section 197.79, subdivision 3, is amended to read:

Subd. 3. **Application process.** A veteran, or the beneficiary of a veteran, entitled to a bonus may make application for a bonus to the department ~~on a form as~~ prescribed by the commissioner and verified by the applicant. If the veteran is ~~incompetent~~ incapacitated or the veteran's beneficiary is a minor or ~~incompetent~~ incapacitated, the application must be made by the person's guardian or conservator. An application must be accompanied by evidence of residency, honorable service, active duty service during the eligibility period for the bonus, and any other information the commissioner requires. The applicant must indicate on the application form the bonus amount for which the applicant expects to be eligible.

If the information provided in the application is incomplete, the department must notify the applicant in writing of that fact and must identify the items of information needed to make a determination. After notifying an applicant that the person's application is incomplete, the department shall hold the application open for up to 120 days while awaiting further information from the applicant, and the applicant may submit that information within the 120-day period without filing an appeal and request for review.

Sec. 8. Minnesota Statutes 2020, section 197.79, subdivision 5, is amended to read:

Subd. 5. **Notices.** Notices and correspondence to an applicant must be directed to the applicant by mail at the address listed in the application or electronically. Notices and correspondence to the commissioner must be addressed to the commissioner's office in St. Paul or the designated department system.

Sec. 9. Minnesota Statutes 2020, section 197.79, subdivision 10, is amended to read:

Subd. 10. **Deadline for applications.** The application period for the bonus program established in this section shall be November 1, 1997, to June 30, 2004 July 1, 2022, to June 30, 2024. The department may not receive or accept new applications after June 30, 2004 2024.

ARTICLE 7 TEMPORARY POSTRETIREMENT ADJUSTMENTS

Section 1. TEMPORARY POSTRETIREMENT ADJUSTMENTS.

On January 31, 2023, and January 31, 2024, each pension plan that is a covered retirement plan listed in Minnesota Statutes, section 356.32, subdivision 2, the judges retirement plan, and the unclassified employees retirement plan must pay to each individual who is receiving an annuity from the plan a lump sum payment equal to 2.5 percent of the annual amount received by the individual for the prior calendar year. If the lump sum payment is an eligible rollover distribution, as defined in Minnesota Statutes, section 356.635, subdivisions 4 and 5, the plan must permit the individual to elect a direct rollover, as provided under Minnesota Statutes, section 356.635, subdivisions 3 to 7.

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

ARTICLE 8 ACTUARIAL ASSUMPTION FOR INVESTMENT RATE OF RETURN

Section 1. Minnesota Statutes 2020, section 356.215, subdivision 8, is amended to read:

Subd. 8. **Actuarial assumptions.** (a) The actuarial valuation must use the applicable following investment return assumption:

plan	investment return assumption
general state employees retirement plan	7.5% 7%
correctional state employees retirement plan	7.5 7
State Patrol retirement plan	7.5 7
legislators retirement plan, and for the constitutional officers calculation of total plan liabilities	0
judges retirement plan	7.5 7
general public employees retirement plan	7.5 7

public employees police and fire retirement plan	7.5 7
local government correctional service retirement plan	7.5 7
teachers retirement plan	7.5 7
St. Paul teachers retirement plan	7.5 7
Bloomington Fire Department Relief Association	6
local monthly benefit volunteer firefighter relief associations	5
monthly benefit retirement plans in the statewide volunteer firefighter retirement plan	6

(b) The actuarial valuation for each of the covered retirement plans listed in section 356.415, subdivision 2, and the St. Paul Teachers Retirement Fund Association must take into account the postretirement adjustment rate or rates applicable to the plan as specified in section 354A.29, subdivision 7, or 356.415, whichever applies.

(c) The actuarial valuation must use the applicable salary increase and payroll growth assumptions found in the appendix to the standards for actuarial work adopted by the Legislative Commission on Pensions and Retirement pursuant to section 3.85, subdivision 10. The appendix must be updated whenever new assumptions have been approved or deemed approved under subdivision 18.

(d) The assumptions set forth in the appendix to the standards for actuarial work continue to apply, unless a different salary assumption or a different payroll increase assumption:

(1) has been proposed by the governing board of the applicable retirement plan;

(2) is accompanied by the concurring recommendation of the actuary retained under section 356.214, subdivision 1, if applicable, or by the approved actuary preparing the most recent actuarial valuation report if section 356.214 does not apply; and

(3) has been approved or deemed approved under subdivision 18.

EFFECTIVE DATE. This section is effective June 30, 2022.

ARTICLE 9 DIRECT STATE AID

Section 1. Minnesota Statutes 2020, section 353.65, subdivision 3b, is amended to read:

Subd. 3b. **Direct state aid.** (a) ~~The state shall pay \$4,500,000 on October 1, 2018, and October 1, 2019, to the public employees police and fire retirement plan.~~ By October 1 of each year ~~after 2019~~, the state shall pay ~~\$9,000,000~~ \$13,500,000 to the public employees police and fire retirement plan. The commissioner of management and budget shall pay the aid specified in this subdivision. The amount required is annually appropriated from the general fund to the commissioner of management and budget.

(b) The aid under paragraph (a) continues until the earlier of:

(1) the first day of the fiscal year following the fiscal year in which the actuarial value of assets of the fund equals or exceeds 100 percent of the actuarial accrued liabilities as reported by the actuary retained under section 356.214 in the annual actuarial valuation prepared under section 356.215; or

(2) July 1, ~~2048~~ 2068.

Sec. 2. Minnesota Statutes 2020, section 354A.12, subdivision 3a, is amended to read:

Subd. 3a. **Direct state aid to first class city teachers retirement fund associations.** (a) The state shall pay \$2,827,000 to the St. Paul Teachers Retirement Fund Association.

(b) In addition to other amounts specified in this subdivision, the state shall pay \$7,000,000 as state aid to the St. Paul Teachers Retirement Fund Association.

(c) In addition to the amounts specified in paragraphs (a) and (b), the state shall pay ~~\$5,000,000~~ \$7,500,000 as state aid to the St. Paul Teachers Retirement Fund Association.

(d) The aid under this subdivision is payable October 1 annually. The commissioner of management and budget shall pay the aid specified in this subdivision. The amount required is appropriated annually from the general fund to the commissioner of management and budget.

Sec. 3. Minnesota Statutes 2020, section 354A.12, subdivision 3c, is amended to read:

Subd. 3c. **Termination of supplemental contributions and direct matching and state aid.** (a) The supplemental contributions payable to the St. Paul Teachers Retirement Fund Association by Independent School District No. 625 under section 423A.02, subdivision 3, and the aid under subdivision 3a, paragraphs (a) and (b), continue until the earlier of:

(1) the first day of the fiscal year following the year in which the actuarial value of assets of the fund equals or exceeds 100 percent of the actuarial accrued liability as reported by the actuary retained under section 356.214 in the most recent annual actuarial valuation prepared under section 356.215; or

(2) July 1, 2048.

(b) The aid under subdivision 3a, paragraph (c), continues until the earlier of:

(1) the first day of the fiscal year following the fiscal year in which the actuarial value of assets of the fund equals or exceeds 100 percent of the actuarial accrued liabilities as reported by the actuary retained under section 356.214 in the annual actuarial valuation prepared under section 356.215; or

(2) July 1, ~~2048~~ 2068.

Sec. 4. Minnesota Statutes 2020, section 490.123, subdivision 5, is amended to read:

Subd. 5. **Direct state aid.** (a) The state shall pay ~~\$6,000,000~~ \$9,000,000 annually to the judges' retirement fund. The aid is payable each July 1. The amount required is annually appropriated from the general fund to the judges' retirement fund.

(b) The aid under paragraph (a) continues until the earlier of:

(1) the first day of the fiscal year following the fiscal year in which the actuarial value of assets of the fund equals or exceeds 100 percent of the actuarial accrued liabilities as reported by the actuary retained under section 356.214 in the annual actuarial valuation prepared under section 356.215; or

(2) July 1, ~~2048~~ 2068.

Sec. 5. **EFFECTIVE DATE.**

Sections 1 to 4 are effective June 30, 2022.

ARTICLE 10
PENSION PLANS APPROPRIATION

Section 1. **APPROPRIATION.**

(a) \$390,000,000 in fiscal year 2023 is appropriated from the general fund to the pension plans specified in paragraph (b), to be allocated by the commissioner of management and budget among the pension plans in the same ratio that the market value of assets as of the most recent June 30 for each pension plan bears to the sum of the market value of assets for all specified pension plans as of the most recent June 30. This is a onetime appropriation.

(b) The amount appropriated under paragraph (a) shall be allocated among the following pension plans:

(1) the general state employees retirement plan of the Minnesota State Retirement System;

(2) the general employees retirement plan of the Public Employees Retirement Association;

(3) the Teachers Retirement Association;

(4) the St. Paul Teachers Retirement Fund Association;

(5) the State Patrol retirement plan;

(6) the public employees police and fire plan of the Public Employees Retirement Association;

(7) the correctional state employees retirement plan of the Minnesota State Retirement System;

(8) the local government correctional service retirement plan of the Public Employees Retirement Association; and

(9) the judges' retirement plan.

(c) The commissioner of management and budget must determine the amount of the allocation under paragraph (a) for each pension plan specified in paragraph (b). Each allocation is directly appropriated to the pension fund for each pension plan by the commissioner. The commissioner must report the amounts appropriated under this section to the chairs and ranking minority members of the house of representatives Ways and Means Committee and the senate Finance Committee by August 15, 2022.

EFFECTIVE DATE. This section is effective June 30, 2022.

ARTICLE 11
TRANSPORTATION APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are added to the appropriations in Laws 2021, First Special Session chapter 5, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the trunk highway fund, or another named fund, and are available for the fiscal years indicated for each purpose. Amounts for "Total Appropriation" and sums shown in the corresponding columns marked "Appropriations by Fund" are summary only and do not have legal effect. The figures "2022" and "2023" used in this article mean that the addition to the appropriations listed under them is available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2022, are effective the day following final enactment.

APPROPRIATIONS
Available for the Year
Ending June 30
2022 **2023**

Sec. 2. **DEPARTMENT OF TRANSPORTATION**

Subdivision 1. **Total Appropriation** **\$197,423,000** **\$430,534,000**

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>-0-</u>	<u>189,715,000</u>
<u>Airports</u>	<u>-0-</u>	<u>5,500,000</u>
<u>Trunk Highway</u>	<u>197,423,000</u>	<u>235,319,000</u>

The appropriations in this section are to the commissioner of transportation.

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Multimodal Systems**

(a) **Aeronautics**

(1) **Aviation Support Services** -0- 7,000,000

This appropriation is from the general fund to purchase two utility aircraft for the Department of Transportation. This is a onetime appropriation.

(2) **IJA Match** -0- 5,500,000

This appropriation is from the state airports fund for expenditure in accordance with Minnesota Statutes, section 360.305, subdivision 4. This is a onetime appropriation.

(b) Transit and Active Transportation**(1) IIJA Match; Operating Adjustment**

-0-

10,000,000

This appropriation is from the general fund for the public transit participation program under Minnesota Statutes, section 174.24. This is a onetime appropriation.

(2) Active Transportation

-0-

12,500,000

This appropriation is from the general fund for the active transportation program under Minnesota Statutes, section 174.38. This is a onetime appropriation and is available until June 30, 2024.

The base is \$6,150,000 in each of fiscal years 2024 and 2025.

(c) Safe Routes to School

-0-

1,859,000

This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40. This is a onetime appropriation.

(d) Passenger Rail**(1) Rail Service**

-0-

740,000

This appropriation is from the general fund for operating costs related to second daily passenger rail train service between Minneapolis and St. Paul and Chicago.

The base is \$1,490,000 in fiscal year 2024 and \$2,200,000 in fiscal year 2025.

(2) Northern Lights Express

-0-

51,000,000

This appropriation is from the general fund for capital improvements and betterments, including preliminary engineering, design, engineering, environmental analysis and mitigation, acquisition of land and right-of-way, and construction of the Minneapolis-Duluth Northern Lights Express inter-city passenger rail project. This appropriation is available until June 30, 2027.

The base is \$17,000,000 in each of fiscal years 2024 and 2025 and \$0 in fiscal year 2026 and thereafter.

(e) Freight

-0-

1,000,000

This appropriation is from the general fund for Minnesota rail service improvement program grants under Minnesota Statutes, section 222.50. This is a onetime appropriation.

Subd. 3. State Roads

(a) **Operations and Maintenance** 4,000,000 8,805,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	-0-	<u>1,000,000</u>
<u>Trunk Highway</u>	<u>4,000,000</u>	<u>7,805,000</u>

\$330,000 in fiscal year 2023 from the trunk highway fund is to acquire, build, plant, and improve living snow fences consisting of trees, shrubs, native grasses, and wildflowers. This appropriation includes costs of acquiring and planting trees and shrubs that are climate adaptive to Minnesota, contracts, easements, rental agreements, and program delivery.

\$1,000,000 in fiscal year 2023 from the general fund is for the highways for habitat program under Minnesota Statutes, section 160.2325. This is a onetime appropriation.

The base is \$367,681,000 in each of fiscal years 2024 and 2025.

(b) **Program Delivery** -0- 10,802,000

This appropriation includes use of consultants to support development and management of projects.

The base is \$242,920,000 in fiscal year 2024 and \$244,101,000 in fiscal year 2025.

(c) **State Road Construction** 191,223,000 213,463,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	-0-	<u>2,000,000</u>
<u>Trunk Highway</u>	<u>191,223,000</u>	<u>211,463,000</u>

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts, internal department costs associated with delivering the construction program, consultant usage to support these activities, and the cost of actual payments to landowners for lands acquired for highway rights-of-way, payment to lessees, interest subsidies, and relocation expenses.

\$2,000,000 in fiscal year 2023 from the general fund is to acquire, build, plant, and improve living snow fences consisting of trees, shrubs, native grasses, and wildflowers. This appropriation

includes costs of acquiring and planting trees and shrubs that are climate adaptive to Minnesota, contracts, easements, rental agreements, and program delivery. This is a onetime appropriation and is available until June 30, 2026.

The base for the trunk highway fund is \$1,148,794,000 in fiscal year 2024 and \$1,160,413,000 in fiscal year 2025.

(d) **Highway Debt Service** -0- 1,511,000

Any excess appropriation cancels to the trunk highway fund.

(e) **Statewide Radio Communications** -0- 2,000,000

This appropriation is from the general fund to predesign, design, construct, equip, and furnish the system backbone of the public safety radio and communication system plan under Minnesota Statutes, section 403.36. This is a onetime appropriation and is available until June 30, 2025.

Subd. 4. Local Roads

(a) **County State-Aid Highways**

(1) **IIJA Match** -0- 30,868,000

This appropriation is from the general fund for county state-aid highways, to be distributed in the manner provided under Minnesota Statutes, chapter 162. This is a onetime appropriation.

(2) **Town Roads** -0- 4,000,000

This appropriation is from the general fund for town roads, to be distributed in the manner provided under Minnesota Statutes, section 162.081. This is a onetime appropriation.

(b) **Municipal State-Aid Streets; IIJA Match** -0- 9,748,000

This appropriation is from the general fund for municipal state-aid streets, to be distributed in the manner provided under Minnesota Statutes, chapter 162. This is a onetime appropriation.

(c) **Small Cities Assistance** -0- 10,000,000

This appropriation is from the general fund for the small cities assistance program under Minnesota Statutes, section 162.145.

The base is \$10,000,000 in each of fiscal years 2024 and 2025.

Subd. 5. Agency Management

(a) <u>Agency Services</u>	<u>-0-</u>	<u>3,378,000</u>
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The base for the trunk highway fund is \$66,784,000 in fiscal year 2024 and \$67,192,000 in fiscal year 2025.

(b) <u>Buildings</u>	<u>2,200,000</u>	<u>-0-</u>
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This appropriation is to predesign, design, construct, and equip the Hutchinson Area Transportation Services addition.

(c) IIJA Match and Funding Maximization

(1) <u>Federal Funds Local Assistance</u>	<u>-0-</u>	<u>36,800,000</u>
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This appropriation is from the general fund for the federal funds local assistance program under Minnesota Statutes, section 174.125. This is a onetime appropriation and is available until June 30, 2026.

(2) <u>Federal Grants Technical Assistance</u>	<u>-0-</u>	<u>400,000</u>
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This appropriation is from the general fund for federal grants technical assistance under Minnesota Statutes, section 174.127.

The base is \$400,000 in each of fiscal years 2024 and 2025.

(3) <u>Electric Vehicle Infrastructure</u>	<u>-0-</u>	<u>6,800,000</u>
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This appropriation is from the general fund for the match requirements for formula and discretionary grant programs enacted in the federal Infrastructure Investment and Jobs Act, Public Law 117-58, related to electric vehicle infrastructure and alternative fuel corridors. From this amount, the commissioner may make grants to local units of government. This is a onetime appropriation and is available until June 30, 2026. If the match requirements are met, the commissioner may expend any unspent portion of this appropriation under the federal funds local assistance program in Minnesota Statutes, section 174.125.

The base is \$3,400,000 in each of fiscal years 2024 and 2025.

(4) <u>Climate Funding Maximization</u>	<u>-0-</u>	<u>2,000,000</u>
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This appropriation is from the general fund for implementation of climate-related programs under the federal Infrastructure Investment and Jobs Act, Public Law 117-58.

The base is \$2,000,000 in each of fiscal years 2024 and 2025.

Sec. 3. **METROPOLITAN COUNCIL**

Subdivision 1. **Total Appropriation**

\$-0-

\$31,180,000

The appropriations in this section are from the general fund to the Metropolitan Council.

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Transit System Operations**

(a) **IIJA Match; Operating Adjustment**

-0-

20,075,000

This appropriation is for transit system operations under Minnesota Statutes, sections 473.371 to 473.449. This is a onetime appropriation.

\$75,000 in fiscal year 2023 is for transit signal priority systems planning.

(b) **Zero-Emission Bus Transition**

-0-

5,000,000

This appropriation is for zero-emission bus procurement, charging infrastructure, and associated costs, in conformance with the zero-emission and electric transit vehicle transition plan under Minnesota Statutes, section 473.3927.

The base is \$5,000,000 in each of fiscal years 2024 and 2025 and \$0 in fiscal year 2026 and thereafter.

(c) **Arterial Bus Rapid Transit Planning**

-0-

500,000

This appropriation is for arterial bus rapid transit planning on the J, K, and L Line projects.

The base is \$500,000 in each of fiscal years 2024 and 2025.

(d) **Transit Shelter Improvements**

-0-

2,000,000

This appropriation is for transit shelter replacement and improvements under Minnesota Statutes, section 473.41. This is a onetime appropriation.

Subd. 3. **Microtransit Service**

-0-

1,300,000

This appropriation is for financial assistance to replacement service providers under Minnesota Statutes, section 473.388, to provide expansion and improvements to demand response transit service. The council must make grants to Maple Grove Transit, Minnesota

Valley Transit Authority, Plymouth Metrolink, and SouthWest Transit in the amounts specified by the Suburban Transit Association. The council must not retain any portion of the funds under this appropriation. This is a onetime appropriation.

Subd. 4. Transit Fare Temporary Reduction

-0-

2,305,000

(a) This appropriation is for transit system operations under Minnesota Statutes, sections 473.371 to 473.449, to provide for foregone revenue due to the requirements in paragraph (b). From this amount, the Metropolitan Council must provide grants to replacement service providers under Minnesota Statutes, section 473.388, in amounts that reflect calculated foregone revenue for each provider due to the requirements in paragraph (b). This is a onetime appropriation.

(b) From July 1, 2022, to August 31, 2022, the Metropolitan Council must: (1) establish a uniform fare schedule that does not exceed \$1 for all bus and light rail transit service during peak and nonpeak service hours, including but not limited to express bus and bus rapid transit; and (2) establish a discount under the student, collegiate, and Metropass transit pass programs. The Metropolitan Council may adjust any other reduced, discounted, and circulation fares accordingly.

(c) After accounting for foregone revenue, the Metropolitan Council may use any remaining funds from the appropriation in this subdivision for transit shelter replacement and improvements under Minnesota Statutes, section 473.41.

Sec. 4. DEPARTMENT OF PUBLIC SAFETY

Subdivision 1. Total Appropriation

\$4,325,000

\$8,182,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>400,000</u>	<u>3,705,000</u>
<u>Special Revenue</u>	<u>3,925,000</u>	<u>2,477,000</u>
<u>Trunk Highway</u>	<u>-0-</u>	<u>2,000,000</u>

The appropriations in this section are from the general fund, or another named fund, to the commissioner of public safety.

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Administration and Related Services

(a) Public Safety Officer Survivor Benefits

-0-

1,000,000

This appropriation is from the general fund for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44.

The base is \$1,640,000 in each of fiscal years 2024 and 2025.

(b) Soft Body Armor Reimbursements

400,000

205,000

This appropriation is from the general fund for soft body armor reimbursements under Minnesota Statutes, section 299A.38.

The base is \$950,000 in each of fiscal years 2024 and 2025.

Subd. 3. State Patrol; Commercial Vehicle Enforcement

-0-

2,000,000

This appropriation is from the trunk highway fund.

The base is \$15,110,000 in each of fiscal years 2024 and 2025.

Subd. 4. Driver and Vehicle Services

(a) Driver Services

-0-

2,286,000

This appropriation is from the driver services operating account in the special revenue fund under Minnesota Statutes, section 299A.705, subdivision 2.

\$1,029,000 in fiscal year 2023 is for installation and maintenance of security cameras at Driver and Vehicle Services exam sites that are open five or more days per week and for replacement of existing security cameras at the St. Paul examination station. This is a onetime appropriation.

\$153,000 in fiscal year 2023 is for the ongoing costs, including costs of staff and information technology operations, of the security cameras installed at Driver and Vehicle Services examination sites.

\$100,000 in fiscal year 2023 is for reimbursement to deputy registrars and driver's license agents for the purchase and installation of security cameras at deputy registrar or driver's license agent office locations. Deputy registrars and driver's license agents may submit an application to the commissioner for reimbursement of funds spent to purchase and install security cameras. Upon approval of an application for reimbursement, the commissioner must pay the applicant the lesser of one-half the purchase and installation price or \$5,000. When approving applications, the commissioner must prioritize offices that do not currently have security cameras installed. This is a onetime appropriation.

\$91,000 in fiscal year 2023 is for data auditing capacity enhancements, including costs of staff and equipment.

\$750,000 in fiscal year 2023 is for reimbursement to limited-service driver's license agents for the purchase of equipment necessary for a full-service provider, as defined in section 171.01, subdivision 33a, following application to the commissioner. The commissioner may provide no more than \$15,000 to each driver's license agent. This is a onetime appropriation.

\$80,000 in fiscal year 2023 is for card vendor costs to implement the requirements under Minnesota Statutes, section 171.301. This is a onetime appropriation.

\$83,000 in fiscal year 2023 is only available if legislation is enacted in the 2022 regular legislative session that establishes requirements for the commissioner of public safety governing a watercraft operator's permit indicator on drivers' licenses and Minnesota identification cards, and this amount is for the applicable implementation costs.

The base is \$36,640,000 in each of fiscal years 2024 and 2025.

(b) Vehicle Services

3,925,000

191,000

This appropriation is from the vehicle services operating account in the special revenue fund under Minnesota Statutes, section 299A.705.

\$3,925,000 in fiscal year 2022 is for the mailing and production costs of license plates.

\$90,000 in fiscal year 2023 is for data auditing capacity enhancements, including costs of staff and equipment.

\$101,000 in fiscal year 2023 is for an appeals process for information technology system data access revocations, including costs of staff and equipment.

The base is \$33,970,000 in each of fiscal years 2024 and 2025.

Subd. 5. Traffic Safety

-0-

2,500,000

This appropriation is from the general fund for traffic safety activities, including: (1) for staff and operating costs of the Traffic Safety Advisory Council under Minnesota Statutes, section 4.075; (2) to develop the speed safety camera pilot project implementation plan under article 3, section 58; and (3) to expand public outreach and education, coordination and assistance on traffic safety initiatives, grants, and program and project management.

The commissioner may expend up to \$20,000 in fiscal year 2023 from the driver and vehicle services technology account in the special revenue fund under Minnesota Statutes, section 299A.705, for records access enhancements to the MNCrash information technology system.

The base for the general fund is \$2,978,000 in each of fiscal years 2024 and 2025.

Sec. 5. Laws 2021, First Special Session chapter 5, article 1, section 4, subdivision 3, is amended to read:

Subd. 3. **State Patrol**

(a) **Patrolling Highways** 113,823,000 112,170,000

Appropriations by Fund

	2022	2023
General	37,000	37,000
H.U.T.D.	92,000	92,000
Trunk Highway	113,694,000	112,041,000

\$3,524,000 in fiscal year 2022 and \$2,822,000 in fiscal year 2023 are from the trunk highway fund for the purchase, deployment, and management of body-worn cameras.

\$7,718,000 in fiscal year 2022 and \$6,767,000 in fiscal year 2023 are from the trunk highway fund for staff and equipment costs of additional patrol troopers.

(b) **Commercial Vehicle Enforcement** 10,180,000 10,046,000

\$494,000 in fiscal year 2022 and \$360,000 in fiscal year 2023 are for the purchase, deployment, and management of body-worn cameras.

(c) **Capitol Security** 20,610,000 16,667,000

This appropriation is from the general fund.

\$449,000 in fiscal year 2022 and \$395,000 in fiscal year 2023 are for the purchase, deployment, and management of body-worn cameras.

Up to \$8,863,000 in fiscal year 2022 and \$4,420,000 in fiscal year 2023 are available for staff and equipment costs of additional troopers and nonsworn officers.

The commissioner must not:

- (1) spend any money from the trunk highway fund for capitol security; or

(2) permanently transfer any state trooper from the patrolling highways activity to capitol security.

The commissioner must not transfer any money appropriated to the commissioner under this section:

(1) to capitol security; or

(2) from capitol security.

(d) Vehicle Crimes Unit	888,000	884,000
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This appropriation is from the highway user tax distribution fund to investigate:

(1) registration tax and motor vehicle sales tax liabilities from individuals and businesses that currently do not pay all taxes owed; and

(2) illegal or improper activity related to the sale, transfer, titling, and registration of motor vehicles.

\$22,000 in fiscal year 2022 and \$18,000 in fiscal year 2023 are for the purchase, deployment, and management of body-worn cameras.

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

Sec. 6. **TRANSFERS; REINSTATEMENT FEE AND SURCHARGE FOREGONE REVENUE.**

(a) Each of the following are transferred in fiscal year 2023 from the vehicle services operating account in the special revenue fund to the commissioner of public safety:

(1) \$303,000 for deposit in the general fund;

(2) \$36,000 for deposit in the Bureau of Criminal Apprehension account under Minnesota Statutes, section 171.29, subdivision 2, paragraph (b), clause (3);

(3) \$23,000 for deposit in the vehicle forfeiture account in the special revenue fund under Minnesota Statutes, section 171.29, subdivision 2, paragraph (b), clause (4);

(4) \$90,000 for deposit in the traumatic brain injury and spinal cord injury account under Minnesota Statutes, section 171.29, subdivision 2, paragraph (c); and

(5) \$684,000 for deposit in the remote electronic alcohol-monitoring program account under Minnesota Statutes, section 171.29, subdivision 2, paragraph (d).

(b) Notwithstanding Minnesota Statutes, section 171.29, subdivision 2, paragraph (d), until July 1, 2025, the amount deposited under paragraph (a), clause (5), is not subject to transfer to the general fund.

ARTICLE 12
TRUNK HIGHWAY BONDS

Section 1. **BOND APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds account in the trunk highway fund to the state agencies or officials indicated to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, articles XI and XIV. Unless otherwise specified, money appropriated in this article for a capital program or project may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget.

SUMMARY

<u>Department of Transportation</u>	<u>\$149,000,000</u>
<u>Department of Management and Budget</u>	<u>\$149,000</u>
<u>TOTAL</u>	<u>\$149,149,000</u>

APPROPRIATIONS

Sec. 2. **DEPARTMENT OF TRANSPORTATION**

<u>Subdivision 1. High-Priority Bridges</u>	<u>\$80,000,000</u>
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(a) This appropriation is to the commissioner of transportation for land acquisition, environmental analysis, predesign, design, engineering, construction, reconstruction, and improvement of priority trunk highway bridges, including design-build contracts, internal department costs associated with delivering the construction program, consultant usage to support these activities, and costs of payments to landowners for lands acquired for highway rights-of-way. The commissioner must conform with the investment priorities identified in the Minnesota state highway investment plan under Minnesota Statutes, section 174.03, subdivision 1c.

(b) The commissioner may use up to 17 percent of the amount for program delivery.

<u>Subd. 2. Facilities Capital Improvement Program</u>	<u>69,000,000</u>
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(a) This appropriation is to the commissioner of transportation for construction, renovation, and expansion of Department of Transportation buildings and facilities.

(b) The commissioner may use up to 17 percent of the amount for program delivery.

Sec. 3. <u>BOND SALE EXPENSES</u>	<u>\$149,000</u>
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This appropriation is to the commissioner of management and budget for bond sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8, and 167.50, subdivision 4.

Sec. 4. **BOND SALE AUTHORIZATION.**

To provide the money appropriated in this article from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$149,149,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be deposited in the bond proceeds account in the trunk highway fund.

Sec. 5. Laws 2021, First Special Session chapter 5, article 2, section 2, subdivision 1, is amended to read:

Subdivision 1. **Corridors of Commerce** \$200,000,000

(a) This appropriation is to the commissioner of transportation for the corridors of commerce program under Minnesota Statutes, section 161.088.

(b) This appropriation is available in the amounts of:

(1) \$100,000,000 in fiscal year 2024; and

(2) \$100,000,000 in fiscal year 2025.

(c) For all available funds under paragraph (b), the commissioner must commence the project selection process under the program by ~~August 1, 2022~~ February 1, 2023.

(d) The commissioner may use up to 17 percent of the amount for program delivery.

(e) The appropriation in this subdivision cancels as specified under Minnesota Statutes, section 16A.642, except that the commissioner of management and budget must count the start of authorization for issuance of state bonds as the first day of the fiscal year during which the bonds are available to be issued as specified under paragraph (b), and not as the date of enactment of this section.

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

ARTICLE 13
TRANSPORTATION FINANCE AND POLICY

Section 1. Minnesota Statutes 2020, section 4.075, is amended by adding a subdivision to read:

Subd. 4. Traffic Safety Advisory Council; established. The Traffic Safety Advisory Council is established to advise, consult with, coordinate, and make program recommendations to the commissioners of public safety, transportation, and health on the development and implementation of projects and programs intended to improve traffic safety on all Minnesota road systems. The advisory council serves as the lead for the state Toward Zero Deaths program.

Sec. 2. Minnesota Statutes 2020, section 4.075, is amended by adding a subdivision to read:

Subd. 5. **Traffic Safety Advisory Council; membership.** The advisory council consists of the following members:

(1) the chair, which is filled on a two-year rotating basis by:

(i) a designee from the Office of Traffic Safety in the Department of Public Safety;

(ii) a designee from the Office of Traffic Engineering in the Department of Transportation; and

(iii) a designee from the Injury and Violence Prevention Section in the Department of Health;

(2) two vice chairs, which must be filled by the two designees who are not currently serving as chair of the advisory council under clause (1);

(3) the director of the state Toward Zero Deaths program;

(4) the chief of the State Patrol or a designee;

(5) a regional coordinator from the Toward Zero Deaths program;

(6) the state traffic safety engineer in the Department of Transportation or a designee;

(7) a law enforcement liaison from the Department of Public Safety;

(8) a representative from the Department of Human Services;

(9) a representative from the Department of Education;

(10) a representative from the Council on Disability;

(11) a representative for Tribal governments appointed by the commissioner of public safety;

(12) a representative from the Center for Transportation Studies at the University of Minnesota;

(13) a representative from the Minnesota Chiefs of Police Association;

(14) a representative from the Minnesota Sheriffs' Association;

(15) a representative from the Minnesota Safety Council;

(16) a representative from AAA Minnesota;

(17) a representative from the Minnesota Trucking Association;

(18) a representative from the Insurance Federation of Minnesota;

(19) a representative from the Association of Minnesota Counties;

(20) a representative from the League of Minnesota Cities;

(21) the American Bar Association State Judicial Outreach Liaison;

(22) a representative from the City Engineers Association of Minnesota;

(23) a representative from the Minnesota County Engineers Association;

(24) a representative from the Bicycle Alliance of Minnesota;

(25) an individual representing vulnerable road users, including pedestrians, bicyclists, and other operators of a personal conveyance, appointed by the Bicycle Alliance of Minnesota;

(26) a representative from Our Streets Minneapolis; and

(27) a representative from Minnesota Operation Lifesaver.

Sec. 3. Minnesota Statutes 2020, section 4.075, is amended by adding a subdivision to read:

Subd. 6. Traffic Safety Advisory Council; administration. (a) The Department of Public Safety Office of Traffic Safety, in cooperation with the Departments of Transportation and Health, must serve as the host agency for the advisory council and must manage the financial, administrative, and operational aspects of the advisory council's activities.

(b) The Traffic Safety Advisory Council must meet no less than four times per year or more frequently as determined by the chair, a majority of the council members, or any of the designated commissioners.

(c) The chair must regularly report to the respective commissioners on the activities of the advisory council and on the state of traffic safety in Minnesota.

(d) The terms, compensation, and appointment of members are governed by section 15.059.

(e) The advisory council may appoint subcommittees and working groups. Subcommittees must consist of council members. Working groups may include nonmembers. Nonmembers on working groups must be compensated pursuant to section 15.059, subdivision 3, only for expenses incurred for working group activities.

Sec. 4. Minnesota Statutes 2020, section 4.075, is amended by adding a subdivision to read:

Subd. 7. Traffic Safety Advisory Council; duties. The Traffic Safety Advisory Council must:

(1) advise the governor and heads of state departments and agencies on policy, programs, and services affecting traffic safety;

(2) advise the director of the state Toward Zero Deaths program and state department representatives on the activities of the Toward Zero Deaths program, including informing and educating the public about traffic safety;

(3) encourage state departments and other agencies to conduct needed research in the field of traffic safety;

(4) review recommendations of the subcommittees and working groups; and

(5) review and comment on all grants dealing with traffic safety and on the development and implementation of state and local traffic safety plans.

Sec. 5. Minnesota Statutes 2020, section 4.075, is amended by adding a subdivision to read:

Subd. 8. **Traffic safety report.** Annually by January 2, the commissioner of public safety must provide a traffic safety report to the governor and the chairs and ranking minority members of the legislative committees with jurisdiction over traffic safety. The report must analyze the safety of Minnesota's roads and transportation system, including but not limited to:

- (1) injuries and fatalities that occur on or near a roadway or transportation system facility;
- (2) factors that caused crashes resulting in injuries and fatalities;
- (3) roadway and system improvements broadly and at specific locations that could reduce injuries and fatalities;
- (4) enforcement and education efforts that could reduce injuries and fatalities;
- (5) other safety improvements, programs, or features that will improve the quality of the roadway and transportation use experience; and
- (6) existing and needed resources to make roadway and transportation system safety improvements.

Sec. 6. Minnesota Statutes 2020, section 160.08, subdivision 7, is amended to read:

Subd. 7. **No commercial establishment within right-of-way; exceptions.** No commercial establishment, including but not limited to automotive service stations, for serving motor vehicle users shall be constructed or located within the right-of-way of, or on publicly owned or publicly leased land acquired or used for or in connection with, a controlled-access highway; except that:

- (1) structures may be built within safety rest and travel information center areas;
- (2) space within state-owned buildings in those areas may be leased for the purpose of providing information to travelers through advertising as provided in section 160.276;
- (3) advertising signs may be erected within the right-of-way of interstate or controlled-access trunk highways by franchise agreements under section 160.80;
- (4) vending machines may be placed in rest areas, travel information centers, or weigh stations constructed or located within trunk highway rights-of-way; ~~and~~
- (5) acknowledgment signs may be erected under sections 160.272 and 160.2735; and
- (6) electric vehicle charging stations may be installed, operated, and maintained in safety rest areas.

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

Sec. 7. **[160.2325] HIGHWAYS FOR HABITAT PROGRAM.**

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

(b) "Integrated roadside vegetation management" means an approach to right-of-way maintenance that combines a variety of techniques with sound ecological principles to establish and maintain safe, healthy, and functional roadsides. Integrated roadside vegetation management includes but is not limited to judicious use of herbicides, spot mowing, biological control, prescribed burning, mechanical tree and brush removal, erosion prevention and treatment, and prevention and treatment of other right-of-way disturbances.

(c) "Program" means the highways for habitat program established in this section.

Subd. 2. **Program establishment.** The commissioner must establish a highways for habitat program to enhance roadsides with pollinator and other wildlife habitat and vegetative buffers.

Subd. 3. **General requirements.** In implementing the program, the commissioner must:

(1) identify and prioritize highways for habitat installations under an integrated roadside vegetation management plan with priority given to new construction and reconstruction;

(2) develop and erect signage, where appropriate, that identifies highways for habitat projects and clearly marks the habitat and management restrictions;

(3) develop and require training for department personnel and contractors that apply pesticides and manage vegetation on the use of integrated roadside vegetation management and native plant identification;

(4) assess, in consultation with the commissioners of natural resources and agriculture, the categorization and management of noxious weeds to reduce the use of mowing and pesticides;

(5) maintain a website that includes information on program implementation, integrated roadside vegetation management, and related best management practices; and

(6) identify funding sources and develop proposals for ongoing funding for the program.

Subd. 4. **Management standards.** (a) The commissioner, in consultation with the commissioner of natural resources and the Board of Water and Soil Resources, must develop standards and best management practices for integrated roadside vegetation management plans under the program.

(b) The standards and best management practices must include:

(1) guidance on seed and vegetation selection based on the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines;

(2) requirements for roadside vegetation management protocols that avoid the use of pollinator lethal insecticides as defined under section 18H.02, subdivision 28a;

(3) practices that are designed to avoid habitat destruction and protect nesting birds, pollinators, and other wildlife; and

(4) identification of appropriate right-of-way tracts for wildflower and native habitat establishment.

Sec. 8. Minnesota Statutes 2020, section 160.266, is amended by adding a subdivision to read:

Subd. 7. **North Star Bikeway.** The North Star Bikeway is designated as a state bicycle route. It must originate in the city of St. Paul in Ramsey County, then proceed north and east to Duluth in St. Louis County, then proceed north and east along the shore of Lake Superior through Grand Marais in Cook County to Minnesota's boundary with Canada, and there terminate.

Sec. 9. Minnesota Statutes 2020, section 161.088, subdivision 1, is amended to read:

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

~~(4)~~ (b) "Beyond the project limits" means any point that is located:

~~(i)~~ (1) outside of the project limits;

~~(ii)~~ (2) along the same trunk highway; and

~~(iii)~~ (3) within the same region of the state;

~~(2)~~ (c) "City" means a statutory or home rule charter city;

(d) "Department" means the Department of Transportation.

~~(3)~~ (e) "Program" means the corridors of commerce program established in this section; ~~and.~~

~~(4)~~ (f) "Project limits" means the estimated construction limits of a project for trunk highway construction, reconstruction, or maintenance, that is a candidate for selection under the corridors of commerce program.

(g) "Screening entity" means an area transportation partnership, the Metropolitan Council in consultation with the transportation advisory board under section 473.146, subdivision 4, or a specified county.

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

Sec. 10. Minnesota Statutes 2020, section 161.088, subdivision 2, is amended to read:

Subd. 2. **Program authority; funding.** (a) As provided in this section, the commissioner ~~shall~~ must establish a corridors of commerce program for trunk highway construction, reconstruction, and improvement, including maintenance operations, that improves commerce in the state.

(b) The commissioner may expend funds under the program from appropriations to the commissioner that are:

(1) made specifically by law for use under this section;

(2) at the discretion of the commissioner, made for the budget activities in the state roads program of operations and maintenance, program planning and delivery, or state road construction; and

(3) made for the corridor investment management strategy program, unless specified otherwise.

(c) The commissioner ~~shall~~ must include in the program the cost participation policy for local units of government.

(d) The commissioner may use up to 17 percent of any appropriation ~~to the program under this section~~ for program delivery and for project scoring, ranking, and selection under subdivision 5.

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

Sec. 11. Minnesota Statutes 2020, section 161.088, subdivision 4, is amended to read:

Subd. 4. **Project eligibility.** (a) The eligibility requirements for projects that can be funded under the program are:

(1) consistency with the statewide multimodal transportation plan under section 174.03;

(2) location of the project on ~~an interregional corridor~~ the national highway system, as provided under Code of Federal Regulations, title 23, part 470, and successor requirements, for a project located outside of the Department of Transportation metropolitan district;

(3) placement into at least one project classification under subdivision 3;

(4) project construction work will commence within ~~three~~ four years, ~~or a longer length of time as determined by the commissioner; and~~

(5) for each type of project classification under subdivision 3, a maximum allowable amount for the total project cost estimate, as determined by the commissioner with available data; and

(6) determination of a total project cost estimate with a reasonable degree of accuracy.

(b) A project whose construction is programmed in the state transportation improvement program is not eligible for funding under the program. This paragraph does not apply to a project that is programmed as result of selection under this section.

(c) A project may be, but is not required to be, identified in the 20-year state highway investment plan under section 174.03.

(d) For each project, the commissioner must consider all of the eligibility requirements under paragraph (a). The commissioner is prohibited from considering any eligibility requirement not specified under paragraph (a).

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

Sec. 12. Minnesota Statutes 2020, section 161.088, is amended by adding a subdivision to read:

Subd. 4a. **Project funding; regional balance.** (a) To ensure regional balance throughout the state, the commissioner must distribute all available funds under the program within the following funding categories:

(1) Metro Projects: at least 30 percent and no more than 35 percent of the funds are for projects that are located within, on, or directly adjacent to an area bounded by marked Interstate Highways 494 and 694;

(2) Metro Connector Projects: at least 30 percent and no more than 35 percent of the funds are for projects that:

(i) are not included in clause (1); and

(ii) are located within the department's metropolitan district or within 40 miles of marked Interstate Highway 494 or marked Interstate Highway 694; and

(3) Regional Center Projects: at least 30 percent of the funds are for projects that are not included in clause (1) or (2).

(b) The commissioner must calculate the percentages under paragraph (a) using total funds under the program for (1) the current project selection round, and (2) to the extent applicable, the two most recent prior selection rounds performed on or after the effective date of this section.

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

Sec. 13. Minnesota Statutes 2021 Supplement, section 161.088, subdivision 5, is amended to read:

Subd. 5. **Project selection process; criteria.** (a) The commissioner must establish a process to identify, evaluate, and select projects under the program. The process must be consistent with the requirements of this subdivision and must not include any additional ~~evaluation~~ scoring criteria. The process must include phases as provided in this subdivision.

~~(b) As part of the project selection process, the commissioner must annually accept recommendations on candidate projects from area transportation partnerships and other interested stakeholders in each Department of Transportation district. The commissioner must determine the eligibility for each candidate project identified under this paragraph. For each eligible project, the commissioner must classify and evaluate the project for the program, using all of the criteria established under paragraph (c).~~ **Phase 1: Project solicitation.** Following enactment of each law that makes additional funds available for the program, the commissioner must undertake a public solicitation of potential projects for consideration. The solicitation must be performed through an Internet recommendation process that allows for an interested party, including an individual, business, local unit of government, corridor group, or interest group, to submit a project for consideration.

(c) **Phase 2: Local screening and recommendations.** The commissioner must present the projects submitted during the open solicitation under Phase 1 to the appropriate screening entity where each project is located. A screening entity must:

(1) consider all of the submitted projects for its area;

(2) solicit input from members of the legislature who represent the area for project review and nonbinding approval or disapproval; and

(3) recommend projects to the commissioner for formal scoring, as provided in Phase 3.

(d) Each screening entity may recommend up to three projects to the commissioner, except that (1) the Metropolitan Council may recommend up to four projects, and (2) Anoka, Carver, Chisago, Dakota, Hennepin, Ramsey, Scott, and Washington Counties may each independently recommend up to two projects. A screening entity may recommend a replacement project for a project that the commissioner determines is ineligible under subdivision 4. Each recommendation must identify any approvals or disapprovals provided by a member of the legislature.

(e) **Phase 3: Project scoring.** The commissioner must confirm project eligibility under subdivision 4 and perform a complete scoring assessment on each of the eligible projects recommended by the screening entities under Phase 2.

(f) Projects must be ~~evaluated~~ scored using all of the following criteria:

(1) a return on investment measure that provides for comparison across eligible projects;

(2) measurable impacts on commerce and economic competitiveness;

(3) efficiency in the movement of freight, including but not limited to:

(i) measures of annual average daily traffic and commercial vehicle miles traveled, which may include data near the project location on that trunk highway or on connecting trunk and local highways; and

(ii) measures of congestion or travel time reliability, which may be within or near the project limits, or both;

(4) improvements to traffic safety;

(5) connections to regional trade centers, local highway systems, and other transportation modes;

(6) the extent to which the project addresses multiple transportation system policy objectives and principles;

(7) support and consensus for the project among members of the surrounding community; and

(8) the time and work needed before construction may begin on the project; ~~and,~~

~~(9) regional balance throughout the state.~~

The commissioner must give the criteria in clauses (1) to (8) equal weight in the ~~selection~~ scoring process.

(g) **Phase 4: Project ranking and selection.** Upon completion of project scoring under Phase 3, the commissioner must develop a ranked list of projects based on total score and must select projects in rank order for funding under the program, subject to subdivision 4a. The commissioner must specify the amounts and known or anticipated sources of funding for each selected project.

~~(d) The list of all projects evaluated must be made public and must include the score of each project.~~

(h) **Phase 5: Public information.** The commissioner must publish information regarding the selection process on the department's website. The information must include:

(1) lists of all projects submitted for consideration and all projects recommended by the screening entities;

(2) the scores and ranking for each project; and

(3) an overview of each selected project, including amounts and sources of funding.

~~(e) As part of the project selection process, the commissioner may divide funding to be separately available among projects within each classification under subdivision 3, and may apply separate or modified criteria among those projects falling within each classification.~~

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

Sec. 14. Minnesota Statutes 2020, section 161.115, is amended by adding a subdivision to read:

Subd. 271. **Route No. 340.** Beginning at a point in or adjacent to Upper Sioux Agency State Park; thence extending in a general northwesterly direction to a point on Route No. 67 at or near Granite Falls.

Sec. 15. Minnesota Statutes 2020, section 161.14, is amended by adding a subdivision to read:

Subd. 102. **John Schlegel Memorial Highway.** The segment of marked U.S. Highway 71 from Willmar to the intersection with marked Trunk Highway 7 in Kandiyohi County is designated as "John Schlegel Memorial Highway." Subject to section 161.139, the commissioner must adopt a suitable design to mark this highway and erect appropriate signs.

Sec. 16. Minnesota Statutes 2020, section 161.14, is amended by adding a subdivision to read:

Subd. 103. **Prince Rogers Nelson Memorial Highway.** The segment of marked Trunk Highway 5 within the city limits of Chanhassen is designated "Prince Rogers Nelson Memorial Highway." The commissioner must adopt a suitable design to mark this highway that conforms to the Manual on Uniform Traffic Control Devices adopted by the commissioner under section 169.06, except that to the extent feasible, the sign must include the symbol associated with the artist and be purple in color. Subject to section 161.139, the commissioner must erect appropriate signs.

Sec. 17. **[161.369] INDIAN EMPLOYMENT PREFERENCE.**

As authorized by United States Code, title 23, section 104, paragraph (d), the commissioner may implement an Indian employment preference for members of federally recognized Tribes on projects carried out under United States Code, title 23, on or near an Indian reservation. For purposes of this section, a project is near an Indian reservation if the project is within the distance a person seeking employment could reasonably be expected to commute to and from each workday. The commissioner, in consultation with federally recognized Minnesota Tribes, may determine when a project is near an Indian reservation.

Sec. 18. Minnesota Statutes 2020, section 162.07, subdivision 2, is amended to read:

Subd. 2. **Money needs defined.** For the purpose of this section, money needs of each county are defined as the estimated total annual costs of constructing, over a period of 25 years, the county state-aid highway system ~~in~~ located and established by that county. Costs incidental to construction, or a specified portion thereof as set forth in the commissioner's rules may be included in determining money needs. To avoid variances in costs due to differences in construction policy, construction costs shall be estimated on the basis of the engineering standards developed cooperatively by the commissioner and the county engineers of the several counties.

Sec. 19. Minnesota Statutes 2020, section 162.13, subdivision 2, is amended to read:

Subd. 2. **Money needs defined.** For the purpose of this section money needs of each city having a population of 5,000 or more are defined as the estimated cost of constructing and maintaining over a period of 25 years the municipal state-aid street system ~~in~~ located and established by such city. Right-of-way costs and drainage shall be included in money needs. Lighting costs and other costs incidental to construction and maintenance, or a specified portion of such costs, as set forth in the commissioner's rules, may be included in determining money needs. To avoid variances in costs due to differences in construction and maintenance policy, construction and maintenance costs shall be estimated on the basis of the engineering standards developed cooperatively by the commissioner and the engineers, or a committee thereof, of the cities.

Sec. 20. Minnesota Statutes 2020, section 162.13, subdivision 3, is amended to read:

Subd. 3. **Screening board.** On or before September 1 of each year, the engineer of each city having a population of 5,000 or more ~~shall~~ must update their data and forward to the commissioner ~~on forms prepared by the commissioner,~~ all information relating to the money needs of the city that the commissioner deems necessary in order to apportion the municipal state-aid street fund in accordance with the apportionment formula ~~heretofore set~~

~~forth.~~ Upon receipt of the information the commissioner ~~shall~~ must appoint a board of city engineers. The board ~~shall~~ must be composed of ~~one engineer from each state highway construction district, and in addition thereto, :~~ (1) two city engineers from the metropolitan district; (2) one city engineer from each nonmetropolitan district; and (3) one engineer from each city of the first class. The board ~~shall~~ must investigate and review the information submitted by each city. On or before November 1 of each year, the board ~~shall~~ must submit its findings and recommendations in writing as to each city's money needs to the commissioner on a form prepared by the commissioner. Final determination of the money needs of each city ~~shall~~ must be made by the commissioner. In the event that any city ~~shall fail~~ fails to submit the required information ~~provided for herein~~, the commissioner ~~shall~~ must estimate the money needs of the city. The estimate ~~shall~~ must be used in solving the apportionment formula. The commissioner may withhold payment of the amount apportioned to the city until the information is submitted.

Sec. 21. Minnesota Statutes 2020, section 168.1235, subdivision 1, is amended to read:

Subdivision 1. **General requirements; fees.** (a) The commissioner shall issue a special plate emblem for each plate to an applicant who:

(1) is a member of a congressionally chartered veterans service organization and is a registered owner of a passenger automobile, pickup truck, van, or self-propelled recreational vehicle;

(2) pays the registration tax required by law;

(3) pays a fee in the amount specified for special plates under section 168.12, subdivision 5, for each set of two plates, and any other fees required by this chapter; and

(4) complies with this chapter and rules governing the registration of motor vehicles and licensing of drivers.

(b) The additional fee is payable at the time of initial application for the special plate emblem and when the plates must be replaced or renewed. An applicant must not be issued more than two sets of special plate emblems for motor vehicles listed in paragraph (a) and registered to the applicant.

(c) The applicant must present a valid card indicating membership in the American Legion ~~or~~ Veterans of Foreign Wars, or Disabled American Veterans.

Sec. 22. Minnesota Statutes 2020, section 168.1253, subdivision 3, is amended to read:

Subd. 3. **No fee.** The commissioner shall issue a set of Gold Star plates, or a single plate for a motorcycle, to an eligible person free of charge, and shall replace the plate or plates without charge if they become damaged. If the eligible person requests personalized Gold Star plates, the commissioner must not charge the fees listed in section 168.12, subdivision 2a.

Sec. 23. Minnesota Statutes 2020, section 168.27, subdivision 11, is amended to read:

Subd. 11. **Dealers' licenses; location change notice; fee.** (a) Application for a dealer's license or notification of a change of location of the place of business on a dealer's license must include a street address, not a post office box, and is subject to the commissioner's approval.

(b) Upon the filing of an application for a dealer's license and the proper fee, unless the application on its face appears to be invalid, the commissioner shall grant a 90-day temporary license. During the 90-day period following issuance of the temporary license, the commissioner shall inspect the place of business site and insure compliance with this section and rules adopted under this section.

(c) The commissioner may extend the temporary license 30 days to allow the temporarily licensed dealer to come into full compliance with this section and rules adopted under this section.

(d) In no more than 120 days following issuance of the temporary license, the dealer license must either be granted or denied.

(e) A license must be denied under the following conditions:

(1) ~~The license must be denied~~ if within the previous ten years the applicant was enjoined due to a violation of section 325F.69 or convicted of violating section 325E.14, 325E.15, 325E.16, or 325F.69, or convicted under section 609.53 of receiving or selling stolen vehicles, or convicted of violating United States Code, title 15, ~~sections 1981 to 1994~~ 49, sections 32701 to 32711, or pleaded guilty, entered a plea of nolo contendere or no contest, or has been found guilty in a court of competent jurisdiction of any charge of failure to pay state or federal income or sales taxes or felony charge of forgery, embezzlement, obtaining money under false pretenses, theft by swindle, extortion, conspiracy to defraud, or bribery;

(2) ~~A license must be denied~~ if the applicant has had a dealer license revoked within the previous ten years; or

(3) if, at the time of inspection, the applicant is not in compliance with location requirements or has intentionally or negligently misrepresented any information on the application that would be grounds for suspension or revocation under subdivision 12.

(f) If the application is approved, the commissioner shall license the applicant as a dealer for one year from the date the temporary license is granted and issue a certificate of license that must include a distinguishing number of identification of the dealer. The license must be displayed in a prominent place in the dealer's licensed place of business.

(g) Each initial application for a license must be accompanied by a fee of \$100 in addition to the annual fee. The annual fee is \$150. The initial fees and annual fees must be paid into the state treasury and credited to the general fund except that \$50 of each initial and annual fee must be paid into the vehicle services operating account in the special revenue fund under section 299A.705.

Sec. 24. Minnesota Statutes 2020, section 168A.11, subdivision 3, is amended to read:

Subd. 3. **Records.** Every dealer shall maintain for three years at an established place of business a record in the form the department prescribes of every vehicle bought, sold, or exchanged, or received for sale or exchange, which shall be open to inspection by a representative of the department or peace officer during ~~reasonable business hours~~ inspection hours as listed on the initial dealer license application or as noted on the dealer record. With respect to motor vehicles subject to the provisions of section 325E.15, the record shall include either the true mileage as stated by the previous owner or the fact that the previous owner stated the actual cumulative mileage was unknown; the record also shall include either the true mileage the dealer stated upon transferring the vehicle or the fact the dealer stated the mileage was unknown.

Sec. 25. Minnesota Statutes 2020, section 168B.07, subdivision 3, is amended to read:

Subd. 3. **Retrieval of contents; right to reclaim.** (a) For purposes of this subdivision:

(1) "contents" does not include any permanently affixed mechanical or nonmechanical automobile parts; automobile body parts; or automobile accessories, including audio or video players; and

(2) "relief based on need" includes, but is not limited to, receipt of MFIP and Diversionary Work Program, medical assistance, general assistance, emergency general assistance, Minnesota supplemental aid, MSA-emergency assistance, MinnesotaCare, Supplemental Security Income, energy assistance, emergency assistance, Supplemental Nutrition Assistance Program (SNAP) benefits, earned income tax credit, or Minnesota working family tax credit.

(b) A unit of government or impound lot operator ~~shall~~ must establish reasonable procedures for retrieval of vehicle contents, and may establish reasonable procedures to protect the safety and security of the impound lot and its personnel.

(c) At any time before the expiration of the waiting periods provided in section 168B.051, a registered owner of a vehicle who provides proof of identity that includes photographic identification and documentation from a government or nonprofit agency or legal aid office that the registered owner is homeless, receives relief based on need, or is eligible for legal aid services, has the unencumbered right to retrieve any and all contents without charge and regardless of whether the registered owner pays incurred charges or fees, transfers title, or reclaims the vehicle. A refusal by the impound lot operator to allow the registered owner to retrieve the vehicle contents after the owner provides valid documentation is a violation of this paragraph.

(d) An impound lot operator may make copies of the documents presented by the registered owner under paragraph (c), and the impound lot operator must return all of the original documents to the registered owner immediately after copying them.

Sec. 26. Minnesota Statutes 2020, section 168B.07, is amended by adding a subdivision to read:

Subd. 3a. **Retrieval of contents; identification, medicine, and medical equipment.** An impound lot operator must allow any registered vehicle owner to retrieve, or must retrieve for the vehicle owner, proof of identification, prescription medicine, and durable medical equipment, including wheelchairs, prosthetics, canes, crutches, walkers, and external braces, from the impounded vehicle.

Sec. 27. Minnesota Statutes 2020, section 168B.07, is amended by adding a subdivision to read:

Subd. 3b. **Retrieval of contents; notice of denial.** (a) This subdivision applies to an impound lot operator who operates a nonpublic impound lot or who exclusively contracts with a unit of government under section 168B.09 to operate a public impound lot solely for public use.

(b) An impound lot operator who denies a request of a registered vehicle owner to retrieve vehicle contents after the registered owner presents documentation pursuant to subdivision 3, paragraph (c), must, at the time of denial, provide the registered owner with a written statement that identifies the specific reasons for the denial.

Sec. 28. Minnesota Statutes 2020, section 168B.07, is amended by adding a subdivision to read:

Subd. 3c. **Retrieval of contents; public notice.** (a) This subdivision applies to an impound lot operator who operates a nonpublic impound lot or who exclusively contracts with a unit of government under section 168B.09 to operate a public impound lot solely for public use.

(b) An impound lot operator must post a conspicuous notice at its place of operation in the following form:

"If you receive government benefits, are currently homeless, or are eligible for legal aid services, you have the right to get the contents out of your car free of charge IF you give us:

(1) a photo ID (such as a driver's license, passport, or employer ID); AND

(2) documentation from a government or nonprofit agency or from a legal aid office that you get benefits from a government program based on your income; you are homeless; or you are eligible for legal aid services. Examples of this documentation include BUT ARE NOT LIMITED TO:

- an EBT card;

- a Medical Assistance or MinnesotaCare card;

- a Supplemental Nutrition Assistance Program (SNAP) card; and

- a letter, e-mail, or other document from a government agency, a nonprofit organization, or a legal aid organization showing that you get benefits from a government program based on your income, you are homeless, or you are eligible for legal aid services."

Sec. 29. Minnesota Statutes 2020, section 168B.07, is amended by adding a subdivision to read:

Subd. 3d. **Retrieval of contents; remedy.** (a) An aggrieved registered vehicle owner has a cause of action as provided in this subdivision against an impound lot operator who operates a nonpublic impound lot or who exclusively contracts with a unit of government under section 168B.09 to operate a public impound lot solely for public use if the impound lot operator denies the registered owner the right to retrieve the vehicle contents in violation of subdivision 3, paragraph (c).

(b) If the vehicle and its contents remain in the possession of the impound lot operator and retrieval of the vehicle contents was denied in violation of subdivision 3, paragraph (c), an aggrieved registered vehicle owner is entitled to injunctive relief to retrieve the vehicle contents as well as reasonable attorney fees and costs.

(c) If an impound lot operator sells or disposes of the vehicle contents after the registered owner has provided the documentation required under subdivision 3, paragraph (c), an aggrieved registered vehicle owner is entitled to statutory damages in an amount of \$1,000 and reasonable attorney fees and costs. An action brought pursuant to this paragraph must be brought within 12 months of when the vehicle was impounded.

Sec. 30. Minnesota Statutes 2020, section 169.14, is amended by adding a subdivision to read:

Subd. 5i. **Certain speed limits in Ramsey County.** (a) For purposes of this subdivision, "suburban residential roadway" means a county highway that is (1) in an area zoned exclusively for housing, or (2) adjacent to a city, county, or regional park.

(b) Ramsey County may establish a speed limit of 30 miles per hour on a suburban residential roadway under its jurisdiction, without conducting an engineering and traffic investigation.

(c) A speed limit under paragraph (b) is effective once the county erects signs designating the speed limit and indicating the beginning and end of the suburban residential roadway on which the speed limit applies.

Sec. 31. Minnesota Statutes 2020, section 169.18, subdivision 3, is amended to read:

Subd. 3. **Passing.** ~~The following rules shall govern the overtaking and passing of vehicles proceeding in the same direction, subject to the limitations, exceptions, and special rules hereinafter stated:~~

(~~1~~) (a) The driver of a vehicle overtaking another vehicle proceeding in the same direction ~~shall~~ must pass to the left ~~thereof of the other vehicle~~ at a safe distance and ~~shall not again drive~~ is prohibited from returning to the right side of the roadway until safely clear of the overtaken vehicle.

~~(2)~~ (b) Except when overtaking and passing on the right is permitted, the driver of an overtaken vehicle ~~shall~~ must give way to the right in favor of the overtaking vehicle ~~on audible warning, and shall~~ must not increase the speed of the overtaken vehicle until completely passed by the overtaking vehicle; ~~and,~~

~~(3)~~ (c) The operator of a motor vehicle overtaking a bicycle or individual proceeding in the same direction on the roadway ~~shall leave or shoulder~~ must:

(1) either:

(i) maintain a safe clearance distance while passing, but in no case less than which must be at least the greater of three feet clearance, when passing the bicycle or individual or one-half the width of the motor vehicle; or

(ii) completely enter another lane of the roadway while passing; and shall

(2) maintain clearance until the motor vehicle has safely past passed the overtaken bicycle or individual.

EFFECTIVE DATE. This section is effective August 1, 2022.

Sec. 32. Minnesota Statutes 2021 Supplement, section 169.222, subdivision 4, is amended to read:

Subd. 4. **Riding rules.** (a) Every person operating a bicycle ~~upon a roadway shall~~ on a road must ride as close as practicable to the right-hand curb or edge of the ~~roadway except under any of the following situations~~ road as the bicycle operator determines is safe. A person operating a bicycle is not required to ride as close to the right-hand curb or edge when:

(1) ~~when~~ overtaking and passing another vehicle proceeding in the same direction;

(2) ~~when~~ preparing for a left turn at an intersection or into a private road or driveway;

(3) ~~when~~ reasonably necessary to avoid conditions that make it unsafe to continue along the right-hand curb or edge, including fixed or moving objects, vehicles, pedestrians, animals, surface hazards, or narrow-width narrow-width lanes, that make it unsafe to continue along the right hand curb or edge; or;

(4) ~~when~~ operating on the shoulder of a roadway or in a bicycle lane; ~~or~~

(5) operating in a right-hand turn lane before entering an intersection.

(b) If a bicycle is traveling on a shoulder of a roadway, the bicycle ~~shall~~ operator must travel in the same direction as adjacent vehicular traffic.

(c) Persons riding bicycles upon a roadway or shoulder ~~shall~~ must not ride more than two abreast and ~~shall not impede the normal and reasonable movement of traffic and,~~ on a laned roadway, ~~shall~~ must ride within a single lane.

(d) A person operating a bicycle upon a sidewalk, or across a roadway or shoulder on a crosswalk, ~~shall~~ must yield the right-of-way to any pedestrian and ~~shall~~ give an audible signal when necessary before overtaking and passing any pedestrian. ~~No~~ A person ~~shall~~ must not ride a bicycle upon a sidewalk within a business district unless permitted by local authorities. Local authorities may prohibit the operation of bicycles on any sidewalk or crosswalk under their jurisdiction.

(e) An individual operating a bicycle or other vehicle on a bikeway ~~shall~~ must (1) give an audible signal a safe distance before overtaking a bicycle or individual, (2) leave a safe clearance distance when overtaking a bicycle or individual proceeding in the same direction on the bikeway, and ~~shall~~ (3) maintain clearance until safely past the overtaken bicycle or individual.

(f) Notwithstanding section 169.06, subdivision 4, a bicycle operator may cross an intersection proceeding from the leftmost one-third of a dedicated right-hand turn lane without turning right.

Sec. 33. **169.44761 EMERGENCY RESPONSE SCHOOL BUS USE.**

Subdivision 1. **Emergency school bus use authority.** A school bus, when operated by a school district or by an operator under an agreement with a school district, may be used to assist in the response to an emergency or disaster as defined in section 12.03 for the purpose of evacuating a region or community.

Subd. 2. **Requirements.** (a) A school district or operator may operate a school bus under this section if:

(1) an emergency or disaster has been declared by the chief fire or law enforcement officer overseeing the response;

(2) immediate emergency evacuation or relocation is required to remove individuals from an imminent threat to health or safety; and

(3) the transportation of individuals takes place only within the state of Minnesota.

(b) Nothing in this section exempts the school bus driver from the licensing requirements under section 171.02.

Subd. 3. **Registration exemption.** A school bus operated under this section and displaying registration in accordance with section 168.012, subdivision 1, paragraph (a), clause (2), or 168.013, subdivision 18, may be operated without reregistration of the bus, issuance of new plates, or payment of additional taxes and fees, as may be required under chapter 168.

Subd. 4. **Annual inspection requirement.** For purposes of this section, a school bus displaying a current inspection certificate issued in accordance with section 169.451, subdivision 2, is exempt from the inspection requirements under section 169.781, subdivision 2.

Subd. 5. **School bus equipment.** (a) Notwithstanding section 169.441, subdivision 3, paragraph (b), or 169.448, subdivision 1, a school bus operated under this section may be:

(1) painted national school bus glossy yellow; and

(2) equipped with school bus-related equipment and printing.

(b) A school bus operated under this section is prohibited from using the equipment required under section 169.442.

Sec. 34. Minnesota Statutes 2020, section 169.8261, is amended to read:

169.8261 GROSS WEIGHT LIMITATIONS; FOREST PRODUCTS SPECIAL PERMIT.

Subdivision 1. **Exemption Definition.** ~~(a)~~ For purposes of this section, "raw or unfinished forest products" include wood chips, paper, pulp, oriented strand board, laminated strand lumber, hardboard, treated lumber, untreated lumber, or barrel staves.

~~(b) In compliance with this section, a person may operate a vehicle or combination of vehicles to haul raw or unfinished forest products by the most direct route to the nearest paved highway on any highway with gross weights permitted under sections 169.823 to 169.829.~~

Subd. 1a. **Six-axle vehicle permit.** (a) A road authority may issue an annual permit authorizing a vehicle or combination of vehicles with a total of six or more axles to haul raw or unfinished forest products by the most direct route to the nearest paved highway on any highway with gross weights permitted under sections 169.823 to 169.829 and be operated with a gross vehicle weight of up to:

(1) 90,000 pounds; and

(2) 99,000 pounds during the period set by the commissioner under section 169.826, subdivision 1.

(b) A vehicle or combination of vehicles with a permit under this subdivision must not be operated on an interstate highway, except as provided under United States Code, title 23, section 127(q), for operation on the specified segment of marked Interstate Highway 35.

Subd. 1b. **Six-axle and over-width vehicle permit.** (a) A road authority may issue an annual permit authorizing a vehicle or combination of vehicles with a total of six or more axles to haul raw or unfinished forest products by the most direct route to the nearest paved highway on any highway with gross weights permitted under sections 169.823 to 169.829 and be operated with:

(1) a gross vehicle weight of up to:

(i) 90,000 pounds; and

(ii) 99,000 pounds during the period set by the commissioner under section 169.826, subdivision 1; and

(2) a total outside width of the vehicle or the load that does not exceed 114 inches.

(b) In addition to the conditions in subdivision 2, a vehicle or combination of vehicles operated with a permit under this subdivision must:

(1) display red or orange flags, 18 inches square, as markers at the front and rear and on both sides of the load; and

(2) not be operated on any road in a metropolitan county, as defined in section 473.121, subdivision 4.

(c) A vehicle or combination of vehicles with a permit under this subdivision may only be operated on an interstate highway:

(1) as provided under United States Code, title 23, section 127(q), for operation on the specified segment of marked Interstate Highway 35; or

(2) if the gross vehicle weight does not exceed 80,000 pounds.

Subd. 2. **Conditions.** (a) A vehicle or combination of vehicles ~~described in subdivision 1~~ operated under this section must:

(1) comply with seasonal load restrictions in effect between the dates set by the commissioner under section 169.87, subdivision 2;

(2) comply with bridge load limits posted under section 169.84;

(3) be equipped and operated with six or more axles and brakes on all wheels;

~~(4) not exceed 90,000 pounds gross vehicle weight, or 99,000 pounds gross vehicle weight during the time when seasonal increases are authorized under section 169.826;~~

~~(5) not be operated on interstate highways;~~

~~(6) obtain an annual permit from the commissioner of transportation;~~

(4) be operated under a permit issued by each road authority having jurisdiction over a road on which the vehicle is operated if required;

~~(7) (5) obey all road and bridge postings, including those pertaining to lane or roadway width; and~~

~~(8) (6) not exceed 20,000 pounds gross weight on any single axle.~~

(b) A vehicle operated under this section may exceed the legal axle weight limits listed in section 169.824 by not more than 12.5 percent; except that, the weight limits may be exceeded by not more than 23.75 percent during the time when seasonal increases are authorized under section 169.826, subdivision 1.

~~(c) Notwithstanding paragraph (a), clause (5), a vehicle or combination of vehicles hauling raw or unfinished forest products may operate on the segment of marked Interstate Highway 35 provided under United States Code, title 23, section 127(q)(2)(D).~~

Subd. 3. **Expiration date.** Upon request of the permit applicant, the expiration date for a permit issued under this section must be the same as the expiration date of the permitted vehicle's registration.

EFFECTIVE DATE. This section is effective August 1, 2022.

Sec. 35. Minnesota Statutes 2021 Supplement, section 169A.60, subdivision 13, is amended to read:

Subd. 13. **Special registration plates.** (a) At any time during the effective period of an impoundment order, a violator or registered owner may apply to the commissioner for new registration plates, which must bear a special series of numbers or letters so as to be readily identified by traffic law enforcement officers. ~~The commissioner may authorize the issuance of special plates if:~~

~~(1) the violator has a qualified licensed driver whom the violator must identify;~~

~~(2) the violator or registered owner has a limited license issued under section 171.30;~~

~~(3) the registered owner is not the violator and the registered owner has a valid or limited driver's license;~~

~~(4) a member of the registered owner's household has a valid driver's license; or~~

~~(5) the violator has been reissued a valid driver's license.~~

(b) The commissioner may not issue new registration plates for that vehicle subject to plate impoundment for a period of at least one year from the date of the impoundment order. In addition, if the owner is the violator, new registration plates may not be issued for the vehicle unless the person has been reissued a valid driver's license in accordance with chapter 171.

(c) A violator may not apply for new registration plates for a vehicle at any time before the person's driver's license is reinstated.

(d) The commissioner may issue the special plates on payment of a \$50 fee for each vehicle for which special plates are requested, except that a person who paid the fee required under paragraph (f) must not be required to pay an additional fee if the commissioner issued an impoundment order pursuant to paragraph (g).

(e) Paragraphs (a) to (d) notwithstanding, the commissioner must issue upon request new registration plates for any vehicle owned by a violator or registered owner for which the registration plates have been impounded if:

(1) the impoundment order is rescinded;

(2) the vehicle is transferred in compliance with subdivision 14; or

(3) the vehicle is transferred to a Minnesota automobile dealer licensed under section 168.27, a financial institution that has submitted a repossession affidavit, or a government agency.

(f) Notwithstanding paragraphs (a) to (d), the commissioner, upon request and payment of a \$100 fee for each vehicle for which special plates are requested, must issue new registration plates for any vehicle owned by a violator or registered owner for which the registration plates have been impounded if the violator becomes a program participant in the ignition interlock program under section 171.306. This paragraph does not apply if the registration plates have been impounded pursuant to paragraph (g).

(g) The commissioner shall issue a registration plate impoundment order for new registration plates issued pursuant to paragraph (f) if, before a program participant in the ignition interlock program under section 171.306 has been restored to full driving privileges, the program participant:

(1) either voluntarily or involuntarily ceases to participate in the program for more than 30 days; or

(2) fails to successfully complete the program as required by the Department of Public Safety due to:

(i) two or more occasions of the participant's driving privileges being withdrawn for violating the terms of the program, unless the withdrawal is determined to be caused by an error of the department or the interlock provider; or

(ii) violating the terms of the contract with the provider as determined by the provider.

Sec. 36. Minnesota Statutes 2021 Supplement, section 171.0605, subdivision 5, is amended to read:

Subd. 5. **Evidence; residence in Minnesota.** (a) Submission of two forms of documentation from the following is satisfactory evidence of an applicant's principal residence address in Minnesota under section 171.06, subdivision 3, paragraph (b):

(1) a home utility services bill issued no more than 12 months before the application;

(2) a home utility services hook-up work order issued no more than 12 months before the application;

(3) United States bank or financial information issued no more than 12 months before the application, with account numbers redacted, including:

(i) a bank account statement;

(ii) a credit card or debit card statement;

(iii) a brokerage account statement; or

(iv) a money market account statement;

(4) a certified transcript from a United States high school, if issued no more than 180 days before the application;

(5) a certified transcript from a Minnesota college or university, if issued no more than 180 days before the application;

(6) an employment pay stub issued no more than 12 months before the application that lists the employer's name and address;

(7) a Minnesota unemployment insurance benefit statement issued no more than 12 months before the application;

(8) a statement from an assisted living facility licensed under chapter 144G, nursing home licensed under chapter 144A, or a boarding care facility licensed under sections 144.50 to 144.56, that was issued no more than 12 months before the application;

(9) a current policy or card for health, automobile, homeowner's, or renter's insurance;

(10) a federal or state income tax return for the most recent tax filing year;

(11) a Minnesota property tax statement for the current or prior calendar year or a proposed Minnesota property tax notice for the current year that shows the applicant's principal residential address both on the mailing portion and the portion stating what property is being taxed;

(12) a Minnesota vehicle certificate of title;

(13) a filed property deed or title for current residence;

(14) a Supplemental Security Income award statement issued no more than 12 months before the application;

(15) mortgage documents for the applicant's principal residence;

(16) a residential lease agreement for the applicant's principal residence issued no more than 12 months before the application;

(17) a valid driver's license, including an instruction permit, issued under this chapter;

(18) a valid Minnesota identification card;

(19) an unexpired Minnesota professional license;

(20) an unexpired Selective Service card;

(21) military orders that are still in effect at the time of application;

(22) a cellular phone bill issued no more than 12 months before the application; or

(23) a valid license issued pursuant to the game and fish laws.

(b) In lieu of one of the two documents required by paragraph (a), an applicant under the age of 18 may use a parent or guardian's proof of principal residence as provided in this paragraph. The parent or guardian of the applicant must provide a document listed under paragraph (a) that includes the parent or guardian's name and the same address as the address on the document provided by the applicant. The parent or guardian must also certify that the applicant is the child of the parent or guardian and lives at that address.

(c) A document under paragraph (a) must include the applicant's name and principal residence address in Minnesota.

(d) For purposes of this section and Minnesota Rules, part 7410.0410, Internet service is a home utility service.

Sec. 37. **[171.301] REINTEGRATION LICENSE.**

Subdivision 1. **Conditions of issuance.** (a) The commissioner may issue a reintegration driver's license to any person:

(1) who is age 18 or older;

(2) who has been released from a period of at least 180 consecutive days of confinement or incarceration in:

(i) an adult correctional facility under the control of the commissioner of corrections or licensed by the commissioner of corrections under section 241.021;

(ii) a federal correctional facility for adults; or

(iii) an adult correctional facility operated under the control or supervision of any other state; and

(3) whose license has been suspended or revoked under the circumstances listed in section 171.30, subdivision 1, paragraph (a), clauses (1) to (4), for a violation that occurred before the individual was incarcerated for the period described in clause (2).

(b) If the person's driver's license or permit to drive has been revoked under section 169.792 or 169.797, the commissioner may only issue a reintegration driver's license to the person after the person has presented an insurance identification card, policy, or written statement indicating that the driver or owner has insurance coverage satisfactory to the commissioner.

(c) If the person's driver's license or permit to drive has been suspended under section 171.186, the commissioner may only issue a reintegration driver's license to the person after the commissioner receives notice or a court order provided pursuant to section 518A.65, paragraph (e), showing that the person's driver's license or operating privileges should no longer be suspended.

(d) If the person's driver's license has been revoked under section 171.17, subdivision 1, paragraph (a), clause (1), the commissioner may only issue a reintegration driver's license to the person after the person has completed the applicable revocation period.

(e) The commissioner must not issue a reintegration driver's license:

(1) to any person described in section 171.04, subdivision 1, clause (7), (8), (10), or (11);

(2) to any person described in section 169A.55, subdivision 5;

(3) if the person has committed a violation after the person was released from custody that results in the suspension, revocation, or cancellation of a driver's license, including suspension for nonpayment of child support or maintenance payments as described in section 171.186, subdivision 1; or

(4) if the issuance would conflict with the requirements of the nonresident violator compact.

(f) The commissioner must not issue a class A, class B, or class C reintegration driver's license.

Subd. 2. **Application.** (a) Application for a reintegration driver's license must be made in the form and manner approved by the commissioner.

(b) A person seeking a reintegration driver's license who was released from confinement or incarceration on or after April 1, 2023, must apply for the license within one year of release. A person seeking a reintegration driver's license who was released from confinement or incarceration before April 1, 2023, must apply for the license by April 1, 2024.

Subd. 3. **Fees prohibited.** (a) For a reintegration driver's license under this section:

(1) the commissioner must not impose:

(i) a fee, surcharge, or filing fee under section 171.06, subdivision 2; and

(ii) an endorsement fee under section 171.06, subdivision 2a; and

(2) a driver's license agent must not impose a filing fee under section 171.061, subdivision 4.

(b) Issuance of a reintegration driver's license does not forgive or otherwise discharge any unpaid fees or fines.

Subd. 4. **Cancellation of license.** (a) The commissioner must cancel the reintegration driver's license of any person who commits a violation that would result in the suspension, revocation, or cancellation of a driver's license, including suspension for nonpayment of child support or maintenance payments as described in section 171.186, subdivision 1. The commissioner must not cancel a reintegration driver's license for payment of a fine or resolution of a criminal charge if the underlying incident occurred before the reintegration driver's license was issued, unless the conviction would have made the person ineligible to receive a reintegration driver's license. Except as described in paragraph (b), a person whose reintegration driver's license is canceled under this subdivision may not be issued another reintegration driver's license and may not operate a motor vehicle for the remainder of the period of suspension or revocation, or 30 days, whichever is longer.

(b) A person whose reintegration driver's license is canceled under paragraph (a) may apply for a new reintegration driver's license if the person is incarcerated or confined for a period of at least 180 consecutive days after the cancellation and the person meets the conditions described in subdivision 1.

(c) Nothing in this section prohibits cancellation and reinstatement of a reintegration driver's license for any other reason described in section 171.14, provided any factor making the person not eligible for a driver's license under section 171.04 occurred or became known to the commissioner after issuance of the reintegration driver's license.

Subd. 5. **Expiration.** A reintegration driver's license expires 15 months from the date of issuance of the license. A reintegration driver's license may not be renewed.

Subd. 6. **Issuance of regular driver's license.** (a) Notwithstanding any statute or rule to the contrary, the commissioner must issue a REAL ID-compliant or noncompliant license to a person who possesses a reintegration driver's license if:

(1) the person has possessed the reintegration driver's license for at least one full year;

(2) the reintegration driver's license has not been canceled under subdivision 4 and has not expired under subdivision 5;

(3) the person meets the application requirements under section 171.06, including payment of the applicable fees, surcharge, and filing fee under sections 171.06, subdivisions 2 and 2a, and 171.061, subdivision 4; and

(4) issuance of the license does not conflict with the requirements of the nonresident violator compact.

(b) The commissioner must forgive any outstanding balance due on a fee or surcharge under section 171.29, subdivision 2, for a person who is eligible and applies for a license under paragraph (a).

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

Sec. 38. Minnesota Statutes 2021 Supplement, section 171.306, subdivision 4, is amended to read:

Subd. 4. **Issuance of restricted license.** (a) The commissioner shall issue a class D driver's license, subject to the applicable limitations and restrictions of this section, to a program participant who meets the requirements of this section and the program guidelines. The commissioner shall not issue a license unless the program participant has provided satisfactory proof that:

(1) a certified ignition interlock device has been installed on the participant's motor vehicle at an installation service center designated by the device's manufacturer; and

(2) the participant has insurance coverage on the vehicle equipped with the ignition interlock device. If the participant has previously been convicted of violating section 169.791, 169.793, or 169.797 or the participant's license has previously been suspended, revoked, or canceled under section 169.792 or 169.797, the commissioner shall require the participant to present an insurance identification card that is certified by the insurance company to be noncancelable for a period not to exceed 12 months.

(b) A license issued under authority of this section must contain a restriction prohibiting the program participant from driving, operating, or being in physical control of any motor vehicle not equipped with a functioning ignition interlock device certified by the commissioner. A participant may drive an employer-owned vehicle not equipped with an interlock device while in the normal course and scope of employment duties pursuant to the program guidelines established by the commissioner and with the employer's written consent.

(c) A program participant whose driver's license has been: (1) revoked under section 169A.52, subdivision 3, paragraph (a), clause (1), (2), or (3), or subdivision 4, paragraph (a), clause (1), (2), or (3); 169A.54, subdivision 1, clause (1), (2), (3), or (4); or 171.177, subdivision 4, paragraph (a), clause (1), (2), or (3), or subdivision 5, paragraph (a), clause (1), (2), or (3); or (2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), or suspended under section 171.187, for a violation of section 609.2113, subdivision 1, clause (2), item (i) or (iii), (3), or (4); subdivision 2, clause (2), item (i) or (iii), (3), or (4); or subdivision 3, clause (2), item (i) or (iii), (3), or (4); or 609.2114, subdivision 2, clause (2), item (i) or (iii), (3), or (4), resulting in bodily harm, substantial bodily harm, or great bodily harm, where the participant has fewer than two qualified prior impaired driving incidents within the past ten years or fewer than three qualified prior impaired driving incidents ever; may apply for conditional reinstatement of the driver's license, subject to the ignition interlock restriction.

(d) A program participant whose driver's license has been: (1) revoked, canceled, or denied under section 169A.52, subdivision 3, paragraph (a), clause (4), (5), or (6), or subdivision 4, paragraph (a), clause (4), (5), or (6); 169A.54, subdivision 1, clause (5), (6), or (7); or 171.177, subdivision 4, paragraph (a), clause (4), (5), or (6), or subdivision 5, paragraph (a), clause (4), (5), or (6); or (2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), or suspended under section 171.187, for a violation of section 609.2113, subdivision 1, clause (2),

item (i) or (iii), (3), or (4); subdivision 2, clause (2), item (i) or (iii), (3), or (4); or subdivision 3, clause (2), item (i) or (iii), (3), or (4); or 609.2114, subdivision 2, clause (2), item (i) or (iii), (3), or (4), resulting in bodily harm, substantial bodily harm, or great bodily harm, where the participant has two or more qualified prior impaired driving incidents within the past ten years or three or more qualified prior impaired driving incidents ever; may apply for conditional reinstatement of the driver's license, subject to the ignition interlock restriction, if the program participant is enrolled in a licensed chemical dependency treatment or rehabilitation program as recommended in a chemical use assessment. As a prerequisite to eligibility for eventual reinstatement of full driving privileges, a participant whose chemical use assessment recommended treatment or rehabilitation shall complete a licensed chemical dependency treatment or rehabilitation program. If the program participant's ignition interlock device subsequently registers a positive breath alcohol concentration of 0.02 or higher, the commissioner shall extend the time period that the participant must participate in the program until the participant has reached the required abstinence period described in section 169A.55, subdivision 4.

(e) Notwithstanding any statute or rule to the contrary, the commissioner has authority to determine when a program participant is eligible for restoration of full driving privileges, except that the commissioner shall not reinstate full driving privileges until the program participant has met all applicable prerequisites for reinstatement under section 169A.55 and until the program participant's device has registered no positive breath alcohol concentrations of 0.02 or higher during the preceding 90 days.

Sec. 39. **[174.125] FEDERAL FUNDS LOCAL ASSISTANCE PROGRAM.**

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

(b) "Commissioner" means the commissioner of transportation.

(c) "Program" means the federal funds local assistance program established in this section.

Subd. 2. Program established. The commissioner must implement a federal funds local assistance program to provide local match aid in an application for federal discretionary or competitive grants.

Subd. 3. Program administration. (a) The commissioner must establish program requirements, including but not limited to: eligibility of projects; solicitation procedures; an application process that is designed to minimize requirements and applicant burdens and to align with federal application requirements; criteria to evaluate applications and select aid recipients subject to subdivision 6; procedures to commit and pay financial assistance; and a schedule that allows for application, evaluation, and awards of aid on a biannual or more frequent basis.

(b) The commissioner must make reasonable efforts to publicize each solicitation among all eligible grant recipients. The commissioner must assist applicants to create and submit applications.

(c) The commissioner may expend up to five percent of available funds in a fiscal year under this section on program administration.

Subd. 4. Local match aid. (a) From funds made available under the program, the commissioner must provide aid to an eligible recipient as provided under subdivision 5. The aid may be provided as direct financial assistance or as a commitment to provide a specific amount of financial assistance contingent on an award of a federal grant to the eligible grant recipient.

(b) Aid under the program:

(1) must provide for a match requirement under a federal discretionary or competitive grant in a manner that meets federal requirements;

(2) must be for a transportation-related project, program, or expenditure;

(3) may equal a portion or the entire amount necessary for the federal match requirement; and

(4) may exceed the amount necessary for the federal match requirement if the commissioner determines that an additional local match is:

(i) materially likely to increase the competitiveness of the federal application; and

(ii) anticipated to be generally comparable to competing applications for the federal grant.

(c) If a federal grant award amount differs from the amount anticipated at the time of application for aid under the program, the commissioner may adjust the aid amount provided for the project or leave the aid amount unchanged.

Subd. 5. **Aid recipient eligibility.** The following are eligible aid recipients under the program:

(1) a local unit of government, including but not limited to metropolitan planning organizations;

(2) a Tribal government of a Tribe recognized by the United States Department of the Interior Bureau of Indian Affairs;

(3) a partnership of entities identified in clauses (1) and (2);

(4) the commissioner on behalf of or acting as the agent of a local unit of government or a Tribal government; and

(5) an entity that is eligible for a federal grant under the applicable federal program.

Subd. 6. **Project evaluation.** The commissioner must establish criteria to evaluate projects for aid under the program. At a minimum, the criteria must provide for prioritization and project selection based on:

(1) the extent to which the project provides an identifiable impact in the following:

(i) improvements to traffic safety;

(ii) improvements to pedestrian and bicyclist safety;

(iii) reduction in vehicle miles traveled;

(iv) providing for increased use of low-emission or zero-emission vehicles;

(v) reduction in greenhouse gas emissions; and

(vi) increases in equity for transportation facilities or programs in communities that are historically or currently underrepresented in local or regional transportation planning or projects, including Indigenous communities, communities of color, low-income households, people with disabilities, and people with limited English proficiency;

(2) anticipated competitiveness of the project for a federal grant or the existence of a federal grant award for the project;

(3) measurable benefits with respect to transportation system performance targets or system plans; and

(4) alignment with the transportation system goal under section 174.01, subdivision 2, clause (9).

Subd. 7. **Allocation categories.** (a) The commissioner must categorize projects into one of the allocation categories under paragraph (b). For a project that may be reasonably categorized into more than one of the allocation categories, the commissioner must determine the allocation category that reflects the predominant purpose of the project.

(b) In each fiscal year in which local match aid is provided under the program, the commissioner must apportion the aid among the following allocation categories:

(1) 15 percent for local road and bridge projects;

(2) ten percent for transit projects outside the metropolitan area, as defined in section 473.121, subdivision 2;

(3) five percent for active transportation projects;

(4) three percent for electric vehicle infrastructure projects; and

(5) 67 percent on a flexible basis, which includes projects that are not otherwise categorized under this paragraph and projects that are categorized under clauses (1) to (4).

(c) The commissioner may reallocate funds that remain in an allocation category under paragraph (b) following the conclusion of aid awards in a fiscal year.

Subd. 8. **Legislative report.** (a) Annually by December 15, the commissioner must submit a report on the program to the legislative committees with jurisdiction over transportation policy and finance. At a minimum, the report must include:

(1) an overview of program implementation;

(2) a review of the project evaluation criteria established under subdivision 6;

(3) a fiscal review that includes a summary of aid awarded under the program with a breakout by allocation category under subdivision 7 and the associated federal grants;

(4) an amount that is recommended to appropriate for the program in each of the upcoming two fiscal years, including an analysis of development of the recommended amount and an estimated breakout of aid by transportation mode or similar categorization; and

(5) any recommendations for legislative changes to the program.

(b) This subdivision expires June 30, 2026.

Sec. 40. [174.127] FEDERAL GRANTS TECHNICAL ASSISTANCE.

(a) Subject to funds made available for purposes of this section, the commissioner must establish a process that provides for technical assistance to a requesting local unit of government or Tribal government that seeks to evaluate or submit an application for a federal discretionary grant for a transportation project, program, or expenditure.

(b) As necessary, the commissioner must prioritize requests for technical assistance based on applicant capacity to effectively complete a competitive federal grant application and history of prior federal grant applications.

(c) Technical assistance includes but is not limited to:

(1) providing support for grant writing, analysis, technical review, application finalization, or similar activities;

- (2) providing general programmatic or legal information necessary to complete an application; and
- (3) making information available on general actions to enhance the competitiveness of federal applications.

Sec. 41. Minnesota Statutes 2020, section 174.52, subdivision 3, is amended to read:

Subd. 3. **Advisory committee.** (a) The commissioner ~~shall~~ must establish a local road improvement program advisory committee consisting of ~~five~~ the following members, ~~including~~:

- (1) one county commissioner;
- (2) one county engineer;
- (3) one city engineer;
- (4) one city council member or city administrator representing a city with a population over 5,000; ~~and~~
- (5) one city council member or city administrator representing a city with a population under 5,000; and
- (6) one town board member appointed by the Minnesota Association of Townships.

(b) The advisory committee ~~shall~~ must provide recommendations to the commissioner regarding expenditures from the accounts established in this section.

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

Sec. 42. Minnesota Statutes 2020, section 216D.03, is amended by adding a subdivision to read:

Subd. 5. **Excavation notice system performance reporting.** (a) Each operator must submit a report to the Office of Pipeline Safety on a quarterly basis, using a form or database entry designated by the Office of Pipeline Safety. The report must contain the following information:

- (1) the total number of notifications and the number of notifications itemized by type;
- (2) for each notification type, the percentage of notifications marked by the start time on the notice; and
- (3) the number of utility damages, itemized by the cause of the damages.

(b) An operator, other than a pipeline operator subject to chapter 299F or 299J, with fewer than 5,000 notifications received during the previous calendar year is exempt from the reporting requirement under paragraph (a).

Sec. 43. Minnesota Statutes 2020, section 219.1651, is amended to read:

219.1651 GRADE CROSSING SAFETY ACCOUNT.

A Minnesota grade crossing safety account is created in the special revenue fund, consisting of money credited to the account by law. Money in the account is appropriated to the commissioner of transportation for rail-highway grade crossing safety projects on public streets and highways, including engineering costs and other costs associated with administration and delivery of grade crossing safety projects. At the discretion of the commissioner of transportation, money in the account at the end of each biennium may cancel to the trunk highway fund.

Sec. 44. Minnesota Statutes 2020, section 221.025, is amended to read:

221.025 EXEMPTIONS.

The provisions of this chapter requiring a certificate or permit to operate as a motor carrier do not apply to the intrastate transportation described below:

(1) the transportation of students to or from school or school activities in a school bus inspected and certified under section 169.451 ~~and~~, the transportation of children or parents to or from a Head Start facility or Head Start activity in a Head Start bus inspected and certified under section 169.451, and the use of a school bus while operating in accordance with section 169.4476;

(2) the transportation of solid waste, as defined in section 116.06, subdivision 22, including recyclable materials and waste tires, except that the term "hazardous waste" has the meaning given it in section 221.012, subdivision 18;

(3) a commuter van as defined in section 221.012, subdivision 9;

(4) authorized emergency vehicles as defined in section 169.011, subdivision 3, including ambulances; and tow trucks equipped with proper and legal warning devices when picking up and transporting (i) disabled or wrecked motor vehicles or (ii) vehicles towed or transported under a towing order issued by a public employee authorized to issue a towing order;

(5) the transportation of grain samples under conditions prescribed by the commissioner;

(6) the delivery of agricultural lime;

(7) the transportation of dirt and sod within an area having a 50-mile radius from the home post office of the person performing the transportation;

(8) the transportation of sand, gravel, bituminous asphalt mix, concrete ready mix, concrete blocks or tile and the mortar mix to be used with the concrete blocks or tile, or crushed rock to or from the point of loading or a place of gathering within an area having a 50-mile radius from that person's home post office or a 50-mile radius from the site of construction or maintenance of public roads and streets;

(9) the transportation of pulpwood, cordwood, mining timber, poles, posts, decorator evergreens, wood chips, sawdust, shavings, and bark from the place where the products are produced to the point where they are to be used or shipped;

(10) the transportation of fresh vegetables from farms to canneries or viner stations, from viner stations to canneries, or from canneries to canneries during the harvesting, canning, or packing season, or transporting sugar beets, wild rice, or rutabagas from the field of production to the first place of delivery or unloading, including a processing plant, warehouse, or railroad siding;

(11) the transportation of unprocessed dairy products in bulk within an area having a 100-mile radius from the home post office of the person providing the transportation;

(12) the transportation of agricultural, horticultural, dairy, livestock, or other farm products within an area having a 100-mile radius from the person's home post office and the carrier may transport other commodities within the 100-mile radius if the destination of each haul is a farm;

(13) the transportation of newspapers, telephone books, handbills, circulars, or pamphlets in a vehicle with a gross vehicle weight of 10,000 pounds or less; and

(14) transportation of potatoes from the field of production, or a storage site owned or otherwise controlled by the producer, to the first place of processing.

The exemptions provided in this section apply to a person only while the person is exclusively engaged in exempt transportation.

Sec. 45. Minnesota Statutes 2020, section 299A.41, subdivision 3, is amended to read:

Subd. 3. **Killed in the line of duty.** (a) "Killed in the line of duty" does not include deaths from natural causes, except as 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.

(b) Killed in the line of duty also means if a public safety officer dies as the direct and proximate result of a heart attack, stroke, or vascular rupture, that officer shall be presumed to have died as the direct and proximate result of a personal injury sustained in the line of duty if:

(1) that officer, while on duty:

(i) engaged in a situation, and that engagement involved nonroutine stressful or strenuous physical 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.

(c) Killed in the line of duty includes the death of a public safety officer that is:

(1) the result of a disabling cancer of a type caused by exposure to heat, radiation, or a known or suspected carcinogen, as defined by the International Agency for Research on Cancer, and the carcinogen is reasonably linked to the disabling cancer; or

(2) the result of suicide secondary to a diagnosis of post-traumatic stress disorder as described in the most recently published edition of the Diagnostic and Statistical Manual of Mental Disorders by the American Psychiatric Association.

Sec. 46. Minnesota Statutes 2020, section 299D.03, subdivision 5, is amended to read:

Subd. 5. **Traffic fines and forfeited bail money.** (a) All fines and forfeited bail money collected from persons apprehended or arrested by officers of the State Patrol shall be transmitted by the person or officer collecting the fines, forfeited bail money, or installments thereof, on or before the tenth day after the last day of the month in which these moneys were collected, to the commissioner of management and budget. Except where a different disposition is required in this subdivision or section 387.213, or otherwise provided by law, three-eighths of these receipts must be deposited in the state treasury and credited to the state general fund. The other five-eighths of these receipts must be deposited in the state treasury and credited as follows: (1) the first ~~\$1,000,000~~ \$2,500,000 in each fiscal year must be credited to the Minnesota grade crossing safety account in the special revenue fund, and (2) remaining receipts must be credited to the state trunk highway fund. If, however, the violation occurs within a municipality and the city attorney prosecutes the offense, and a plea of not guilty is entered, one-third of the receipts shall be deposited in the state treasury and credited to the state general fund, one-third of the receipts shall be paid to the municipality prosecuting the offense, and one-third shall be deposited in the state treasury and credited to the Minnesota grade crossing safety account or the state trunk highway fund as provided in this paragraph. When section 387.213 also is applicable to the fine, section 387.213 shall be applied before this paragraph is applied. All costs of participation in a nationwide police communication system chargeable to the state of Minnesota shall be paid from appropriations for that purpose.

(b) All fines and forfeited bail money from violations of statutes governing the maximum weight of motor vehicles, collected from persons apprehended or arrested by employees of the state of Minnesota, by means of stationary or portable scales operated by these employees, shall be transmitted by the person or officer collecting the fines or forfeited bail money, on or before the tenth day after the last day of the month in which the collections were made, to the commissioner of management and budget. Five-eighths of these receipts shall be deposited in the state treasury and credited to the state highway user tax distribution fund. Three-eighths of these receipts shall be deposited in the state treasury and credited to the state general fund.

Sec. 47. Minnesota Statutes 2020, section 299F.60, subdivision 1, is amended to read:

Subdivision 1. **Money penalty.** Any person who violates any provision of sections 299F.56 to 299F.641, or any rule issued thereunder, is subject to a civil penalty to be imposed by the commissioner not to exceed ~~\$100,000 for each violation for each day that the violation persists, except that the maximum civil penalty must not exceed \$1,000,000 for any related series of violations~~ the maximum penalties listed in Code of Federal Regulations, title 49, part 190.

Sec. 48. Minnesota Statutes 2020, section 299J.16, subdivision 1, is amended to read:

Subdivision 1. **Civil penalty.** (a) A pipeline operator who violates section 299J.07, subdivision 1, or 299J.15, or the rules of the commissioner implementing those sections, shall forfeit and pay to the state a civil penalty in an amount to be determined by the court, up to ~~\$100,000 for each day that the operator remains in violation, subject to a maximum of \$1,000,000 for a related series of violations~~ the maximum penalties listed in Code of Federal Regulations, title 49, part 190.

(b) The penalty provided under this subdivision may be recovered by an action brought by the attorney general at the request of the commissioner, in the name of the state, in connection with an action to recover expenses of the director under section 299J.13, subdivision 4:

- (1) in the District Court of Ramsey County; or
- (2) in the county of the defendant's residence.

Sec. 49. Minnesota Statutes 2021 Supplement, section 360.55, subdivision 9, is amended to read:

Subd. 9. **Small unmanned aircraft systems.** (a) Any small unmanned aircraft system ~~in which the unmanned aircraft weighs less than 55 pounds at takeoff, including payload and anything affixed to the aircraft, either, as defined in section 360.013, subdivision 57b:~~

(1) must be registered in the state for an annual fee of \$25; or

(2) is not subject to registration or an annual fee if the unmanned aircraft system is owned and operated solely for recreational purposes.

(b) An unmanned aircraft system that meets the requirements under paragraph (a) is exempt from aircraft registration tax under sections 360.511 to 360.67.

(c) Owners must, at the time of registration, provide proof of insurability in a form acceptable to the commissioner. Additionally, owners must maintain records and proof that each flight was covered by an insurance policy with limits of not less than \$300,000 per occurrence for bodily injury or death to nonpassengers in any one accident. The insurance must comply with section 60A.081, unless that section is inapplicable under section 60A.081, subdivision 3.

Sec. 50. Minnesota Statutes 2021 Supplement, section 360.59, subdivision 10, is amended to read:

Subd. 10. **Certificate of insurance.** (a) Every owner of aircraft in this state when applying for registration, reregistration, or transfer of ownership shall supply any information the commissioner reasonably requires to determine that the aircraft during the period of its contemplated operation is covered by an insurance policy with limits of not less than \$100,000 per passenger seat liability both for passenger bodily injury or death and for property damage; not less than \$100,000 for bodily injury or death to each nonpassenger in any one accident; and not less than \$300,000 per occurrence for bodily injury or death to nonpassengers in any one accident. The insurance must comply with section 60A.081, unless that section is inapplicable under section 60A.081, subdivision 3.

The information supplied to the commissioner must include but is not limited to the name and address of the owner, the period of contemplated use or operation, if any, and, if insurance coverage is then presently required, the name of the insurer, the insurance policy number, the term of the coverage, policy limits, and any other data the commissioner requires. No certificate of registration shall be issued pursuant to subdivision 3 in the absence of the information required by this subdivision.

(b) In the event of cancellation of aircraft insurance by the insurer, the insurer shall notify the Department of Transportation at least ten days prior to the date on which the insurance coverage is to be terminated. Unless proof of a new policy of insurance is filed with the department meeting the requirements of this subdivision during the period of the aircraft's contemplated use or operation, the registration certificate for the aircraft shall be revoked forthwith.

(c) Nothing in this subdivision shall be construed to require an owner of aircraft to maintain passenger seat liability coverage on aircraft for which an experimental certificate has been issued by the administrator of the Federal Aviation Administration pursuant to Code of Federal Regulations, title 14, sections 21.191 to 21.195 and 91.319, whereunder persons operating the aircraft are prohibited from carrying passengers in the aircraft or for an unmanned aircraft. Whenever the aircraft becomes certificated to carry passengers, passenger seat liability coverage shall be required as provided in this subdivision.

(d) The requirements of this subdivision shall not apply to any aircraft built by the original manufacturer prior to December 31, 1939, and owned and operated solely as a collector's item, if the owner files an affidavit with the commissioner. The affidavit shall state the owner's name and address, the name and address of the person from whom the aircraft was purchased, the make, year, and model number of the aircraft, the federal aircraft registration number, the manufacturer's identification number, and that the aircraft is owned and operated solely as a collector's item and not for general transportation purposes.

(e) A small unmanned aircraft system that meets the requirements of section 360.55, subdivision 9, is not subject to the requirements under paragraphs (a) and (b). ~~Owners of small unmanned aircraft systems that meet the requirements of section 360.55, subdivision 9, must, at the time of registration, provide proof of insurability in a form acceptable to the commissioner. Additionally, such operators must maintain records and proof that each flight was insured for the limits established in paragraph (a).~~

Sec. 51. Minnesota Statutes 2020, section 473.375, is amended by adding a subdivision to read:

Subd. 9b. **Safe accessibility training.** (a) The council must ensure that vehicle operators who provide bus service receive training on assisting persons with disabilities and mobility limitations to enter and leave the vehicle. The training must cover assistance in circumstances where regular access to or from the vehicle is unsafe due to snow, ice, or other obstructions. This subdivision applies to vehicle operators employed by the Metropolitan Council or by a replacement service provider.

(b) The council must consult with the Transportation Accessibility Advisory Committee on the training.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 52. **[473.4075] TRANSIT SAFETY REPORTING.**

(a) By February 15 annually, the council must submit a report on transit safety and administrative citations to the members of the legislative committees with jurisdiction over transportation policy and finance.

(b) At a minimum, the report must:

(1) provide an overview of transit safety issues and actions taken by the council to improve safety;

(2) provide an overview of administrative citations under section 473.4085, including a summary of implementation and analysis of impacts of the program on fare compliance and customer experience for riders;

(3) for each of the previous three calendar years, provide data and statistics on:

(i) crime rates occurring on public transit vehicles and at transit stops and stations;

(ii) the number of warnings and criminal citations issued by the Metropolitan Transit Police, with a breakout by categorized reasons for a warning or citation; and

(iii) the number of administrative citations issued, with a breakout by issuance by peace officers, community service officers, and other authorized nonsworn personnel;

(4) for each of the previous three calendar years, state the number of peace officers employed by the Metropolitan Transit Police Department;

(5) state the average number of peace officers employed by the Metropolitan Transit Police Department for the previous three calendar years; and

(6) make recommendations on how to improve safety on public transit and transit stops and stations, and for legislative changes, if any.

APPLICATION. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 53. **[473.4085] ADMINISTRATIVE CITATIONS.**

Subdivision 1. **Authority.** (a) Subject to requirements established by the Metropolitan Council, the council may issue an administrative citation to a person who commits a violation under section 609.855, subdivision 1, paragraph (a), clause (1), if the violation occurs:

(1) in a council transit vehicle or transit facility in the metropolitan area; or

(2) in the case of commuter rail service, in a council commuter vehicle or commuter facility in any corridor that is located in whole or in part in the metropolitan area.

(b) Transit fare compliance may be enforced and administrative citations may be issued by peace officers of the council's Metropolitan Transit Police, and by community service officers or other nonsworn personnel as authorized by the council.

Subd. 2. **Fine; contested citation; resolution.** (a) A person who is issued an administrative citation under this section must, within 90 days of issuance, pay a fine as determined by the council. A person who fails to either pay the fine or contest the administrative citation within the specified period is considered to have waived the contested citation process and is subject to collections, including collection costs.

(b) The council must set the amount of the fine at no less than \$35. The council may establish an escalating fine structure for persons who fail to pay administrative citations or who repeatedly commit a violation under section 609.855, subdivision 1, paragraph (a), clause (1).

(c) The council may adopt an alternative resolution procedure under which a person may resolve an administrative citation in lieu of paying a fine by complying with terms established by the council for community service, prepayment of future transit fares, or both. The alternative resolution procedure must be available only to a person who has committed a violation under section 609.855, subdivision 1, paragraph (a), clause (1), for the first time, unless the person demonstrates financial hardship under criteria established by the council.

(d) The council must provide a civil process that allows a person to contest an administrative citation before a neutral third party. The council may employ a person not associated with its transit operations, or enter into an agreement with another unit of government, to hear and rule on challenges to administrative citations.

Subd. 3. **Other requirements.** (a) An administrative citation must include notification that the person has the right to contest the citation, basic procedures for contesting the citation, and information on the timeline and consequences related to the citation.

(b) The council must not mandate or suggest a quota for the issuance of administrative citations under this section.

(c) The council must collect and maintain fines under this section in a separate account that is only used to cover costs under this section.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to violations committed on or after that date. This act applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Sherburne, and Washington.

Sec. 54. Minnesota Statutes 2020, section 609.855, subdivision 1, is amended to read:

Subdivision 1. **Unlawfully obtaining services; misdemeanor.** (a) A person is guilty of a misdemeanor who intentionally obtains or attempts to obtain service for himself, herself, or another person from a provider of public transit or from a public conveyance by doing any of the following:

(1) occupies or rides in any public transit vehicle without paying the applicable fare or otherwise obtaining the consent of the transit provider including:

(i) the use of a reduced fare when a person is not eligible for the fare; or

(ii) the use of a fare medium issued solely for the use of a particular individual by another individual;

(2) presents a falsified, counterfeit, photocopied, or other deceptively manipulated fare medium as fare payment or proof of fare payment;

(3) sells, provides, copies, reproduces, or creates any version of any fare medium without the consent of the transit provider; or

(4) puts or attempts to put any of the following into any fare box, pass reader, ticket vending machine, or other fare collection equipment of a transit provider:

(i) papers, articles, instruments, or items other than fare media or currency; or

(ii) a fare medium that is not valid for the place or time at, or the manner in, which it is used.

(b) Where self-service barrier-free fare collection is utilized by a public transit provider, it is a violation of this subdivision to intentionally fail to exhibit proof of fare payment upon the request of an authorized transit representative when entering, riding upon, or leaving a transit vehicle or when present in a designated paid fare zone located in a transit facility.

(c) Issuance of an administrative citation under section 473.4085 prevents imposition of a misdemeanor citation under this subdivision.

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

Sec. 55. Minnesota Statutes 2020, section 609.855, subdivision 7, is amended to read:

Subd. 7. **Definitions.** (a) The definitions in this subdivision apply in this section.

(b) "Public transit" or "transit" has the meaning given in section 174.22, subdivision 7.

(c) "Public transit vehicle" or "transit vehicle" means any vehicle used for the purpose of providing public transit, whether or not the vehicle is owned or operated by a public entity.

(d) "Public transit facilities" or "transit facilities" means any vehicles, equipment, property, structures, stations, improvements, plants, parking or other facilities, or rights that are owned, leased, held, or used for the purpose of providing public transit, whether or not the facility is owned or operated by a public entity.

(e) "Fare medium" means a ticket, smart card, pass, coupon, token, transfer, or other medium sold or distributed by a public transit provider, or its authorized agents, for use in gaining entry to or use of the public transit facilities or vehicles of the provider.

(f) "Proof of fare payment" means a fare medium valid for the place or time at, or the manner in, which it is used. If using a reduced-fare medium, proof of fare payment also includes proper identification demonstrating a person's eligibility for the reduced fare. If using a fare medium issued solely for the use of a particular individual, proof of fare payment also includes an identification document bearing a photographic likeness of the individual and demonstrating that the individual is the person to whom the fare medium is issued.

(g) "Authorized transit representative" means the person authorized by the transit provider to operate the transit vehicle, a peace officer, or any other person designated by the transit provider as an authorized transit ~~provider~~ representative under this section.

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

Sec. 56. **LEGISLATIVE ROUTE NO. 274 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 205, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Yellow Medicine County to transfer jurisdiction of a segment of Legislative Route No. 274 and notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 57. **LEGISLATIVE ROUTE NO. 301 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 232, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of the city of St. Cloud to transfer jurisdiction of Legislative Route No. 301 and notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 58. **TRANSIT SIGNAL PRIORITY SYSTEM PLANNING.**

Subdivision 1. **Establishment.** By August 1, 2022, the Metropolitan Council must convene a working group to perform planning on transit signal priority systems and related transit advantage improvements on high-frequency and high-ridership bus routes in the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2.

Subd. 2. **Membership.** The Metropolitan Council must solicit the following members to participate in the working group:

(1) one member representing Metro Transit, appointed by the Metropolitan Council;

(2) one member representing the Department of Transportation, appointed by the commissioner of transportation;

(3) one member representing Minneapolis, appointed by the Minneapolis City Council;

(4) one member representing St. Paul, appointed by the St. Paul City Council;

(5) one member representing Hennepin County, appointed by the Hennepin County Board;

(6) one member representing Ramsey County, appointed by the Ramsey County Board;

(7) one member from a city participating in the replacement service program under Minnesota Statutes, section 473.388, appointed by the Suburban Transit Association;

(8) one member from the Center for Transportation Studies at the University of Minnesota;

(9) one member from Move Minnesota; and

(10) other members as identified by the Metropolitan Council.

Subd. 3. **Duties.** At a minimum, the working group must:

(1) assess the current status and capability of transit signal priority systems among the relevant road authorities;

(2) identify key barriers and constraints and measures to address the barriers;

(3) explore methods for ongoing coordination among the relevant road authorities;

(4) estimate costs of potential improvements; and

(5) develop a proposal or recommendations to implement transit signal priority systems and related transit advantage improvements, including a prioritized listing of locations or routes.

Subd. 4. **Administration.** Upon request of the working group, the Metropolitan Council and the commissioner of transportation must provide administrative and technical support for the working group.

Subd. 5. **Report.** By December 15, 2022, the Metropolitan Council must submit a report on transit signal priority system improvements to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. At a minimum, the report must summarize the results of the working group and provide information on each of the activities specified in subdivision 3.

Subd. 6. **Expiration.** The working group under this section expires December 31, 2022.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 59. **SPEED SAFETY CAMERA PILOT PROJECT IMPLEMENTATION PLAN.**

By December 15, 2022, the commissioners of public safety and transportation must jointly submit a speed safety camera pilot project implementation plan to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The plan must conform to the recommendations in the work zone speed management study required under Laws 2021, First Special Session chapter 5, article 4, section 140.

Sec. 60. **ROAD USAGE CHARGE TASK FORCE.**

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

(b) "Road usage charge" means a tax, fee, or other charge imposed on a motor vehicle on the basis of distance traveled or other measure of vehicle use of public highways.

(c) "Task force" means the Road Usage Charge Task Force established in this section.

Subd. 2. **Establishment.** The Road Usage Charge Task Force is established to develop recommendations on implementation of a road usage charge in Minnesota.

Subd. 3. **Membership.** (a) The task force consists of the following members:

(1) two members of the senate, with one appointed by the senate majority leader and one appointed by the senate minority leader;

(2) two members of the house of representatives, with one appointed by the speaker of the house and one appointed by the house minority leader;

(3) one member from the Department of Transportation appointed by the commissioner of transportation;

(4) one member from the Driver and Vehicle Services Division of the Department of Public Safety appointed by the commissioner of public safety;

(5) one member from the Public Utilities Commission appointed by the Minnesota Public Utilities Commission;

(6) one member representing public utilities, as defined in section 216B.02, subdivision 4, that provide electric service to retail customers in Minnesota appointed by the commissioner of transportation;

(7) one member appointed by the Alliance for Automotive Innovation;

(8) one member appointed by the Center for Transportation Studies of the University of Minnesota;

(9) one member appointed by the Minnesota Transportation Alliance;

(10) one member appointed by the Minnesota Chamber of Commerce;

(11) one member appointed by the Great Plains Institute;

(12) one member appointed by Fresh Energy; and

(13) one member appointed by the Minnesota Electric Vehicle Owners chapter of the Electric Vehicle Association.

(b) Appointing authorities must make initial appointments to the task force by August 1, 2022.

Subd. 4. **Duties.** The task force must:

(1) identify and analyze road usage charge options and considerations, including with respect to technical constraints, revenue impacts, equity across highway system users, data privacy, and impacts to motorists;

(2) review road usage charge implementation in other states;

(3) evaluate road usage charge implementation in Minnesota for all-electric vehicles or electric vehicles, as the terms are defined in Minnesota Statutes, section 169.011, subdivisions 1a and 26a; and

(4) develop recommendations for a pilot program or for phased or full road usage charge implementation, including proposed legislation.

Subd. 5. **Meetings; chair.** (a) By September 15, 2022, the chair of the Legislative Coordinating Commission must convene the first meeting of the task force.

(b) At the first meeting, the task force must elect a chair or cochairs by a majority vote of those members present.

(c) The meetings of the task force are subject to Minnesota Statutes, chapter 13D.

Subd. 6. **Administration.** (a) The Legislative Coordinating Commission must provide administrative assistance to the task force.

(b) Upon request of the task force, the commissioners of transportation and public safety must provide general informational and technical support to the task force.

Subd. 7. **Compensation.** Members of the task force serve without compensation.

Subd. 8. **Report.** By January 15, 2023, the task force must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. At a minimum, the report must summarize the activities of the task force and provide information on the duties specified in subdivision 4.

Subd. 9. **Expiration.** The task force expires on January 15, 2023.

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

Sec. 61. **REPORT; HIGHWAYS FOR HABITAT PROGRAM.**

By January 15, 2025, the commissioner of transportation must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation and the environment and natural resources on the implementation of the highways for habitat program under Minnesota Statutes, section 160.2325. At a minimum, the report must include an overview of program implementation and information on expenditure of funds under the program.

Sec. 62. **REPEALER.**

Minnesota Rules, part 8835.0350, subpart 2, is repealed.

ARTICLE 14
INDEPENDENT EXPERT REVIEW PROVISIONS

Section 1. Minnesota Statutes 2020, section 168.002, is amended by adding a subdivision to read:

Subd. 12a. **Full-service provider.** "Full-service provider" means a person who is appointed by the commissioner as both a deputy registrar under this chapter and a driver's license agent under chapter 171 who provides all driver services, excluding International Registration Plan and International Fuel Tax Agreement transactions.

Sec. 2. Minnesota Statutes 2021 Supplement, section 168.327, subdivision 1, is amended to read:

Subdivision 1. **Records and fees.** (a) Upon request by any person authorized in this section, the commissioner ~~shall~~ or full-service provider must furnish a certified copy of any driver's license record, instruction permit record, Minnesota identification card record, vehicle registration record, vehicle title record, or accident record.

(b) Except as provided in subdivisions 4, 5a, and 5b, and other than accident records governed under section 169.09, subdivision 13, the requester ~~shall~~ must pay a fee of \$10 for each certified record specified in paragraph (a) or a fee of \$9 for each record that is not certified.

(c) Except as provided in subdivisions 4, 5a, and 5b, in addition to the record fee in paragraph (b), the fee for a copy of the history of any vehicle title not in electronic format is \$1 for each page of the historical record.

(d) ~~Fees~~ Of the fee collected by the commissioner under paragraph (b) for driver's license, instruction permit, and Minnesota identification card records, ~~must be paid into the state treasury with 50 cents of each fee credited to~~ must be deposited in the general fund, ~~and the remainder of the fees collected must be credited to~~ must be deposited in the driver services operating account in the special revenue fund under section 299A.705. ~~Of the fee collected by a full-service provider under paragraph (b) for driver's license, instruction permit, and Minnesota identification card records, the provider must transmit 50 cents to the commissioner to be deposited in the general fund, and the provider must retain the remainder.~~

(e) ~~Fees~~ Of the fee collected by the commissioner under paragraphs (b) and (c) for vehicle registration or title records, ~~must be paid into the state treasury with 50 cents of each fee credited to~~ must be deposited in the general fund, ~~and the remainder of the fees collected must be credited to~~ must be deposited in the vehicle services operating account in the special revenue fund specified in section 299A.705. ~~Of the fee collected by a full-service provider under paragraphs (b) and (c) for vehicle registration or title records, the provider must transmit 50 cents of each fee to the commissioner to be deposited in the general fund, and the provider must retain the remainder.~~

(f) Except as provided in subdivisions 4, 5a, and 5b, the commissioner ~~shall~~ or full-service provider must permit a person to inquire into a record by the person's own electronic means for a fee of \$4.50 for each inquiry, except that no fee may be charged when the requester is the subject of the data.

(g) Of the fee collected by the commissioner under paragraph (f):

(1) \$2.70 must be deposited in the general fund;

(2) for driver's license, instruction permit, or Minnesota identification card records, the remainder must be deposited in the driver services operating account in the special revenue fund under section 299A.705; and

(3) for vehicle title or registration records, the remainder must be deposited in the vehicle services operating account in the special revenue fund under section 299A.705.

(h) Of the fee collected by a full-service provider under paragraph (f), the provider must transmit \$2.70 to the commissioner to be deposited into the general fund, and the provider must retain the remainder.

~~(g)~~ (i) Fees and the deposit of the fees for accident records and reports are governed by section 169.09, subdivision 13.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to requests for records made on or after that date.

Sec. 3. Minnesota Statutes 2020, section 168.327, subdivision 2, is amended to read:

Subd. 2. **Requests for information; surcharge on fee.** (a) Except as otherwise provided in subdivision 3, the commissioner ~~shall~~ or full-service provider must impose a surcharge of 50 cents on each fee charged by the commissioner or full-service provider under section 13.03, subdivision 3, for copies or electronic transmittals of public information about the registration of a vehicle or an applicant, or holder of a driver's license, instruction permit, or Minnesota identification card.

(b) The surcharge only applies to a fee imposed in response to a request made in person ~~or~~ by mail, or ~~to a request for transmittal through a computer modem~~ online. The surcharge does not apply to the request of an individual for information about that individual's driver's license, instruction permit, or Minnesota identification card or about vehicles registered or titled in the individual's name.

(c) The surcharges collected by the commissioner under this subdivision must be credited to the general fund. The surcharges collected by a full-service provider must be transmitted to the commissioner to be deposited in the general fund.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to requests for records made on or after that date.

Sec. 4. Minnesota Statutes 2020, section 168.327, subdivision 3, is amended to read:

Subd. 3. **Exception to fee and surcharge.** (a) Notwithstanding subdivision 2 or section 13.03, a fee or surcharge may not be imposed in response to a request for public information about the registration of a vehicle if the commissioner or full-service provider is satisfied that:

(1) the requester seeks the information on behalf of a community-based, nonprofit organization designated by a local law enforcement agency to be a requester; and

(2) the information is needed to identify suspected prostitution law violators, controlled substance law violators, or health code violators.

(b) The commissioner ~~shall~~ or full-service provider must not require a requester under paragraph (a) to make a minimum number of data requests or limit the requester to a maximum number of data requests.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to requests for records made on or after that date.

Sec. 5. Minnesota Statutes 2020, section 168.33, subdivision 7, is amended to read:

Subd. 7. **Filing fees; allocations.** (a) In addition to all other statutory fees and taxes, a filing fee of:

(1) \$7 is imposed on every vehicle registration renewal, excluding pro rate transactions; and

(2) \$11 is imposed on every other type of vehicle transaction, including motor carrier fuel licenses under sections 168D.05 and 168D.06, and pro rate transactions.

(b) Notwithstanding paragraph (a):

(1) a filing fee may not be charged for a document returned for a refund or for a correction of an error made by the Department of Public Safety, a dealer, or a deputy registrar; and

(2) no filing fee or other fee may be charged for the permanent surrender of a title for a vehicle.

(c) The filing fee must be shown as a separate item on all registration renewal notices sent out by the commissioner.

(d) The statutory fees and taxes, and the filing fees imposed under paragraph (a) may be paid by credit card or debit card. The deputy registrar may collect a surcharge on the statutory fees, taxes, and filing fee not greater than the cost of processing a credit card or debit card transaction, in accordance with emergency rules established by the commissioner of public safety. The surcharge must be used to pay the cost of processing credit and debit card transactions.

(e) The fees collected under this subdivision by the department for in-person transactions must be allocated as follows:

(1) of the fees collected under paragraph (a), clause (1):

(i) \$5.50 must be deposited in the vehicle services operating account; and

(ii) \$1.50 must be deposited in the driver and vehicle services technology account; and

(2) of the fees collected under paragraph (a), clause (2):

(i) \$3.50 must be deposited in the general fund;

(ii) \$6.00 must be deposited in the vehicle services operating account; and

(iii) \$1.50 must be deposited in the driver and vehicle services technology account.

(f) The fees collected under this subdivision by the department for mail or online transactions must be allocated as follows:

(1) of the fees collected under paragraph (a), clause (1):

(i) \$2.75 must be deposited in the vehicle services operating account;

(ii) \$0.75 must be deposited in the driver and vehicle services technology account; and

(iii) \$3.50 must be deposited in the full-service provider account; and

(2) of the fees collected under paragraph (a), clause (2):

(i) \$3.50 must be deposited in the general fund;

(ii) \$3.00 must be deposited in the vehicle services operating account;

(iii) \$0.75 must be deposited in the driver and vehicle services technology account; and

(iv) \$3.75 must be deposited in the full-service provider account.

Sec. 6. Minnesota Statutes 2020, section 168.345, is amended to read:

168.345 USE OF VEHICLE REGISTRATION INFORMATION.

Subdivision 1. **Information by telephone.** Information about vehicle registrations ~~shall~~ must not be furnished on the telephone to any person except the owner of the vehicle, personnel of law enforcement agencies, and the personnel of governmental motor vehicle and registration offices.

Subd. 2. **Lessees; information.** The commissioner may not furnish information about registered owners of passenger automobiles who are lessees under a lease for a term of 180 days or more to any person except the owner of the vehicle, the lessee, personnel of law enforcement agencies and trade associations performing a member service under section 604.15, subdivision 4a, and federal, state, and local governmental units, and, at the commissioner's discretion, to persons who use the information to notify lessees of automobile recalls. The commissioner may release information about lessees in the form of summary data, as defined in section 13.02, to persons who use the information in conducting statistical analysis and market research.

Sec. 7. Minnesota Statutes 2021 Supplement, section 169.09, subdivision 13, is amended to read:

Subd. 13. **Reports confidential; evidence, fee, penalty, appropriation.** (a) All reports and supplemental information required under this section must be for the use of the commissioner of public safety and other appropriate state, federal, county, and municipal governmental agencies for accident analysis purposes, except:

(1) upon written request, the commissioner of public safety, a full-service provider as defined in section 171.01, subdivision 33a, or any law enforcement agency ~~shall~~ must disclose the report required under subdivision 8 to:

(i) any individual involved in the accident, the representative of the individual's estate, or the surviving spouse, or one or more surviving next of kin, or a trustee appointed under section 573.02;

(ii) any other person injured in person, property, or means of support, or who incurs other pecuniary loss by virtue of the accident;

(iii) legal counsel of a person described in item (i) or (ii);

(iv) a representative of the insurer of any person described in item (i) or (ii); or

(v) a city or county attorney or an attorney representing the state in an implied consent action who is charged with the prosecution of a traffic or criminal offense that is the result of a traffic crash investigation conducted by law enforcement;

~~(2) the commissioner of public safety shall, upon written request, provide the driver filing a report under subdivision 7 with a copy of the report filed by the driver;~~

~~(3) (2) the commissioner of public safety may verify with insurance companies vehicle insurance information to enforce sections 65B.48, 169.792, 169.793, 169.796, and 169.797;~~

~~(4) (3) the commissioner of public safety shall~~ must provide the commissioner of transportation the information obtained for each traffic accident involving a commercial motor vehicle, for purposes of administering commercial vehicle safety regulations;

(5) (4) upon specific request, the commissioner of public safety ~~shall~~ must provide the commissioner of transportation the information obtained regarding each traffic accident involving damage to identified state-owned infrastructure, for purposes of debt collection under section 161.20, subdivision 4; and

(6) (5) the commissioner of public safety may give to the United States Department of Transportation commercial vehicle accident information in connection with federal grant programs relating to safety.

(b) Accident reports and data contained in the reports are not discoverable under any provision of law or rule of court. ~~No report shall~~ A report must not be used as evidence in any trial, civil or criminal, or any action for damages or criminal proceedings arising out of an accident. However, the commissioner of public safety ~~shall~~ must furnish, upon the demand of any person who has or claims to have made a report or upon demand of any court, a certificate showing that a specified accident report has or has not been made to the commissioner solely to prove compliance or failure to comply with the requirements that the report be made to the commissioner.

(c) Nothing in this subdivision prevents any individual who has made a report under this section from providing information to any individuals involved in an accident or their representatives or from testifying in any trial, civil or criminal, arising out of an accident, as to facts within the individual's knowledge. It is intended by this subdivision to render privileged the reports required, but it is not intended to prohibit proof of the facts to which the reports relate.

(d) Disclosing any information contained in any accident report, except as provided in this subdivision, section 13.82, subdivision 3 or 6, or other statutes, is a misdemeanor.

(e) The commissioner of public safety ~~shall~~ or full-service provider as defined in section 171.01, subdivision 33a, must charge authorized persons as described in paragraph (a) a \$5 fee for a copy of an accident report. Ninety percent of the \$5 fee collected by the commissioner under this paragraph must be deposited in the special revenue fund and credited to the driver services operating account established in section 299A.705 and ten percent must be deposited in the general fund. Of the \$5 fee collected by a full-service provider, the provider must transmit 50 cents to the commissioner to be deposited into the general fund, and the provider must retain the remainder. The commissioner or full-service provider may also furnish an electronic copy of the database of accident records, which must not contain personal or private data on an individual, to private agencies as provided in paragraph (g), for not less than the cost of preparing the copies on a bulk basis as provided in section 13.03, subdivision 3.

(f) The fees specified in paragraph (e) notwithstanding, the commissioner, a full-service provider, and law enforcement agencies ~~shall~~ must charge commercial users who request access to response or incident data relating to accidents a fee not to exceed 50 cents per record. "Commercial user" is a user who in one location requests access to data in more than five accident reports per month, unless the user establishes that access is not for a commercial purpose. Of the money collected by the commissioner under this paragraph, 90 percent must be deposited in the special revenue fund and credited to the driver services operating account established in section 299A.705 and ten percent must be deposited in the general fund. Of the fees collected by a full-service provider under this paragraph, the provider must transmit 50 cents to the commissioner to be deposited into the general fund, and the provider must retain the remainder.

(g) The fees in paragraphs (e) and (f) notwithstanding, the commissioner ~~shall~~ or full-service provider must provide an electronic copy of the accident records database to the public on a case-by-case basis using the cost-recovery charges provided for under section 13.03, subdivision 3. The database provided must not contain personal or private data on an individual. However, unless the accident records database includes the vehicle identification number, the commissioner ~~shall~~ or full-service provider must include the vehicle registration plate number if a private agency certifies and agrees that the agency:

(1) is in the business of collecting accident and damage information on vehicles;

(2) will use the vehicle registration plate number only for identifying vehicles that have been involved in accidents or damaged, to provide this information to persons seeking access to a vehicle's history and not for identifying individuals or for any other purpose; and

(3) will be subject to the penalties and remedies under sections 13.08 and 13.09.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to requests for records made on or after that date.

Sec. 8. Minnesota Statutes 2020, section 171.01, is amended by adding a subdivision to read:

Subd. 33a. **Full-service provider.** "Full-service provider" means a person who is appointed by the commissioner as both a driver's license agent who provides all driver services, excluding International Registration Plan and International Fuel Tax Agreement transactions under this chapter and deputy registrar services under chapter 168.

Sec. 9. Minnesota Statutes 2020, section 171.06, subdivision 2, is amended to read:

Subd. 2. **Fees.** (a) The fees for a license and Minnesota identification card are as follows:

REAL ID Compliant or Noncompliant Classified Driver's License	D-\$21.00	C-\$25.00	B-\$32.00	A-\$40.00
REAL ID Compliant or Noncompliant Classified Under-21 D.L.	D-\$21.00	C-\$25.00	B-\$32.00	A-\$20.00
Enhanced Driver's License	D-\$36.00	C-\$40.00	B-\$47.00	A-\$55.00
REAL ID Compliant or Noncompliant Instruction Permit				\$5.25
Enhanced Instruction Permit				\$20.25
Commercial Learner's Permit				\$2.50
REAL ID Compliant or Noncompliant Provisional License				\$8.25
Enhanced Provisional License				\$23.25
Duplicate REAL ID Compliant or Noncompliant License or duplicate REAL ID Compliant or Noncompliant identification card				\$6.75
Enhanced Duplicate License or enhanced duplicate identification card				\$21.75
REAL ID Compliant or Noncompliant Minnesota identification card or REAL ID Compliant or Noncompliant Under-21 Minnesota identification card, other than duplicate, except as otherwise provided in section 171.07, subdivisions 3 and 3a				\$11.25
Enhanced Minnesota identification card				\$26.25

From August 1, 2019, to June 30, 2022, the fee is increased by \$0.75 for REAL ID compliant or noncompliant classified driver's licenses, REAL ID compliant or noncompliant classified under-21 driver's licenses, and enhanced driver's licenses.

(b) In addition to each fee required in paragraph (a), the commissioner ~~shall~~ must collect a surcharge of \$2.25. Surcharges collected under this paragraph must be credited to the driver and vehicle services technology account under section 299A.705.

(c) Notwithstanding paragraph (a), an individual who holds a provisional license and has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33, 169A.35, sections 169A.50 to 169A.53, or section 171.177, (2) convictions for crash-related moving violations, and (3) convictions for moving violations that are not crash related, ~~shall~~ must have a \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving violation" has the meaning given it in section 171.04, subdivision 1.

(d) In addition to the driver's license fee required under paragraph (a), the commissioner ~~shall~~ must collect an additional \$4 processing fee from each new applicant or individual renewing a license with a school bus endorsement to cover the costs for processing an applicant's initial and biennial physical examination certificate. The department ~~shall~~ must not charge these applicants any other fee to receive or renew the endorsement.

(e) In addition to the fee required under paragraph (a), a driver's license agent may charge and retain a filing fee as provided under section 171.061, subdivision 4.

(f) In addition to the fee required under paragraph (a), the commissioner ~~shall~~ must charge a filing fee at the same amount as a driver's license agent under section 171.061, subdivision 4. Revenue collected under this paragraph for in-person transactions must be deposited in the driver services operating account under section 299A.705. Revenue collected under this paragraph for mail or online transactions must be allocated as follows:

(1) 50 percent must be deposited in the driver services operating account under section 299A.705, subdivision 2; and

(2) 50 percent must be deposited in the full-service provider account under section 299A.705, subdivision 3a.

(g) An application for a Minnesota identification card, instruction permit, provisional license, or driver's license, including an application for renewal, must contain a provision that allows the applicant to add to the fee under paragraph (a), a \$2 donation for the purposes of public information and education on anatomical gifts under section 171.075.

Sec. 10. Minnesota Statutes 2020, section 171.06, is amended by adding a subdivision to read:

Subd. 8. Preapplication; REAL ID. (a) The commissioner must establish a process for an applicant to submit an electronic preapplication for a REAL ID-compliant driver's license or REAL ID-compliant identification card. The commissioner must design the preapplication so that the applicant must enter information required for the application. The preapplication must also generate a list of documents the applicant is required to submit in person at the time of the application. The commissioner must provide a link to the preapplication website at the time an individual schedules an appointment to apply for a REAL ID-compliant driver's license or REAL ID-compliant identification card.

(b) An applicant who submitted a preapplication is required to appear in person before a driver's license agent to submit a completed application for the REAL ID-compliant driver's license or REAL ID-compliant identification card.

Sec. 11. Minnesota Statutes 2020, section 171.061, subdivision 4, is amended to read:

Subd. 4. **Fee; equipment.** (a) The agent may charge and retain a filing fee ~~of \$8~~ for each application, as follows:

(1) <u>New application for noncompliant driver's license or noncompliant Minnesota identification card</u>	<u>\$11.00</u>
(2) <u>New application for REAL ID-compliant driver's license, REAL ID-compliant Minnesota identification card, enhanced driver's license, or enhanced Minnesota identification card</u>	<u>\$16.00</u>
(3) <u>Renewal application for noncompliant driver's license or noncompliant Minnesota identification card</u>	<u>\$11.00</u>
(4) <u>Renewal application for REAL ID-compliant driver's license, REAL ID-compliant Minnesota identification card, enhanced driver's license, or enhanced Minnesota identification card</u>	<u>\$11.00</u>

Except as provided in paragraph (c), the fee ~~shall~~ must cover all expenses involved in receiving, accepting, or forwarding to the department the applications and fees required under sections 171.02, subdivision 3; 171.06, subdivisions 2 and 2a; and 171.07, subdivisions 3 and 3a.

(b) The statutory fees and the filing fees imposed under paragraph (a) may be paid by credit card or debit card. The driver's license agent may collect a convenience fee on the statutory fees and filing fees not greater than the cost of processing a credit card or debit card transaction. The convenience fee must be used to pay the cost of processing credit card and debit card transactions. The commissioner ~~shall~~ must adopt rules to administer this paragraph using the exempt procedures of section 14.386, except that section 14.386, paragraph (b), does not apply.

(c) The department ~~shall~~ must maintain the photo identification equipment for all agents appointed as of January 1, 2000. Upon the retirement, resignation, death, or discontinuance of an existing agent, and if a new agent is appointed in an existing office pursuant to Minnesota Rules, chapter 7404, and notwithstanding the above or Minnesota Rules, part 7404.0400, the department ~~shall~~ must provide and maintain photo identification equipment without additional cost to a newly appointed agent in that office if the office was provided the equipment by the department before January 1, 2000. All photo identification equipment must be compatible with standards established by the department.

(d) A filing fee retained by the agent employed by a county board must be paid into the county treasury and credited to the general revenue fund of the county. An agent who is not an employee of the county ~~shall~~ must retain the filing fee in lieu of county employment or salary and is considered an independent contractor for pension purposes, coverage under the Minnesota State Retirement System, or membership in the Public Employees Retirement Association.

(e) Before the end of the first working day following the final day of the reporting period established by the department, the agent must forward to the department all applications and fees collected during the reporting period except as provided in paragraph (d).

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to applications made on or after that date.

Sec. 12. Minnesota Statutes 2020, section 171.0705, is amended by adding a subdivision to read:

Subd. 11. **Manual and study material availability.** The commissioner must publish the driver's manual on the department's website. The commissioner must also publish study support materials for the written exam and skills exam, with a focus on the subjects and skills that are most commonly failed by exam takers. The commissioner must ensure that the driver's manual and study support materials are easily located and available for no cost.

Sec. 13. Minnesota Statutes 2020, section 171.12, subdivision 1a, is amended to read:

Subd. 1a. **Driver and vehicle services information system; security and auditing.** (a) The commissioner must establish written procedures to ensure that only individuals authorized by law may enter, update, or access not public data collected, created, or maintained by the driver and vehicle services information system. An authorized individual's ability to enter, update, or access data in the system must correspond to the official duties or training level of the individual and to the statutory authorization granting access for that purpose. All queries and responses, and all actions in which data are entered, updated, accessed, shared, or disseminated, must be recorded in a data audit trail. Data contained in the audit trail are public to the extent the data are not otherwise classified by law.

(b) The commissioner must not revoke the authorization of any individual who properly accessed data to complete an authorized transaction or to resolve an issue that does not result in a completed authorized transaction. The commissioner must immediately and permanently revoke the authorization of any individual who willfully entered, updated, accessed, shared, or disseminated data in violation of state or federal law. If an individual willfully gained access to data without authorization by law, the commissioner must forward the matter to the appropriate prosecuting authority for prosecution. The commissioner must establish a process that allows an individual whose access was revoked to appeal that decision.

(c) The commissioner must arrange for an independent biennial audit of the driver and vehicle services information system to determine whether data currently in the system are classified correctly, how the data are used, and to verify compliance with this subdivision. The results of the audit are public. No later than 30 days following completion of the audit, the commissioner must provide a report summarizing the audit results to the commissioner of administration; the chairs and ranking minority members of the committees of the house of representatives and the senate with jurisdiction over transportation policy and finance, public safety, and data practices; and the Legislative Commission on Data Practices and Personal Data Privacy. The report must be submitted as required under section 3.195, except that printed copies are not required.

Sec. 14. Minnesota Statutes 2021 Supplement, section 171.13, subdivision 1, is amended to read:

Subdivision 1. **Examination subjects and locations; provisions for color blindness, disabled veterans.** (a) Except as otherwise provided in this section, the commissioner ~~shall~~ must examine each applicant for a driver's license by such agency as the commissioner directs. This examination must include:

(1) a test of the applicant's eyesight, provided that this requirement is met by submission of a vision examination certificate under section 171.06, subdivision 7;

(2) a test of the applicant's ability to read and understand highway signs regulating, warning, and directing traffic;

(3) a test of the applicant's knowledge of (i) traffic laws; (ii) the effects of alcohol and drugs on a driver's ability to operate a motor vehicle safely and legally, and of the legal penalties and financial consequences resulting from violations of laws prohibiting the operation of a motor vehicle while under the influence of alcohol or drugs; (iii) railroad grade crossing safety; (iv) slow-moving vehicle safety; (v) laws relating to pupil transportation safety, including the significance of school bus lights, signals, stop arm, and passing a school bus; (vi) traffic laws related to bicycles; and (vii) the circumstances and dangers of carbon monoxide poisoning;

(4) an actual demonstration of ability to exercise ordinary and reasonable control in the operation of a motor vehicle; and

(5) other physical and mental examinations as the commissioner finds necessary to determine the applicant's fitness to operate a motor vehicle safely upon the highways.

(b) Notwithstanding paragraph (a), the commissioner must not deny an application for a driver's license based on the exclusive grounds that the applicant's eyesight is deficient in color perception or that the applicant has been diagnosed with diabetes mellitus. War veterans operating motor vehicles especially equipped for disabled persons, if otherwise entitled to a license, must be granted such license.

(c) The commissioner ~~shall~~ must make provision for giving the examinations under this subdivision either in the county where the applicant resides or at a place adjacent thereto reasonably convenient to the applicant.

(d) The commissioner ~~shall~~ must ensure that an applicant is able to obtain an appointment for an examination to demonstrate ability under paragraph (a), clause (4), within 14 days of the applicant's request if, under the applicable statutes and rules of the commissioner, the applicant is eligible to take the examination.

(e) The commissioner must provide real-time information on the department's website about the availability and location of exam appointments. The website must show the next available exam dates and times for each exam station. The website must also provide an option for a person to enter an address to see the date and time of the next available exam at each exam station sorted by distance from the address provided. The information must be easily accessible and must not require a person to sign in or provide any other information, except an address, in order to see available exam dates.

Sec. 15. Minnesota Statutes 2020, section 171.13, subdivision 1a, is amended to read:

Subd. 1a. **Waiver when license issued by another jurisdiction.** (a) If the commissioner determines that an applicant 21 years of age or older possesses a valid driver's license issued by another state or jurisdiction that requires a comparable examination for obtaining a driver's license, the commissioner ~~may~~ must waive the ~~requirement~~ requirements that the applicant pass a written knowledge examination and demonstrate ability to exercise ordinary and reasonable control in the operation of a motor vehicle ~~on determining that the applicant possesses a valid driver's license issued by a jurisdiction that requires a comparable demonstration for license issuance.~~

(b) If the commissioner determines that an applicant 21 years of age or older possesses a valid driver's license with a two-wheeled vehicle endorsement issued by another state or jurisdiction that requires a comparable examination for obtaining the endorsement, the commissioner must waive the requirements that the applicant for a two-wheeled vehicle endorsement pass a written knowledge examination and demonstrate the ability to exercise ordinary and reasonable control in the operation of a motor vehicle.

(c) For purposes of this subdivision, "jurisdiction" includes, but is not limited to, both the active and reserve components of any branch or unit of the United States armed forces, and "valid driver's license" includes any driver's license that is recognized by that branch or unit as currently being valid, or as having been valid at the time of the applicant's separation or discharge from the military within a period of time deemed reasonable and fair by the commissioner, up to and including one year past the date of the applicant's separation or discharge.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to applications made on or after that date.

Sec. 16. Minnesota Statutes 2020, section 299A.705, is amended by adding a subdivision to read:

Subd. 3a. **Full-service provider account.** (a) The full-service provider account is created in the special revenue fund, consisting of fees described in sections 168.33, subdivision 7, and 171.06, subdivision 2, and any other money donated, allotted, transferred, or otherwise provided to the account.

(b) Money in the account is annually appropriated to the commissioner of public safety to distribute to full-service providers, as defined in section 168.002, subdivision 12a. At least quarterly, the commissioner must distribute the money in the account to each full-service provider that was in operation during that quarter based proportionally on the number of transactions completed by each full-service provider.

Sec. 17. **REPORT; TRANSITION TO DIGITAL TITLES AND DRIVERS' LICENSES.**

By December 15, 2022, the commissioner of public safety must report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance on transitioning from physical driver and vehicle documents to digital versions of the same documents. At a minimum, the report must:

- (1) include information on how other states have implemented the transition to digital documents;
- (2) make recommendations on how to ensure the security, integrity, and privacy of data;
- (3) include an estimate of the costs for transitioning to digital documents;
- (4) include an estimated timeline for transitioning to digital documents; and
- (5) identify statutory changes necessary to implement the transition to digital documents.

Sec. 18. **EFFECTIVE DATE.**

Except where otherwise specified, this article is effective August 1, 2022.

ARTICLE 15
SALVAGE AND PRIOR SALVAGE TITLE BRANDS

Section 1. Minnesota Statutes 2020, section 168A.01, is amended by adding a subdivision to read:

Subd. 16b. **Recovered intact vehicle.** "Recovered intact vehicle" means a vehicle that was:

- (1) verified by the vehicle insurer to be stolen and declared a total loss; and
- (2) subsequently recovered with damage that is not in excess of 80 percent of its value immediately before it was stolen.

Sec. 2. Minnesota Statutes 2020, section 168A.01, subdivision 17b, is amended to read:

Subd. 17b. **Salvage vehicle.** (a) "Salvage vehicle" means a vehicle ~~that has a salvage certificate of title (1) for which an insurance company has declared a total loss or paid a total loss claim, or (2) that has been involved in a collision or other event in which the cost of repairs exceeds 80 percent of the value of the vehicle immediately before the damage occurred.~~

(b) Salvage vehicle does not include a recovered intact vehicle.

Sec. 3. Minnesota Statutes 2020, section 168A.04, subdivision 1, is amended to read:

Subdivision 1. **Contents.** The application for the first certificate of title of a vehicle or manufactured home in this state, or for reissuance of a certificate of title for a manufactured home under section 168A.142, ~~shall~~ must be made by the owner to the department on the form prescribed by the department and ~~shall~~ must contain:

- (1) the first, middle, and last names, the dates of birth, and addresses of all owners who are natural persons, the full names and addresses of all other owners;

(2) a description of the vehicle or manufactured home including, so far as the following data exists, its make, model, year, identifying number in the case of a vehicle or serial number in the case of a manufactured home, type of body, and whether new or used;

(3) the date of purchase by applicant, the name and address of the person from whom the vehicle or manufactured home was acquired, the names and addresses of any secured parties in the order of their priority, and the dates of their respective security agreements;

(4) with respect to motor vehicles subject to the provisions of section 325E.15, the true cumulative mileage registered on the odometer or that the actual mileage is unknown if the odometer reading is known by the owner to be different from the true mileage;

(5) ~~with respect to vehicles subject to section 325F.6641,~~ whether the vehicle sustained damage by collision or other occurrence ~~which exceeded 70 percent of the actual cash value~~ that meets the disclosure requirements under section 325F.6641, subdivision 1; and

(6) any further information the department reasonably requires to identify the vehicle or manufactured home and to enable it to determine whether the owner is entitled to a certificate of title, and the existence or nonexistence and priority of any security interest in the vehicle or manufactured home.

Sec. 4. Minnesota Statutes 2020, section 168A.04, subdivision 4, is amended to read:

Subd. 4. **Vehicle last registered out of state.** If the application refers to a vehicle last previously registered in another state or country, the application ~~shall~~ must contain or be accompanied by:

(1) any certificate of title issued by the other state or country;

(2) any other information and documents the department reasonably requires to establish the ownership of the vehicle and the existence or nonexistence and priority of any security interest in it;

(3) the certificate of a person authorized by the department that the identifying number of the vehicle has been inspected and found to conform to the description given in the application, or any other proof of the identity of the vehicle the department reasonably requires; and

(4) ~~with respect to vehicles subject to section 325F.6641,~~ whether the vehicle sustained damage by collision or other occurrence ~~which exceeded 70 percent of actual cash value~~ that meets the disclosure requirements under section 325F.6641, subdivision 1. Damage, for the purpose of ~~this~~ the calculation under this clause, does not include the actual cost incurred to repair, replace, or reinstall inflatable safety restraints and other vehicle components that must be replaced due to the deployment of the inflatable safety restraints.

Sec. 5. Minnesota Statutes 2020, section 168A.05, subdivision 3, is amended to read:

Subd. 3. **Content of certificate.** (a) Each certificate of title issued by the department ~~shall~~ must contain:

(1) the date issued;

(2) the first, middle, and last names and the dates of birth of all owners who are natural persons, and the full names of all other owners;

(3) the residence address of the owner listed first if that owner is a natural person or the address if that owner is not a natural person;

(4) the names of any secured parties, and the address of the first secured party, listed in the order of priority (i) as shown on the application, or (ii) if the application is based on a certificate of title, as shown on the certificate, or (iii) as otherwise determined by the department;

(5) any liens filed pursuant to a court order or by a public agency responsible for child support enforcement against the owner;

(6) the title number assigned to the vehicle;

(7) a description of the vehicle including, so far as the following data exists, its make, model, year, identifying number, type of body, whether new or used, and if a new vehicle, the date of the first sale of the vehicle for use;

(8) with respect to a motor vehicle subject to section 325E.15, (i) the true cumulative mileage registered on the odometer or (ii) that the actual mileage is unknown if the odometer reading is known by the owner to be different from the true mileage;

(9) if applicable, one or more of the following:

(i) with respect to a vehicle subject to sections ~~325F.6641~~ 168A.151 and 325F.6642, the appropriate ~~term~~ brand "flood damaged," ~~"rebuilt,"~~ "salvage," "prior salvage," or "reconstructed";

~~(10)~~ (ii) with respect to a vehicle contaminated by methamphetamine production, if the registrar has received the certificate of title and notice described in section 152.0275, subdivision 2, paragraph (g), the ~~term~~ brand "hazardous waste contaminated vehicle"; and

~~(11)~~ (iii) with respect to a vehicle subject to section 325F.665, the ~~term~~ brand "lemon law vehicle"; and

~~(12)~~ (10) any other data the department prescribes.

(b) For a certificate of title on a vehicle that is a restored pioneer vehicle:

(1) the identifying number must be the valid identifying number as provided under section 168A.04, subdivision 5;

(2) the year of the vehicle must be the year of original vehicle manufacture and not the year of restoration; and

(3) the title must not bear a "reconstructed vehicle" brand.

Sec. 6. Minnesota Statutes 2020, section 168A.151, subdivision 1, is amended to read:

Subdivision 1. **Salvage titles and prior salvage brands.** (a) When an insurer, licensed to conduct business in Minnesota, acquires ownership of a ~~late-model or high-value vehicle, excluding a recovered intact vehicle,~~ through payment of damages, the insurer ~~shall~~ must:

(1) ~~for a late-model or high-value vehicle, immediately apply for a salvage certificate of title that bears a "salvage" brand or shall stamp the existing certificate of title with the legend " SALVAGE salvage CERTIFICATE OF TITLE" in a manner prescribed by the department; or~~

(2) for a vehicle that is not subject to clause (1), immediately apply for a certificate of title that bears a "prior salvage" brand or stamp the existing certificate of title with "prior salvage" in a manner prescribed by the department.

(b) Within ten days of obtaining the title of a vehicle through payment of damages, an insurer must notify the department in a manner prescribed by the department.

~~(b)~~ (c) Except as provided in section 168A.11, subdivision 1, a person shall must immediately apply for a salvage certificate of title that bears a "salvage" brand if the person acquires a damaged late-model or high-value vehicle with an out-of-state title and the vehicle that:

- (1) ~~is a vehicle that~~ was acquired by an insurer through payment of damages;
- (2) ~~is a vehicle for which the~~ will incur a cost of repairs that exceeds the value of the damaged vehicle; or
- (3) has an out-of-state salvage certificate of title as proof of ownership; ~~or~~
- (4) bears the brand "damaged," "repairable," "salvage," or any similar term on the certificate of title.

(d) Except as provided in section 168A.11, subdivision 1, a person must immediately apply for a certificate of title that bears a "prior salvage" brand if the person acquires a damaged vehicle and:

(1) a "salvage" brand is not required under paragraph (c); and

(2) the vehicle:

(i) bears the brand "damaged," "repairable," "salvage," "rebuilt," "reconditioned," or any similar term on the certificate of title; or

(ii) had a salvage certificate of title or brand issued at any time in the vehicle's history by any other jurisdiction.

~~(e)~~ (e) A self-insured owner of a ~~late-model or high-value~~ vehicle that sustains damage by collision or other occurrence which exceeds 80 percent of its actual cash value ~~shall~~ must:

(1) for a late-model or high-value vehicle, immediately apply for a salvage certificate of title that bears a "salvage" brand; or

(2) for a vehicle that is not subject to clause (1), immediately apply for a certificate of title that bears a "prior salvage" brand.

Sec. 7. Minnesota Statutes 2020, section 168A.152, subdivision 1, is amended to read:

Subdivision 1. **Certificate of inspection.** (a) A ~~salvage~~ certificate of title that bears a "salvage" brand or stamp authorizes the holder to possess, transport, and transfer ownership in a vehicle. A ~~salvage~~ certificate of title that bears a "salvage" brand or stamp does not authorize the holder to register a vehicle. ~~A certificate of title must not be issued for a vehicle for which a salvage certificate of title has been issued unless~~

(b) For a late-model or high-value vehicle with a certificate of title that bears a "salvage" brand or stamp, the commissioner must not issue a certificate of title that bears a "prior salvage" brand unless the application for title is accompanied by a certification of inspection in the form and content specified by the department accompanies the application for a certificate of title.

Sec. 8. Minnesota Statutes 2020, section 168A.152, subdivision 1a, is amended to read:

Subd. 1a. **Duties of salvage vehicle purchaser.** No salvage vehicle purchaser shall possess or retain a salvage vehicle which does not have a salvage certificate of title ~~that bears a "salvage" or "prior salvage" brand.~~ The salvage vehicle purchaser ~~shall~~ must display the salvage certificate of title upon the request of any appropriate public authority.

Sec. 9. Minnesota Statutes 2020, section 325F.662, subdivision 3, is amended to read:

Subd. 3. **Exclusions.** Notwithstanding the provisions of subdivision 2, a dealer is not required to provide an express warranty for a used motor vehicle:

(1) sold for a total cash sale price of less than \$3,000, including the trade-in value of any vehicle traded in by the consumer, but excluding tax, license fees, registration fees, and finance charges;

(2) with an engine designed to use diesel fuel;

(3) with a gross weight, as defined in section 168.002, subdivision 13, in excess of 9,000 pounds;

(4) that has been custom-built or modified for show or for racing;

(5) that is eight years of age or older, as calculated from the first day in January of the designated model year of the vehicle;

(6) that has been produced by a manufacturer which has never manufactured more than 10,000 motor vehicles in any one year;

(7) that has 75,000 miles or more at time of sale;

(8) that has not been manufactured in compliance with applicable federal emission standards in force at the time of manufacture as provided by the Clean Air Act, United States Code, title 42, sections 7401 through 7642, and regulations adopted pursuant thereto, and safety standards as provided by the National Traffic and Motor Safety Act, United States Code, title 15, sections 1381 through 1431, and regulations adopted pursuant thereto; or

(9) that has been issued a salvage certificate of title that bears a "salvage" brand or stamp under section 168A.151.

Sec. 10. Minnesota Statutes 2020, section 325F.6641, is amended to read:

325F.6641 DISCLOSURE OF VEHICLE DAMAGE.

Subdivision 1. **Prior damage disclosure.** (a) If a ~~late model~~ vehicle, ~~as defined in section 168A.01, subdivision 8a,~~ has sustained damage by collision or other occurrence which exceeds 80 percent of its actual cash value immediately prior to sustaining damage, the seller must disclose that fact to the buyer, if the seller has actual knowledge of the damage. The amount of damage is determined by the retail cost of repairing the vehicle based on a complete written retail repair estimate or invoice.

(b) The disclosure required under this subdivision must be made in writing on the application for title and registration or other transfer document, in a manner prescribed by the registrar of motor vehicles. The registrar ~~shall~~ revise must design the certificate of title form, including the assignment by seller (transferor) and reassignment by licensed dealer sections of the form, the separate application for title forms, and other transfer documents to

accommodate this disclosure. ~~If the seller is a motor vehicle dealer licensed pursuant to section 168.27, the disclosure required by this section must be made orally by the dealer to the prospective buyer in the course of the sales presentation.~~

~~(e) Upon transfer and application for title to a vehicle covered by this subdivision, the registrar shall record the term "rebuilt" on the first Minnesota certificate of title and all subsequent Minnesota certificates of title used for that vehicle.~~

Subd. 2. **Form of Disclosure requirements.** (a) If a motor vehicle dealer licensed under section 168.27 offers a vehicle for sale in the course of a sales presentation to any prospective buyer the dealer must provide a written disclosure and, except for sales performed online, an oral disclosure of:

(1) prior vehicle damage as required under subdivision 1;

(2) the existence or requirement of any title brand under sections 168A.05, subdivision 3, 168A.151, 325F.6642, or 325F.665, subdivision 14, if the dealer has actual knowledge of the brand; and

(3) if a motor vehicle, which is part of a licensed motor vehicle dealer's inventory, has been submerged or flooded above the bottom dashboard while parked on the dealer's lot.

(b) If a person receives a flood disclosure as described in paragraph (a), clause (3), whether from a motor vehicle dealer or another seller, and subsequently offers that vehicle for sale, the person must provide the same disclosure to any prospective subsequent buyer.

(c) Written disclosure under this subdivision must be signed by the buyer and maintained in the motor vehicle dealer's sales file in the manner prescribed by the registrar of motor vehicles.

(d) The disclosure required in ~~this section~~ subdivision 1 must be made in substantially the following form: "To the best of my knowledge, this vehicle has has not sustained damage in excess of 80 percent actual cash value."

Sec. 11. Minnesota Statutes 2020, section 325F.6642, is amended to read:

325F.6642 TITLE BRANDING.

Subdivision 1. **Flood damage.** ~~If the application for title and registration indicates that the vehicle has been classified as a total loss vehicle because of water or flood damage, or that the vehicle bears a "flood damaged" or similar brand, the registrar of motor vehicles shall~~ must record the ~~term~~ brand "flood damaged" on the certificate of title and all subsequent certificates of title issued for that vehicle.

Subd. 2. **Total loss Salvage vehicles.** ~~(a) Upon transfer and application for title to all total loss vehicles for which the "salvage" brand is required under section 168A.151, subdivision 1, the registrar of motor vehicles shall~~ must (1) record the term brand "prior salvage" on the first Minnesota certificate of title, and (2) subject to section 168A.152, record the brand "prior salvage" on all subsequent Minnesota certificates of title used ~~issued~~ issued for that vehicle.

(b) Notwithstanding paragraph (a), a "prior salvage" brand is not required for a recovered intact vehicle, as defined in section 168A.01, subdivision 16b.

Subd. 3. **Out-of-state vehicles.** ~~(a) Upon transfer and application for title of all repaired vehicles with out of state titles that bear the term "damaged," "salvage," "rebuilt," "reconditioned," or any similar term, the registrar of motor vehicles shall record the term "prior salvage" on the first Minnesota certificate of title and all subsequent Minnesota certificates of title used for that vehicle.~~

~~(b) The registrar shall mark "prior salvage" on the first Minnesota certificate of title and all subsequent certificates of title issued for any vehicle which came into the state unrepaired and for which a salvage certificate of title was issued.~~

~~(c) For vehicles with out of state titles which bear the term "flood damaged," the registrar of motor vehicles shall record the term "flood damaged" on the first Minnesota certificate of title and all subsequent Minnesota certificates of title issued for that vehicle.~~

~~(d) the registrar shall mark "prior salvage" on the first Minnesota certificate of title and all subsequent certificates of title issued for any vehicle that had a salvage certificate of title issued at any time in the vehicle's history by any other jurisdiction.~~

Subd. 2a. **Prior salvage.** Upon application for title to all vehicles for which the "prior salvage" brand is required under section 168A.151, subdivision 1, the registrar of motor vehicles must record the brand "prior salvage" on the certificate of title and all subsequent certificates of title issued for that vehicle.

Subd. 2b. **Certain damaged vehicles.** Upon transfer and application for title to a vehicle that is subject to section 325F.6641, subdivision 1, the registrar of motor vehicles must (1) record the brand "salvage" on the first certificate of title, and (2) subject to section 168A.152, record the brand "prior salvage" on all subsequent certificates of title issued for that vehicle.

Subd. 4. **Reconstructed vehicles.** For vehicles that are reconstructed within the meaning of section 168A.15, the registrar ~~shall~~ must record the ~~term~~ brand "reconstructed" on the certificate of title and all subsequent certificates of title.

Subd. 5. **Manner of branding.** ~~The~~ Each brand designation of "flood damaged," "rebuilt," "prior salvage," or "reconstructed" under this section or section 168A.05, subdivision 3, 168A.151, or 325F.665, subdivision 14, required on a certificate of title ~~shall~~ must be made by the registrar of motor vehicles in a clear and conspicuous manner, in a ~~color~~ format different from all other writing on the certificate of title.

~~Subd. 6. **Total loss vehicle; definition.** For the purposes of this section, "total loss vehicle" means a vehicle damaged by collision or other occurrence, for which a salvage certificate of title has been issued. Total loss vehicle does not include a stolen and recovered vehicle verified by the insurer who declared the vehicle to be a total loss vehicle unless there is more than minimal damage to the vehicle as determined by the registrar.~~

~~Subd. 7. **Dealer disclosure.** If a licensed motor vehicle dealer offers for sale a vehicle with a branded title, the dealer shall orally disclose the existence of the brand in the course of the sales presentation.~~

~~Subd. 8. **Flood damage; dealer lots.** If a motor vehicle, which is part of a licensed motor vehicle dealer's inventory, has been submerged or flooded above the bottom of the dashboard while parked on the dealer's lot, the dealer must disclose that fact in writing to any buyer and must orally disclose that fact in the course of a sales presentation to any prospective buyer. The buyer must also disclose the existence of the flood damage in writing to any subsequent buyer.~~

Sec. 12. Minnesota Statutes 2020, section 325F.665, subdivision 14, is amended to read:

Subd. 14. **Title branding.** (a) Upon transfer and application for title of all vehicles subject to this section, the registrar of motor vehicles shall record the term "lemon law vehicle" on the certificate of title and all subsequent certificates of title for that vehicle.

(b) For vehicles with out-of-state titles that bear the term "lemon law vehicle," or any similar term, the registrar of motor vehicles shall record the term "lemon law vehicle" on the first Minnesota certificate of title and all subsequent Minnesota certificates of title issued for that vehicle.

~~(c) The designation of "lemon law vehicle" on a certificate of title must be made by the registrar of motor vehicles in a clear and conspicuous manner, in a color different from all other writing on the certificate of title.~~

Sec. 13. **REPEALER.**

Minnesota Statutes 2020, sections 168A.01, subdivision 17a; and 325F.6644, are repealed.

Sec. 14. **EFFECTIVE DATE.**

Unless specified otherwise, this article is effective January 1, 2023."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for certain government agencies and pension plans; allowing certain contracts; determining acceptance of certain collateral by the executive council; designating Juneteenth; defining certain terms; specifying emergency management provisions; modifying data practices provisions; amending provisions of the Legislative Salary Council; changing the revolving fund for services rate and statewide systems services; providing changes to state budget and finance sections; moving the Office of Collaborations and Dispute Resolution under the Department of Administration; establishing the Office of Enterprise Translations; creating the language access service account; changing provisions for grant administration, solicitation process, affirmative action measures, technology accessibility standards, hiring processes, salary differential benefits, supported work practices, deposit and investment of local public funds, Minnesota State Colleges and Universities, burial grounds, manufactured homes, managed natural landscapes, military salary differential, Mississippi River Parkway Commission, campaign finance and elections, barbering, and cosmetology; creating certain separation and retention incentive programs; requiring an Office of Small Agency study; establishing State Emblems Redesign Commission, Legislative Task Force on Aging, and Advisory Committee on Service Worker Standards; making policy and technical changes to various military and veterans affairs provisions, including provisions related to veterans housing, veteran benefits, veterans services, veterans bonus program, and Veterans Service Office grant program; creating a Veterans Service Office grant program; determining actuarial assumption for investment rate of return and direct state aid; providing for allocation of federal transportation-related funds; providing various policy changes to transportation-related provisions; establishing a working group and a task force; authorizing the sale and issuance of state bonds; requiring reports; setting certain fees; amending Minnesota Statutes 2020, sections 3.303, subdivision 6; 4.075, by adding subdivisions; 5B.06; 9.031, subdivision 3; 10.55; 10A.273, subdivision 1; 12.03, by adding subdivisions; 12.21, subdivision 2; 12.31, subdivision 2; 12.35, subdivision 4; 12.36; 13.04, subdivision 4; 13.072, subdivision 1; 15A.0825, subdivisions 1, 2, 3; 16A.126, subdivision 1; 16A.1286, subdivision 2; 16A.15, subdivision 3; 16B.33, subdivisions 1, 3, 3a, by adding a subdivision; 16B.98, by adding a subdivision; 16C.10, subdivision 2; 16C.32, subdivision 1; 43A.01, subdivision 2; 43A.02, by adding subdivisions; 43A.04, subdivisions 1a, 4, 7; 43A.09; 43A.10, subdivisions 2a, 7; 43A.14; 43A.15, subdivision 14, by adding a subdivision; 43A.183, subdivisions 1, 2; 43A.19, subdivision 1; 43A.191; 43A.21, subdivisions 1, 2, 3, by adding a subdivision; 43A.36, subdivision 1; 43A.421; 82.75, subdivision 8; 118A.09, subdivisions 1, 2; 136F.02, subdivision 1; 138.081, subdivision 3; 138.665, subdivision 2; 154.001, subdivision 2; 154.003; 154.01; 154.02, subdivisions 1, 4, 5, by adding subdivisions; 154.05; 154.07, subdivision 1; 154.08; 154.09; 154.11, subdivision 1, by adding a subdivision; 155A.20; 155A.23, subdivisions 8, 11, 18, by adding a subdivision; 155A.25, subdivision 1a; 155A.27, subdivisions 1, 5a, 6, 10, by adding a subdivision; 155A.271, subdivision 1; 155A.29, subdivision 1; 155A.30, subdivisions 2, 3, 4, 11; 160.08, subdivision 7; 160.266, by adding a subdivision; 161.088, subdivisions 1, 2, 4, 5, as amended, by adding a subdivision; 161.115, by adding a

subdivision; 161.14, by adding subdivisions; 161.1419, subdivision 2; 162.07, subdivision 2; 162.13, subdivisions 2, 3; 168.002, by adding a subdivision; 168.1235, subdivision 1; 168.1253, subdivision 3; 168.27, subdivision 11; 168.327, subdivisions 2, 3; 168.33, subdivision 7; 168.345; 168A.01, subdivision 17b, by adding a subdivision; 168A.04, subdivisions 1, 4; 168A.05, subdivision 3; 168A.11, subdivision 3; 168A.151, subdivision 1; 168A.152, subdivisions 1, 1a; 168B.07, subdivision 3, by adding subdivisions; 169.14, by adding a subdivision; 169.18, subdivision 3; 169.8261; 171.01, by adding a subdivision; 171.06, subdivision 2, by adding a subdivision; 171.061, subdivision 4; 171.0705, by adding a subdivision; 171.12, subdivision 1a; 171.13, subdivision 1a; 174.52, subdivision 3; 197.608, subdivisions 4, 6; 197.79, subdivisions 1, 2, 3, 5, 10; 201.061, subdivision 3; 201.071, subdivisions 1, 3, 8; 201.091, subdivision 2; 201.12, subdivision 2; 201.13, subdivision 3; 201.1611, subdivision 1; 202A.16, subdivision 1; 203B.01, by adding a subdivision; 203B.02, by adding a subdivision; 203B.07, subdivisions 1, 2, 3; 203B.081, subdivisions 1, 2, 3; 203B.11, subdivision 1; 203B.121, subdivision 3; 203B.16, subdivision 2; 203B.21, subdivisions 1, 3; 203B.23, subdivision 2; 203B.28; 204B.06, subdivision 4a; 204B.09, subdivision 1; 204B.13, by adding a subdivision; 204B.19, subdivision 6; 204B.21, subdivision 2; 204B.45, subdivisions 1, 2; 204B.46; 204C.15, subdivision 1; 204C.33, subdivision 3; 204D.19, subdivision 2; 204D.22, subdivision 3; 204D.23, subdivision 2; 205.13, subdivision 5; 205A.10, subdivision 5; 205A.12, subdivision 5; 207A.12; 209.021, subdivision 2; 211B.04, subdivisions 2, 3, by adding a subdivision; 211B.11, subdivision 1; 211B.32, subdivision 1; 216D.03, by adding a subdivision; 219.1651; 221.025; 299A.41, subdivision 3; 299A.705, by adding a subdivision; 299D.03, subdivision 5; 299F.60, subdivision 1; 299J.16, subdivision 1; 307.08, as amended; 325F.662, subdivision 3; 325F.6641; 325F.6642; 325F.665, subdivision 14; 327C.095, subdivisions 12, 13, 16; 353.65, subdivision 3b; 354A.12, subdivisions 3a, 3c; 356.215, subdivision 8; 367.03, subdivision 6; 447.32, subdivision 4; 473.375, by adding a subdivision; 490.123, subdivision 5; 609.855, subdivisions 1, 7; 645.44, subdivision 5; Minnesota Statutes 2021 Supplement, sections 10A.01, subdivision 16a; 168.327, subdivision 1; 169.09, subdivision 13; 169.222, subdivision 4; 169A.60, subdivision 13; 171.0605, subdivision 5; 171.13, subdivision 1; 171.306, subdivision 4; 196.081; 201.225, subdivision 2; 203B.082, subdivision 2, by adding a subdivision; 203B.121, subdivisions 2, 4; 203B.24, subdivision 1; 204B.09, subdivision 3; 204B.16, subdivision 1; 207A.13, subdivision 2; 360.55, subdivision 9; 360.59, subdivision 10; Laws 2021, First Special Session chapter 5, article 1, section 4, subdivision 3; article 2, section 2, subdivision 1; Laws 2021, First Special Session chapter 12, article 1, sections 11, subdivision 4; 37, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 16B; 16E; 43A; 118A; 154; 160; 161; 169; 171; 174; 197; 211B; 412; 473; repealing Minnesota Statutes 2020, sections 1.135; 1.141; 12.03, subdivision 5d; 136F.03; 168A.01, subdivision 17a; 179.90; 179.91; 325F.6644; Minnesota Rules, parts 2100.2500; 2100.2600; 2100.2900; 2100.3000; 2100.3200; 8835.0350, subpart 2."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Moran from the Committee on Ways and Means to which was referred:

H. F. No. 4366, A bill for an act relating to agriculture; establishing grant programs; classifying certain data; dedicating certain revenues; making policy and technical changes to agricultural and animal health provisions; requiring reports; appropriating money; amending Minnesota Statutes 2020, sections 13.643, by adding a subdivision; 17.041, subdivision 1; 17.117, subdivisions 9, 9a, 10, 11, 11a; 17.118, subdivisions 1, 3, 4; 18B.01, by adding subdivisions; 18B.051; 18B.07, by adding a subdivision; 18C.005, by adding subdivisions; 18C.201, by adding a subdivision; 21.81, by adding a subdivision; 21.86, subdivision 2; 28A.08, by adding a subdivision; 28A.09, by adding a subdivision; 28A.10; 28A.21, subdivision 2; 35.155, subdivision 10; 41A.16, subdivisions 1, 2; 41A.17, subdivisions 1, 2; 41A.18, subdivisions 1, 2; 41B.047, subdivision 3; 223.17, subdivisions 4, 6; Minnesota Statutes 2021 Supplement, sections 41A.19; 41A.21, subdivisions 2, 6; Laws 2021, First Special Session chapter 3, article 1, sections 2; 4; proposing coding for new law in Minnesota Statutes, chapters 17; 21.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
AGRICULTURE APPROPRIATIONS

Section 1. Laws 2021, First Special Session chapter 3, article 1, section 2, is amended to read:

Sec. 2. **DEPARTMENT OF AGRICULTURE**

Subdivision 1. Total Appropriation	\$ <u>59,303,000</u>	\$ <u>59,410,000</u>
	<u>63,803,000</u>	<u>107,910,000</u>

Appropriations by Fund

	2022	2023
General	58,904,000	59,011,000
	<u>63,404,000</u>	<u>107,511,000</u>
Remediation	399,000	399,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Protection Services**

Appropriations by Fund

	2022	2023
General	19,384,000	19,610,000
		<u>43,231,000</u>
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 for the voluntary cleanup program.

(b) \$175,000 the first year and \$175,000 the second year are for compensation for destroyed or crippled livestock under Minnesota Statutes, section 3.737. The first year appropriation may be spent to compensate for livestock that were destroyed or crippled during fiscal year 2021. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to \$5,000 each year to reimburse expenses incurred by university extension educators to provide fair market values of destroyed or crippled livestock. If the commissioner receives federal dollars to pay claims for destroyed or crippled livestock, an equivalent amount of this appropriation may be used to reimburse nonlethal prevention methods performed by federal wildlife services staff.

(c) \$155,000 the first year and \$155,000 the second year are for compensation for crop damage under Minnesota Statutes, section 3.7371. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to \$10,000 of the appropriation each year to reimburse expenses incurred by the commissioner or the commissioner's approved agent to investigate and resolve claims, as well as for costs associated with training for approved agents. The commissioner may use up to \$20,000 of the appropriation each year to make grants to producers for measures to protect stored crops from elk damage.

If the commissioner determines that claims made under Minnesota Statutes, section 3.737 or 3.7371, are unusually high, amounts appropriated for either program may be transferred to the appropriation for the other program.

(d) \$225,000 the first year and \$225,000 the second year are for additional funding for the noxious weed and invasive plant program.

(e) \$2,000,000 the second year is for a transfer to the noxious weed and invasive plant species assistance account established under Minnesota Statutes, section 18.89, for grants to local units of government and Tribal Nations for noxious weed detection, control, and management. Of this amount, the commissioner must award a onetime grant of \$10,000 to each county to assist county agricultural inspectors in the implementation and enforcement of the Minnesota Noxious Weed Law and to educate county residents regarding agricultural topics, including but not limited to noxious weeds. This is a onetime appropriation.

~~(e)~~ (f) \$50,000 the first year is for additional funding for the industrial hemp program for IT development. This is a onetime appropriation and is available until June 30, 2023.

~~(f)~~ (g) \$110,000 the first year and \$110,000 the second year are for additional meat and poultry inspection services. The commissioner is encouraged to seek inspection waivers, matching federal dollars, and offer more online inspections for the purposes under this paragraph.

~~(g)~~ (h) \$825,000 the first year and \$825,000 the second year are to replace capital equipment in the Department of Agriculture's analytical laboratory.

~~(h)~~ (i) \$274,000 the first year and \$550,000 the second year are to maintain the current level of service delivery.

(j) \$100,000 the second year is to support laboratory testing for the Minnesota meat and poultry inspection program. The base for this appropriation is \$50,000 in fiscal year 2024 and thereafter.

(k) \$6,500,000 the second year is for grants to the Board of Regents of the University of Minnesota to fund the Forever Green Initiative and protect the state's natural resources while increasing the efficiency, profitability, and productivity of Minnesota farmers by incorporating perennial and winter-annual crops into existing agricultural practices. Of this amount, up to \$5,000,000 is for equipment and physical infrastructure to support breeding and agronomic activities necessary to develop perennial and winter-annual crops. This appropriation is available until June 30, 2028. The base for this appropriation is \$1,500,000 in fiscal year 2024 and thereafter.

(l) \$9,000,000 the second year is for grants to organizations in Minnesota to develop enterprises, supply chains, and markets for continuous living cover crops and cropping systems in the early stage of commercial development, Kernza perennial grain, winter camelina, hybrid hazelnuts, and elderberry. A grant award must not exceed \$750,000 per organization. A multiyear project may receive grant dollars for up to three years. In consultation with interested stakeholders, the commissioner must develop a process to award grants. At the time of application, the commissioner must notify applicants of any grant recipient requirements. The commissioner must appoint a technical review panel to review and rank eligible applicants and give preference to applicants that are well-positioned to expand the profitable commercialization of the crops identified in this paragraph. The technical review panel must include at least one representative from the University of Minnesota's Forever Green Initiative and one representative from the Agricultural Utilization Research Institute. The commissioner must consider the recommendations of the technical review panel when selecting grant recipients. Beginning February 1, 2023, and annually thereafter until February 1, 2029, the commissioner must submit a report on grant utilization to the legislative committees with jurisdiction over agriculture finance and policy. This is a onetime appropriation and is available until June 30, 2028.

(m) \$6,725,000 the second year is for the soil health financial assistance program. This is a onetime appropriation and is available until June 30, 2027.

(n) \$2,000,000 the second year is for transfer to the pollinator research account established under Minnesota Statutes, section 18B.051. This is a onetime appropriation.

(o) \$371,000 the second year is to regulate plastic-coated fertilizer and plastic-coated pesticide. The base for this appropriation is \$358,000 in fiscal year 2024 and thereafter.

(p) \$100,000 is to develop and promote consumer guidance regarding seed treated with neonicotinoid pesticide under Minnesota Statutes, section 21.915. This is a onetime appropriation.

(q) \$425,000 is to analyze, develop, and plan a streamlined food safety regulatory program in Minnesota. This is a onetime appropriation and is available until June 30, 2025.

Subd. 3. Agricultural Marketing and Development

4,200,000

~~4,205,000~~

5,465,000

(a) \$186,000 the first year and \$186,000 the second year are for transfer to the Minnesota grown account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.102. Grants may be made for one year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2023, for Minnesota grown grants in this paragraph are available until June 30, 2025.

(b) \$50,000 the first year is to expand international marketing opportunities for farmers and value-added processors, including in-market representation in Taiwan. This is a onetime appropriation and is available until June 30, 2023.

(c) \$634,000 the first year and \$634,000 the second year are for continuation of the dairy development and profitability enhancement programs including dairy profitability teams and dairy business planning grants under Minnesota Statutes, section 32D.30.

(d) \$50,000 the first year and \$50,000 the second year are for additional funding for mental health outreach and support to farmers and others in the agricultural community, including a 24-hour hotline, stigma reduction, and educational offerings. These are onetime appropriations.

(e) 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.

(f) \$100,000 the first year and \$100,000 the second year are for the farm safety grant and outreach programs under Minnesota Statutes, section 17.1195. 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. These are onetime appropriations.

(g) \$54,000 the first year and \$109,000 the second year are to maintain the current level of service delivery.

(h) \$1,250,000 the second year is to create and implement a program to support farmers markets and direct marketing producers. Of this amount, \$1,000,000 is for a grant to the Minnesota Farmers' Market Association for awards to farmers' markets not exceeding \$5,000 per market location for equipment and infrastructure. The Minnesota Farmers' Market Association may use up to 6.5 percent of the grant awarded under this paragraph for administrative expenses. This is a onetime appropriation and is available until June 30, 2024.

(i) \$10,000 the second year is to provide an interim report on the Statewide Cooperative Partnership for Local and Regional Markets, including recommendations for strengthening local and regional food systems. No later than February 1, 2023, the commissioner must submit the report to the legislative committees with jurisdiction over agriculture policy and finance. This is a onetime appropriation.

Subd. 4. Agriculture, Bioenergy, and Bioproduct Advancement

	<u>25,357,000</u>
25,343,000	<u>33,513,000</u>

(a) \$9,300,000 the first year and \$9,300,000 the second year are for transfer to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3. Of these amounts: at least \$600,000 the first year and \$600,000 the second year are for the Minnesota Agricultural Experiment Station's agriculture rapid response fund under Minnesota Statutes, section 41A.14, subdivision 1, clause (2); \$2,000,000 the first year and \$2,000,000 the second year are for grants to the Minnesota Agriculture Education Leadership Council to enhance agricultural education with priority given to Farm Business Management challenge grants; \$350,000 the first year and \$350,000 the second year are for potato breeding; and \$450,000 the first year and \$450,000 the second year are for the cultivated wild rice breeding project at the North Central Research and Outreach Center to include a tenure track/research associate plant breeder. The commissioner shall transfer the remaining funds in this appropriation each year to the Board of Regents of the University of Minnesota for purposes of Minnesota Statutes, section 41A.14. Of the amount transferred to the Board of Regents, up to \$1,000,000 each year is for research on avian influenza, salmonella, and other turkey-related diseases. By January 15, 2023, entities receiving grants for potato breeding and wild rice breeding are requested to report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and higher education regarding the use of the grant money and to provide an update on the status of research and related accomplishments.

To the extent practicable, money expended under Minnesota Statutes, section 41A.14, subdivision 1, clauses (1) and (2), must supplement and not supplant existing sources and levels of funding. The commissioner may use up to one percent of this appropriation for costs incurred to administer the program.

(b) \$16,028,000 the first year and ~~\$16,028,000~~ \$24,184,000 the second year are for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. Except as provided below, the commissioner may allocate the appropriation each year among the following areas: facilitating the start-up, modernization, improvement, or expansion of livestock operations including beginning and transitioning livestock operations with preference given to robotic dairy-milking equipment; providing funding not to exceed \$800,000 ~~each~~ the first year to develop and enhance farm-to-school markets for Minnesota farmers by providing more fruits, vegetables, meat, grain, and dairy for Minnesota children in school and child care settings including, at the commissioner's discretion, reimbursing schools for purchases from local farmers; assisting value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including plant-based foods and aquaponics systems; providing funding not to exceed \$600,000 ~~each~~ the first year for urban youth agricultural education or urban agriculture community development of which \$10,000 ~~each year~~ is for transfer to the emerging farmer account under Minnesota Statutes, section 17.055, subdivision 1a; providing funding not to exceed \$450,000 ~~each~~ the first year for the good food access program under Minnesota Statutes, section 17.1017; facilitating the start-up, 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; development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research; Farm Business Management tuition assistance; and good agricultural practices and good handling practices certification assistance. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

Of the amount appropriated for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12:

(1) \$1,000,000 the first year and \$1,000,000 the second year are for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture;

(2) \$4,500,000 the first year and ~~\$4,500,000~~ \$7,500,000 the second year are for incentive payments and paying claims not otherwise paid under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. Notwithstanding Minnesota Statutes, section 16A.28,

the first year appropriation is available until June 30, 2023, and the second year appropriation is available until June 30, 2024. If this appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available for other purposes under this paragraph. The base appropriation under this clause is \$6,500,000 in fiscal year 2024 and thereafter;

(3) \$3,000,000 the first year and \$3,000,000 the second year are for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than 10 retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed \$200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which it contracts, must submit a report on the biofuels infrastructure financial assistance program by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The annual report must include but not be limited to a summary of the following metrics: (i) the number and types of projects financed; (ii) the amount of dollars leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any market expansion associated with upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses;

(4) \$750,000 the first year and ~~\$750,000~~ \$3,750,000 the second year are for grants to facilitate the start-up, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed \$200,000. Any unencumbered balance at the end of the second year does not cancel until June 30, 2024, and may be used for other purposes under this paragraph. The appropriations under this clause are onetime; ~~and~~

(5) \$1,400,000 the first year and \$1,400,000 the second year are for livestock investment grants under Minnesota Statutes, section 17.118. Any unencumbered balance at the end of the second year does not cancel until June 30, 2024, and may be used for other purposes under this paragraph. The appropriations under this clause are onetime;

(6) \$300,000 the second year is for farm business management tuition assistance with priority to specialty crop farmers, urban farmers, and farmers facing mediation, and support for new urban and specialty crop instructor positions, including translation and outreach. Any unencumbered balance at the end of the second year does not cancel and is available until June 30, 2024. The appropriation under this clause is onetime;

(7) \$1,600,000 the second year is to develop and enhance farm-to-school markets for Minnesota farmers by providing more fruits, vegetables, meat, grain, and dairy for Minnesota children in school and child care settings, including reimbursing schools and child care providers for purchases from local farmers;

(8) \$1,000,000 the second year is for urban youth agricultural education or urban agriculture community development. Of this amount, \$10,000 is for transfer to the emerging farmer account under Minnesota Statutes, section 17.055, subdivision 1a; and

(9) \$1,000,000 the second year is for the good food access program under Minnesota Statutes, section 17.1017.

Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available for the second year, and appropriations encumbered under contract on or before June 30, 2023, for agricultural growth, research, and innovation grants are available until June 30, 2026.

The base amount for the agricultural growth, research, and innovation program is ~~\$16,053,000~~ \$18,995,000 in fiscal year 2024 and ~~\$16,053,000~~ \$18,995,000 in fiscal year 2025, and includes funding for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20.

(c) \$15,000 the first year and \$29,000 the second year are to maintain the current level of service delivery.

Subd. 5. Administration and Financial Assistance

9,977,000	9,839,000
<u>14,477,000</u>	<u>25,302,000</u>

(a) \$474,000 the first year and \$474,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations shall be disbursed no later than July 15 of each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.

(b) \$387,000 the first year and \$337,000 the second year are for farm advocate services. Of these amounts, \$100,000 the first year and \$50,000 the second year are for a pilot program creating farmland access teams to provide technical assistance to potential

beginning farmers. The farmland access teams must assist existing farmers and beginning farmers on transitioning farm ownership and operation. Services provided by teams may include but are not limited to providing mediation assistance, designing contracts, financial planning, tax preparation, estate planning, and housing assistance. Of this amount for farm transitions, up to \$50,000 the first year may be used to upgrade the Minnesota FarmLink web application that connects farmers looking for land with farmers looking to transition their land.

(c) \$47,000 the first year and \$47,000 the second year are for grants to the Northern Crops Institute that may be used to purchase equipment. These are onetime appropriations.

(d) \$238,000 the first year and ~~\$238,000~~ \$260,000 the second year are for ~~transfer to the Board of Trustees of the Minnesota State Colleges and Universities for statewide mental health counseling support to farm families and business operators through the Minnesota State Agricultural Centers of Excellence. South Central College and Central Lakes College shall serve as the fiscal agents.~~ 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.

(e) \$1,700,000 the first year and \$1,700,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Feeding America food banks for the following:

(1) to purchase milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Feeding America food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank that receives funding under this clause may use up to two percent for administrative expenses;

(2) to compensate agricultural producers and processors for costs incurred to harvest and package for transfer surplus fruits, vegetables, and other agricultural commodities that would otherwise go unharvested, be discarded, or sold in a secondary market. Surplus commodities must be distributed statewide to food shelves and other charitable organizations that are eligible to

receive food from the food banks. Surplus food acquired under this clause must be from Minnesota producers and processors. Second Harvest Heartland may use up to 15 percent of each grant awarded under this clause for administrative and transportation expenses; and

(3) to purchase and distribute protein products, including but not limited to pork, poultry, beef, dry legumes, cheese, and eggs to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Second Harvest Heartland may use up to two percent of each grant awarded under this clause for administrative expenses. Protein products purchased under the grants must be acquired from Minnesota processors and producers.

Of the amount appropriated under this paragraph, at least \$600,000 each year must be allocated under clause (1). Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance the first year does not cancel and is available in the second year. Second Harvest Heartland must submit quarterly reports to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance in the form prescribed by the commissioner. The reports must include but are not limited to information on the expenditure of funds, the amount of milk or other commodities purchased, and the organizations to which this food was distributed.

(f) \$250,000 the first year and \$250,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D.

(g) \$1,437,000 the first year and \$1,437,000 the second year are for transfer to the agricultural and environmental revolving loan account established under Minnesota Statutes, section 17.117, subdivision 5a, for low-interest loans under Minnesota Statutes, section 17.117. The base for appropriations under this paragraph in fiscal year 2024 and thereafter is \$1,425,000. The commissioner must examine how the department could use up to one-third of the amount transferred to the agricultural and environmental revolving loan account under this paragraph to award grants to rural landowners to replace septic systems that inadequately protect groundwater. No later than February 1, 2022, the commissioner must report to the legislative committees with jurisdiction over agriculture finance and environment finance on the results of the examination required under this paragraph. The commissioner's report may include other funding sources for septic system replacement that are available to rural landowners.

(h) \$150,000 the first year and \$150,000 the second year are for grants to the Center for Rural Policy and Development. These are onetime appropriations.

(i) \$150,000 the first year is to provide grants to Central Lakes College for the purposes of designing, building, and offering credentials in the area of meat cutting and butchery that align with industry needs as advised by local industry advisory councils. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available for the second year. The commissioner may only award a grant under this paragraph if the grant is matched by a like amount from another funding source. The commissioner must seek matching dollars from Minnesota State Colleges and Universities or other entities. The appropriation is onetime and is available until June 30, 2024. Any money remaining on June 30, 2024, must be transferred to the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12, and is available until June 30, 2025. Grants may be used for costs including but not limited to:

- (1) facility renovation to accommodate meat cutting;
- (2) curriculum design and approval from the Higher Learning Commission;
- (3) program operational start-up costs;
- (4) equipment required for a meat cutting program; and
- (5) meat handling start-up costs in regard to meat access and market channel building.

No later than January 15, 2023, Central Lakes College must submit a report outlining the use of grant money to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture and higher education.

(j) \$2,000 the first year is for grants to the Minnesota State Poultry Association. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(k) \$17,000 the first year and \$17,000 the second year are for grants to the Minnesota State Horticultural Society. These are onetime appropriations.

(l) \$18,000 the first year and \$18,000 the second year are for grants to the Minnesota Livestock Breeders Association. These are onetime appropriations.

(m) The commissioner shall continue to increase connections with ethnic minority and immigrant farmers to farming opportunities and farming programs throughout the state.

(n) \$25,000 the first year and \$25,000 the second year are for grants to the Southern Minnesota Initiative Foundation to promote local foods through an annual event that raises public awareness of local foods and connects local food producers and processors with potential buyers.

(o) \$75,000 the first year and \$75,000 the second year are for grants to Greater Mankato Growth, Inc., for assistance to agriculture-related businesses to promote jobs, innovation, and synergy development. These are onetime appropriations.

(p) \$75,000 the first year and \$75,000 the second year are for grants to the Minnesota Turf Seed Council for basic and applied research. The Minnesota Turf Seed Council may subcontract with a qualified third party for some or all of the basic or applied research. No later than January 15, 2023, the Minnesota Turf Seed Council must submit a report outlining the use of the grant money and related accomplishments to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture. ~~These are onetime appropriations.~~ Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(q) \$150,000 the first year and \$150,000 the second year are to establish an emerging farmer office and hire a full-time emerging farmer outreach coordinator. The emerging farmer outreach coordinator must engage and support emerging farmers regarding resources and opportunities available throughout the Department of Agriculture and the state. For purposes of this paragraph, "emerging farmer" has the meaning provided in Minnesota Statutes, section 17.055, subdivision 1. Of the amount appropriated each year, \$25,000 is for translation services for farmers and cottage food producers.

(r) \$222,000 the first year and \$286,000 the second year are to maintain the current level of service delivery.

(s) \$2,600,000 the second year is for grants to organizations to:

(1) provide technical and culturally appropriate services to emerging farmers and related businesses; and

(2) help emerging farmers pay for up to two years of coverage under the federal micro farm insurance program.

The commissioner may use up to 6.5 percent of this appropriation for administrative costs. This is a onetime appropriation and is available until June 30, 2024.

(t) \$2,000,000 the second year is to support the IT modernization efforts, including laying the technology foundations needed for improving customer interactions with the department for licensing and payments. This is a onetime appropriation and is available until June 30, 2025.

(u) \$4,500,000 the first year is for transfer to the agricultural emergency account established under Minnesota Statutes, section 17.041, for emergency preparedness and response activities. Of this amount, up to \$1,500,000 is for the University of Minnesota Veterinary Diagnostic Laboratory. This is a onetime appropriation.

(v) \$3,000,000 the second year is for grants to Second Harvest Heartland for hunger relief. Of this amount, \$500,000 is for The Good Acre's Local Emergency Assistance Farmer Fund (LEAFF) program. The base for this appropriation is \$1,350,000 in fiscal year 2024 and \$1,300,000 in fiscal year 2025, of which \$250,000 each year is for the LEAFF program.

(w) \$500,000 the second year is for transfer to the Board of Trustees of the Minnesota State Colleges and Universities to support livestock processing technical education at Central Lakes College and Ridgewater College. Money may be used for the purposes included in paragraph (i) and for student financial assistance and outreach to prospective students and employers. The commissioner may only transfer money under this paragraph if the transferred amount is matched by a like amount from another funding source. This is a onetime appropriation and is available until June 30, 2024.

(x) \$141,000 the second year is for additional funding to administer the beginning farmer tax credit. The base for this appropriation is \$56,000 in fiscal year 2024 and \$0 in fiscal year 2025.

(y) \$1,500,000 the second year is for a grant to the Ag Innovation Campus to continue construction of a soybean processing and research facility. This is a onetime appropriation.

(z) \$100,000 the second 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, 2024. This is a onetime appropriation and is available until June 30, 2024.

(aa) \$3,000,000 the second year is to award and administer down payment assistance grants under Minnesota Statutes, section 17.133. The base for this appropriation is \$1,000,000 in fiscal year 2024 and thereafter.

(bb) \$1,000,000 the second year is 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 appropriation includes funding for associated extension and outreach to small and BIPOC farmers. This is a onetime appropriation.

(cc) \$100,000 the second year is for grants and other forms of financial assistance to meat and poultry processors with no more than 50 full-time equivalent employees to reimburse costs incurred to attend courses or trainings or receive technical assistance during fiscal year 2023 that support the processors' development of sanitation standard operating procedures, hazard analysis critical control point plans, or business plans. This is a onetime appropriation.

(dd) \$500,000 the second year is for grants to secondary career and technical education programs for the purpose of offering instruction in meat cutting and butchery. This is a onetime appropriation and is available until June 30, 2025. Grant-eligible costs include but are not limited to:

- (1) equipment required for a meat cutting program;
- (2) facility renovation to accommodate meat cutting; and
- (3) training faculty to teach the fundamentals of meat processing.

The commissioner may issue grants of up to \$100,000 under this paragraph, of which up to ten percent may be used for faculty training. The commissioner may prioritize applicants that coordinate with meat cutting and butchery programs at the Minnesota State Colleges and Universities system and local industry partners.

(ee) \$1,000,000 the second year is for a grant or other form of financial assistance to the city of South St. Paul to provide financial assistance to any business engaged in the meat processing industry and currently conducting operations in a building or buildings constructed on or before January 1, 1947, and located east of Concord Street, north of Grand Avenue, and south of Hardman Avenue in South St. Paul. Costs eligible for financial assistance include any one or combination of the following costs

incurred by the city of South St. Paul or a qualified business: site acquisition costs or costs associated with the exchange or transfer of real estate; relocation costs; predesign; design; sewer, water, and stormwater infrastructure; site preparation; engineering; and construction costs. This is a onetime appropriation and is available until June 30, 2024.

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

Sec. 2. Laws 2021, First Special Session chapter 3, article 1, section 4, is amended to read:

Sec. 4. AGRICULTURAL UTILIZATION RESEARCH INSTITUTE	\$ 4,543,000	\$ 4,043,000
	<u>4,743,000</u>	<u>7,243,000</u>

(a) \$150,000 the first year and \$150,000 the second year are for a meat scientist.

(b) \$500,000 the first year is for grants to organizations to acquire, host, and operate a mobile slaughter unit. The mobile unit must coordinate with Minnesota state two-year colleges that have meat cutting programs to accommodate training as it relates to animal slaughter. The mobile unit may coordinate with livestock producers who desire to provide value-added meat products by utilizing the mobile slaughter unit. The mobile unit may be used for research, training outside of the two-year colleges, and other activities that align with industry needs. The Agricultural Utilization Research Institute may only award a grant under this paragraph if the grant amount is matched by a like amount from another funding source. The Agricultural Utilization Research Institute must seek matching dollars from Minnesota State Colleges and Universities or other entities for purposes of this paragraph. The appropriation under this paragraph is onetime and is available until June 30, 2024. Any money remaining on June 30, 2024, must be transferred to the commissioner of agriculture for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12, and is available until June 30, 2025. By January 15, 2023, the institute must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture regarding the status of the project, including the status of the use of any state or matching dollars to complete the project.

(c) \$2,000,000 the second year is to acquire property, construct, and equip offices and research laboratories and related infrastructure at the Agricultural Utilization Research Institute's Crookston and Waseca facilities. This is a onetime appropriation.

(d) \$1,000,000 the second year is for equipment upgrades, equipment replacement, installation expenses, and laboratory infrastructure at the Agricultural Utilization Research Institute's laboratories in Crookston, Marshall, and Waseca. This is a onetime appropriation and is available until June 30, 2026.

(e) \$200,000 each year is to maintain the current level of service delivery.

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

ARTICLE 2
AGRICULTURE STATUTORY CHANGES

Section 1. Minnesota Statutes 2020, section 17.041, subdivision 1, is amended to read:

Subdivision 1. **Establishment; appropriation.** An agricultural emergency account is established in the agricultural fund. Money in the account, including interest, is appropriated to the commissioner for emergency preparedness and response activities for agricultural emergencies affecting producers of livestock, poultry, crops, or other agricultural products. Eligible uses include agency costs directly attributed to preparing for and responding to agricultural emergencies and purchasing necessary equipment and reimbursing costs incurred by local units of government that are not eligible for reimbursement from other sources.

Sec. 2. **[17.1016] COOPERATIVE GRANTS.**

Subdivision 1. **Definitions.** For purposes of this section:

(1) "agricultural commodity" and "agricultural product processing facility" have the meanings given in section 17.101, subdivision 5; and

(2) "agricultural service" means an action made under the direction of a farmer that provides value to another entity. Agricultural service includes grazing to manage vegetation.

Subd. 2. **Grant program.** (a) The commissioner may establish and implement a grant program to help farmers finance new cooperatives that organize for purposes of operating an agricultural product processing facility or marketing an agricultural product or agricultural service.

(b) To be eligible for this program, a grantee must:

(1) be a cooperative organized under chapter 308A;

(2) certify that all control and equity in the cooperative is from farmers, family farm partnerships, family farm limited liability companies, or family farm corporations as defined in section 500.24, subdivision 2, who are actively engaged in agricultural commodity production;

(3) be operated primarily to process agricultural commodities or market agricultural products or services produced in Minnesota; and

(4) receive agricultural commodities produced primarily by shareholders or members of the cooperative.

(c) The commissioner may receive applications and make grants up to \$50,000 to eligible grantees for feasibility, marketing analysis, assistance with organizational development, financing and managing new cooperatives, product development, development of business and marketing plans, and predesign of facilities including site analysis, development of bid specifications, preliminary blueprints and schematics, and completion of purchase agreements and other necessary legal documents.

Sec. 3. Minnesota Statutes 2020, section 17.117, subdivision 9, is amended to read:

Subd. 9. **Allocation rescission.** (a) Continued availability of allocations granted to a local government unit is contingent upon the commissioner's approval of the local government unit's annual report. The commissioner shall review this annual report to ensure that the past and future uses of the funds are consistent with the comprehensive water management plan, other local planning documents, the requirements of the funding source, and compliance to program requirements. If the commissioner concludes the past or intended uses of the money are not consistent with these requirements, the commissioner shall rescind all or part of the allocation awarded to a local government unit.

(b) The commissioner may rescind funds allocated to the local government unit that are not designated to committed projects or disbursed within one year from the date of the allocation agreement.

~~(c) An additional year to use the undisbursed portion of an allocation may be granted by the commissioner under extenuating circumstances~~ The commissioner may rescind uncommitted allocations.

Sec. 4. Minnesota Statutes 2020, section 17.117, subdivision 9a, is amended to read:

Subd. 9a. **Authority and responsibilities of local government units.** (a) A local government unit that enters into an allocation agreement with the commissioner:

(1) is responsible for the local administration and implementation of the program in accordance with this section;

(2) may submit applications for allocations to the commissioner;

(3) shall identify, develop, determine eligibility, define and approve projects, designate maximum loan amounts for projects, and certify completion of projects implemented under this program. In areas where no local government unit has applied for funds under this program, the commissioner may appoint a local government unit to review and certify projects or the commissioner may assume the authority and responsibility of the local government unit;

(4) shall certify as eligible only projects that are within its geographic jurisdiction or within the geographic area identified in its local comprehensive water management plans or other local planning documents;

(5) may require withholding by the local lender of all or a portion of the loan to the borrower until satisfactory completion of all required components of a certified project;

~~(6) must identify which account is used to finance an approved project if the local government unit has allocations from multiple accounts in the agricultural and environmental revolving accounts;~~

~~(7)~~ (6) shall report to the commissioner annually the past and intended uses of allocations awarded; and

~~(8)~~ (7) may request additional funds in excess of their allocation when funds are available in the agricultural and environmental revolving accounts, as long as all other allocation awards to the local government unit have been used or committed.

(b) If a local government unit withdraws from participation in this program, the local government unit, or the commissioner in accordance with the priorities established under subdivision 6a, may designate another local government unit that is eligible under subdivision 6 as the new local government unit responsible for local administration of this program. This designated local government unit may accept responsibility and administration of allocations awarded to the former responsible local government unit.

Sec. 5. Minnesota Statutes 2020, section 17.117, subdivision 10, is amended to read:

Subd. 10. **Authority and responsibilities of local lenders.** (a) Local lenders may enter into lender agreements with the commissioner.

(b) Local lenders may enter into loan agreements with borrowers to finance eligible projects under this section.

~~(c) The local lender shall notify the local government unit of the loan amount issued to the borrower after the closing of each loan.~~

~~(d)~~ (c) Local lenders with local revolving loan accounts created before July 1, 2001, may continue to retain and use those accounts in accordance with their lending agreements for the full term of those agreements.

~~(e)~~ (d) Local lenders, including local government units designating themselves as the local lender, may enter into participation agreements with other lenders.

~~(f)~~ (e) Local lenders may enter into contracts with other lenders for the limited purposes of loan review, processing and servicing, or to enter into loan agreements with borrowers to finance projects under this section. Other lenders entering into contracts with local lenders under this section must meet the definition of local lender in subdivision 4, must comply with all provisions of the lender agreement and this section, and must guarantee repayment of the loan funds to the local lender.

~~(g)~~ (f) When required by the local government unit, a local lender must withhold all or a portion of the loan disbursement for a project until notified by the local government unit that the project has been satisfactorily completed.

~~(h)~~ (g) The local lender is responsible for repaying all funds provided by the commissioner to the local lender.

~~(i)~~ (h) The local lender is responsible for collecting repayments from borrowers. If a borrower defaults on a loan issued by the local lender, it is the responsibility of the local lender to obtain repayment from the borrower. Default on the part of borrowers shall have no effect on the local lender's responsibility to repay its obligations to the commissioner whether or not the local lender fully recovers defaulted amounts from borrowers.

~~(j)~~ (i) The local lender shall provide sufficient collateral or protection to the commissioner for the funds provided to the local lender. The commissioner must approve the collateral or protection provided.

Sec. 6. Minnesota Statutes 2020, section 17.117, subdivision 11, is amended to read:

Subd. 11. **Loans issued to borrower.** (a) Local lenders may issue loans only for projects that are approved and certified by the local government unit as meeting priority needs identified in a comprehensive water management plan or other local planning documents, are in compliance with accepted practices, standards, specifications, or criteria, and are eligible for financing under Environmental Protection Agency or other applicable guidelines.

(b) The local lender may use any additional criteria considered necessary to determine the eligibility of borrowers for loans.

(c) Local lenders shall set the terms and conditions of loans to borrowers, except that:

~~(1) no loan to a borrower may exceed \$200,000; and~~

~~(2)~~ no borrower shall, at any time, have multiple loans from this program with a total outstanding loan balance of more than \$200,000.

(d) The maximum term length for projects in this paragraph is ten years.

(e) Fees charged at the time of closing must:

(1) be in compliance with normal and customary practices of the local lender;

(2) be in accordance with published fee schedules issued by the local lender;

(3) not be based on participation program; and

(4) be consistent with fees charged other similar types of loans offered by the local lender.

(f) The interest rate assessed to an outstanding loan balance by the local lender must not exceed three percent per year.

Sec. 7. Minnesota Statutes 2020, section 17.117, subdivision 11a, is amended to read:

Subd. 11a. **Eligible projects.** (a) All projects that remediate or mitigate adverse environmental impacts are eligible if the project is eligible under an allocation agreement.

(b) A manure management project is eligible if the project remediates or mitigates impacts from facilities with less than 1,000 animal units as defined in Minnesota Rules, chapter 7020, and otherwise meets the requirements of this section.

(c) A drinking water project is eligible if the project:

(1) remediates ~~the~~ or mitigates the inadequate flow, adverse environmental impacts or presence of contaminants in ~~private well privately owned~~ water supplies that are used for drinking water by people or livestock, privately owned water service lines, or privately owned plumbing and fixtures;

(2) implements best management practices that are intended to achieve drinking water standards or adequate flow; and

(3) otherwise meets the requirements of this section.

Sec. 8. Minnesota Statutes 2020, section 17.118, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The commissioner may award a livestock investment grant to a person who raises livestock in this state equal to ten percent of the first ~~\$500,000~~ \$250,000 of qualifying expenditures, provided the person makes qualifying expenditures of at least \$4,000. The commissioner may award multiple livestock investment grants to a person over the life of the program ~~as long as the cumulative amount does not exceed \$50,000.~~

Sec. 9. Minnesota Statutes 2020, section 17.118, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** ~~(a)~~ To be eligible for a livestock investment grant, a person must:

(1) be a resident of Minnesota or an entity specifically defined in section 500.24, subdivision 2, that is eligible to own farmland and operate a farm in this state under section 500.24;

(2) be the principal operator of the farm;

(3) hold a feedlot registration, if required; and

(4) apply to the commissioner on forms prescribed by the commissioner including a statement of the qualifying expenditures made during the qualifying period along with any proof or other documentation the commissioner may require.

~~(b) The \$50,000 maximum grant applies at the entity level for partnerships, S corporations, C corporations, trusts, and estates as well as at the individual level. In the case of married individuals, the grant is limited to \$50,000 for a married couple.~~

Sec. 10. Minnesota Statutes 2020, section 17.118, subdivision 4, is amended to read:

Subd. 4. **Process.** The commissioner, in consultation with the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over agriculture finance, shall develop competitive eligibility criteria and may allocate grants on a needs basis. ~~The commissioner shall place any eligible unfunded applications on a waiting list and, notwithstanding subdivision 2, paragraph (d), give them consideration during the next fiscal year in which program funding is available.~~ The commissioner shall notify in writing any applicant who applies for a grant and is ineligible under the provisions of this section as well as any applicant whose application is received or reviewed after the fiscal year funding limit has been reached.

Sec. 11. **[17.133] FARM DOWN PAYMENT ASSISTANCE GRANTS.**

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; and

(3) has not, and whose spouse has not, at any time had a direct or indirect ownership interest in farmland.

(c) "Farm down payment" means an initial, partial payment required by a lender or seller to purchase farmland.

Subd. 2. Grants. The commissioner must award farm down payment assistance grants of up to \$15,000 per eligible farmer. An eligible farmer must match the grant with at least an equivalent amount of other funding. An eligible farmer must commit to own and farm the land purchased with assistance provided under this section for at least five years. For each year that a grant recipient does not own and farm the land during the five-year period, the grant recipient must pay a penalty to the commissioner equal to 20 percent of the grant amount.

Sec. 12. **[17.994] SOIL HEALTH FINANCIAL ASSISTANCE PROGRAM.**

Subdivision 1. Establishment. The soil health financial assistance program is established to promote soil health practices that mitigate climate change impacts, improve water quality, and provide related public benefits.

Subd. 2. **Financial assistance.** (a) The commissioner may provide financial assistance to local governments, private sector providers, or farmers to cover the costs of specialized equipment and technology necessary to implement and sustain soil health practices, including equipment technology purchases or subscriptions, services to landowners, and other equipment purchases or financial assistance that the commissioner considers appropriate to promote healthy soil.

(b) The commissioner must establish costs eligible for financial assistance under this section.

(c) The commissioner must prioritize or weigh program implementation elements based on considerations including:

(1) support for soil health principles;

(2) supporting participants or participation in the Minnesota agricultural water quality certification program established under Minnesota Statutes, sections 17.9891 to 17.993;

(3) reducing or avoiding greenhouse gas emissions; and

(4) other beneficial public or private programs or initiatives to achieve program results.

Sec. 13. Minnesota Statutes 2020, section 18B.01, is amended by adding a subdivision to read:

Subd. 20b. **Plastic.** "Plastic" means an organic or petroleum derivative synthetic or a semisynthetic organic solid that is moldable, and to which additives or other substances may have been added. Plastic does not mean natural polymers that have not been chemically modified.

Sec. 14. Minnesota Statutes 2020, section 18B.01, is amended by adding a subdivision to read:

Subd. 20c. **Plastic-coated pesticide.** "Plastic-coated pesticide" means a pesticide coated with or microencapsulated by plastic.

Sec. 15. Minnesota Statutes 2020, section 18B.051, is amended to read:

18B.051 POLLINATOR HABITAT AND RESEARCH ACCOUNT.

Subdivision 1. **Account established.** A pollinator ~~habitat and~~ research account is established in the agricultural fund. Money in the account, including interest, is appropriated to the Board of Regents of the University of Minnesota for pollinator research and outreach including, but not limited to:

(1) pesticide, parasite, and climate disruption impacts;

(2) science-based best practices; and

(3) the identification and establishment of habitat beneficial to pollinators.

Subd. 2. **Expiration.** This section expires July 1, ~~2022~~ 2025.

Sec. 16. Minnesota Statutes 2020, section 18B.07, is amended by adding a subdivision to read:

Subd. 9. **Plastic-coated pesticide prohibited.** A person may not sell, offer for sale, use, or apply a plastic-coated pesticide.

EFFECTIVE DATE. This section is effective January 1, 2025, for nonagricultural pesticide, and January 1, 2026, for agricultural pesticide.

Sec. 17. Minnesota Statutes 2020, section 18C.005, is amended by adding a subdivision to read:

Subd. 26a. **Plastic.** "Plastic" has the meaning given in section 18B.01, subdivision 20b.

Sec. 18. Minnesota Statutes 2020, section 18C.005, is amended by adding a subdivision to read:

Subd. 26b. **Plastic-coated fertilizer.** "Plastic-coated fertilizer" means a fertilizer coated with or microencapsulated by plastic.

Sec. 19. Minnesota Statutes 2020, section 18C.201, is amended by adding a subdivision to read:

Subd. 8. **Plastic-coated fertilizer prohibited.** A person may not sell, offer for sale, use, or apply a plastic-coated fertilizer.

EFFECTIVE DATE. This section is effective January 1, 2025, for nonagricultural fertilizer, and January 1, 2026, for agricultural fertilizer.

Sec. 20. Minnesota Statutes 2020, section 21.81, is amended by adding a subdivision to read:

Subd. 5a. **Coated agricultural seed.** "Coated agricultural seed" means any seed unit covered with a coating material.

Sec. 21. Minnesota Statutes 2020, section 21.86, subdivision 2, is amended to read:

Subd. 2. **Miscellaneous violations.** No person may:

(a) detach, alter, deface, or destroy any label required in sections 21.82 and 21.83, alter or substitute seed in a manner that may defeat the purposes of sections 21.82 and 21.83, or alter or falsify any seed tests, laboratory reports, records, or other documents to create a misleading impression as to kind, variety, history, quality, or origin of the seed;

(b) hinder or obstruct in any way any authorized person in the performance of duties under sections 21.80 to 21.92;

(c) fail to comply with a "stop sale" order or to move or otherwise handle or dispose of any lot of seed held under a stop sale order or attached tags, except with express permission of the enforcing officer for the purpose specified;

(d) use the word "type" in any labeling in connection with the name of any agricultural seed variety;

(e) use the word "trace" as a substitute for any statement which is required;

(f) plant any agricultural seed which the person knows contains weed seeds or noxious weed seeds in excess of the limits for that seed; ~~or~~

(g) advertise or sell seed containing patented, protected, or proprietary varieties used without permission of the patent or certificate holder of the intellectual property associated with the variety of seed; ~~or~~

(h) use or sell as food, feed, oil, or ethanol feedstock any seed treated with neonicotinoid pesticide.

Sec. 22. **[21.915] PESTICIDE TREATED SEED USE AND DISPOSAL; CONSUMER GUIDANCE REQUIRED.**

(a) The commissioner, in consultation with the commissioner of the Pollution Control Agency, must develop and maintain consumer guidance regarding the proper use and disposal of seed treated with neonicotinoid pesticide.

(b) A person selling seed treated with neonicotinoid pesticide at retail must post in a conspicuous location the guidance developed by the commissioner under paragraph (a).

Sec. 23. Minnesota Statutes 2020, section 28A.08, is amended by adding a subdivision to read:

Subd. 4. **Food handler license account; appropriation.** A food handler license account is established in the agricultural fund. The commissioner must deposit fees and penalties paid under subdivision 3 in this account. Money in the account, including interest, is appropriated to the commissioner for expenses relating to licensing and inspecting food handlers under chapters 28 to 34A or rules adopted under one of those chapters.

Sec. 24. Minnesota Statutes 2020, section 28A.09, is amended by adding a subdivision to read:

Subd. 3. **Vending machine inspection account; appropriation.** A vending machine inspection account is established in the agricultural fund. The commissioner must deposit fees paid under subdivision 1 in this account. Money in the account, including interest, is appropriated to the commissioner for expenses relating to identifying and inspecting food vending machines under chapters 28 to 34A or rules adopted under one of those chapters.

Sec. 25. Minnesota Statutes 2020, section 28A.10, is amended to read:

28A.10 POSTING OF LICENSE; RULES.

All such licenses shall be issued for a period of one year and shall be posted or displayed in a conspicuous place at the place of business so licensed. Except as provided in sections 28A.08, subdivision 4; 28A.09, subdivision 3; 29.22, subdivision 4; and 31.39, all such license fees and penalties collected by the commissioner shall be deposited into the state treasury and credited to the general fund. The commissioner may adopt such rules in conformity with law as the commissioner deems necessary to effectively and efficiently carry out the provisions of sections 28A.01 to 28A.16.

Sec. 26. Minnesota Statutes 2020, section 28A.21, subdivision 2, is amended to read:

Subd. 2. **Membership.** (a) The Food Safety and Defense Task Force consists of:

- (1) the commissioner of agriculture or the commissioner's designee;
- (2) the commissioner of health or the commissioner's designee;
- (3) a representative of the United States Food and Drug Administration;
- (4) a representative of the United States Department of Agriculture;
- (5) a representative of the Agricultural Utilization Research Institute;
- (6) one member of the Minnesota Grocers Association;
- (7) one member from the University of Minnesota knowledgeable in food and food safety issues; and

(8) ~~nine~~ ten members appointed by the governor who are interested in food and food safety, of whom:

(i) two persons are health or food professionals;

(ii) one person represents a statewide general farm organization;

(iii) one person represents a local food inspection agency;

(iv) one person represents a food-oriented consumer group; ~~and~~

(v) one person represents a Minnesota-based manufacturer of microbial detection equipment and remediation products; and

(vi) one person is knowledgeable in cybersecurity.

(b) Members shall serve without compensation. Members appointed by the governor shall serve four-year terms.

Sec. 27. Minnesota Statutes 2020, section 35.155, subdivision 10, is amended to read:

Subd. 10. **Mandatory registration.** (a) A person may not possess live Cervidae in Minnesota unless the person is registered with the Board of Animal Health and meets all the requirements for farmed Cervidae under this section. Cervidae possessed in violation of this subdivision may be seized and destroyed by the commissioner of natural resources.

(b) A person whose registration is revoked by the board is ineligible for future registration under this section unless the board determines that the person has undertaken measures that make future escapes extremely unlikely.

(c) The board must not approve a new registration under this subdivision for farmed white-tailed deer. This paragraph does not prohibit a person holding a valid registration to possess farmed white-tailed deer from selling or transferring the person's registration to a family member who resides in this state and is related to the person within the third degree of kindred according to the rules of civil law. A registration to possess farmed white-tailed deer may be sold or transferred only once under this paragraph. Before the board approves a sale or transfer under this paragraph, the board must verify that the farmed white-tailed deer herd is free from chronic wasting disease and the person or eligible family member must pay a onetime transfer fee of \$500 to the board.

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

Sec. 28. Minnesota Statutes 2020, section 41A.16, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must source from Minnesota at least 80 percent of the biomass used to produce an advanced biofuel, except that, if a facility is sited 50 miles or less from the state border, biomass used to produce an advanced biofuel may be sourced from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from within a 100-mile radius of the facility or from within Minnesota. The facility must be located in Minnesota, must begin production at a specific location by ~~June 30, 2025~~ December 31, 2022, and must not begin operating above 23,750 MMbtu of quarterly advanced biofuel production before July 1, 2015. Eligible facilities include existing companies and facilities that are adding advanced biofuel production capacity, or retrofitting existing capacity, as well as new companies and facilities. Production of conventional corn ethanol and conventional biodiesel is not eligible. Eligible advanced biofuel facilities must produce at least 1,500 MMbtu of advanced biofuel quarterly.

(b) No payments shall be made for advanced biofuel production that occurs after June 30, 2035, for those eligible biofuel producers under paragraph (a), provided that an eligible producer may continue to receive payments equal to the difference between the claims for payment filed under subdivision 6 and the pro rata amount received as of June 30, 2035, until the full amounts of the original claims are paid.

(c) An eligible producer of advanced biofuel shall not transfer the producer's eligibility for payments under this section to an advanced biofuel facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

(e) Renewable chemical production for which payment has been received under section 41A.17, and biomass thermal production for which payment has been received under section 41A.18, are not eligible for payment under this section.

(f) Biobutanol is eligible under this section.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2020, and applies to claims filed after January 1, 2020.

Sec. 29. Minnesota Statutes 2020, section 41A.16, subdivision 2, is amended to read:

Subd. 2. **Payment amounts; limits.** (a) The commissioner shall make payments to eligible producers of advanced biofuel. The amount of the payment for each eligible producer's annual production is \$2.1053 per MMBtu for advanced biofuel production from cellulosic biomass, and \$1.053 per MMBtu for advanced biofuel production from sugar, starch, oil, or animal fat at a specific location for ten years after the start of production.

(b) Total payments under this section to an eligible biofuel producer in a fiscal year may not exceed the amount necessary for 2,850,000 MMBtu of biofuel production. Total payments under this section to all eligible biofuel producers in a fiscal year may not exceed the amount necessary for 17,100,000 MMBtu of biofuel production. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make the payments on a pro rata basis. An eligible producer may reapply for payment of the difference between the claim for payment filed under subdivision 6 and the pro rata amount received:

(1) until the full amount of the original claim is paid; and

(2) subject to available money appropriated for the express purpose of paying claims not otherwise paid.

(c) For purposes of this section, an entity that holds a controlling interest in more than one advanced biofuel facility is considered a single eligible producer.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2020, and applies to claims filed after January 1, 2020.

Sec. 30. Minnesota Statutes 2020, section 41A.17, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must source from Minnesota at least 80 percent of the biomass used to produce a renewable chemical, except that, if a facility is sited 50 miles or less from the state border, biomass used to produce a renewable chemical may be sourced from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from within a 100-mile radius of the facility or from within Minnesota. The facility must be located in Minnesota, must begin production at a specific location by

~~June 30, 2025~~ December 31, 2022, and must not begin production of 250,000 pounds of chemicals quarterly before January 1, 2015. Eligible facilities include existing companies and facilities that are adding production capacity, or retrofitting existing capacity, as well as new companies and facilities. Eligible renewable chemical facilities must produce at least 250,000 pounds of renewable chemicals quarterly. Renewable chemicals produced through processes that are fully commercial before January 1, 2000, are not eligible.

(b) No payments shall be made for renewable chemical production that occurs after June 30, 2035, for those eligible renewable chemical producers under paragraph (a), provided that an eligible producer may continue to receive payments equal to the difference between the claims for payment filed under subdivision 5 and the pro rata amount received as of June 30, 2035, until the full amounts of the original claims are paid.

(c) An eligible producer of renewable chemicals shall not transfer the producer's eligibility for payments under this section to a renewable chemical facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

(e) Advanced biofuel production for which payment has been received under section 41A.16, and biomass thermal production for which payment has been received under section 41A.18, are not eligible for payment under this section.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2020, and applies to claims filed after January 1, 2020.

Sec. 31. Minnesota Statutes 2020, section 41A.17, subdivision 2, is amended to read:

Subd. 2. **Payment amounts; bonus; limits.** (a) The commissioner shall make payments to eligible producers of renewable chemicals located in the state. The amount of the payment for each producer's annual production is \$0.03 per pound of sugar-derived renewable chemical, \$0.03 per pound of cellulosic sugar, starch, oil, or animal fat, and \$0.06 per pound of cellulosic-derived renewable chemical produced at a specific location for ten years after the start of production.

(b) An eligible facility producing renewable chemicals using agricultural cellulosic biomass is eligible for a 20 percent bonus payment for each pound produced from agricultural biomass that is derived from perennial crop or cover crop biomass.

(c) Total payments under this section to an eligible renewable chemical producer in a fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable chemical production. Total payments under this section to all eligible renewable chemical producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of renewable chemical production. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make the payments on a pro rata basis. An eligible producer may reapply for payment of the difference between the claim for payment filed under subdivision 5 and the pro rata amount received:

(1) until the full amount of the original claim is paid; and

(2) subject to available money appropriated for the express purpose of paying claims not otherwise paid.

(d) An eligible facility may blend renewable chemicals with other chemicals that are not renewable chemicals, but only the percentage attributable to renewable chemicals in the blended product is eligible to receive payment.

(e) For purposes of this section, an entity that holds a controlling interest in more than one renewable chemical production facility is considered a single eligible producer.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2020, and applies to claims filed after January 1, 2020.

Sec. 32. Minnesota Statutes 2020, section 41A.18, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must source from Minnesota at least 80 percent of the biomass used for biomass thermal production, except that, if a facility is sited 50 miles or less from the state border, biomass used for biomass thermal production may be sourced from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from within a 100-mile radius of the facility, or from within Minnesota. Biomass must be from agricultural or forestry sources. The facility must be located in Minnesota, must have begun production at a specific location by ~~June 30, 2025~~ December 31, 2022, and must not begin before July 1, 2015. Eligible facilities include existing companies and facilities that are adding production capacity, or retrofitting existing capacity, as well as new companies and facilities. Eligible biomass thermal production facilities must produce at least 250 MMBtu of biomass thermal quarterly.

(b) No payments shall be made for biomass thermal production that occurs after June 30, 2035, for those eligible biomass thermal producers under paragraph (a), provided that an eligible producer may continue to receive payments equal to the difference between the claims for payment filed under subdivision 5 and the pro rata amount received as of June 30, 2035, until the full amounts of the original claims are paid.

(c) An eligible producer of biomass thermal production shall not transfer the producer's eligibility for payments under this section to a biomass thermal production facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

(e) Biofuel production for which payment has been received under section 41A.16, and renewable chemical production for which payment has been received under section 41A.17, are not eligible for payment under this section.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2020, and applies to claims filed after January 1, 2020.

Sec. 33. Minnesota Statutes 2020, section 41A.18, subdivision 2, is amended to read:

Subd. 2. **Payment amounts; bonus; limits; blending.** (a) The commissioner shall make payments to eligible producers of biomass thermal located in the state. The amount of the payment for each producer's annual production is \$5.00 per MMBtu of biomass thermal production produced at a specific location for ten years after the start of production.

(b) An eligible facility producing biomass thermal using agricultural cellulosic biomass is eligible for a 20 percent bonus payment for each MMBtu produced from agricultural biomass that is derived from perennial crop or cover crop biomass.

(c) Total payments under this section to an eligible thermal producer in a fiscal year may not exceed the amount necessary for 30,000 MMBtu of thermal production. Total payments under this section to all eligible thermal producers in a fiscal year may not exceed the amount necessary for 150,000 MMBtu of total thermal production. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make the payments on a pro rata basis. An eligible producer may reapply for payment of the difference between the claim for payment filed under subdivision 5 and the pro rata amount received:

(1) until the full amount of the original claim is paid; and

(2) subject to available money appropriated for the express purpose of paying claims not otherwise paid.

(d) An eligible facility may blend a cellulosic feedstock with other fuels in the biomass thermal production facility, but only the percentage attributable to biomass meeting the cellulosic forestry biomass requirements or agricultural cellulosic biomass sourcing plan is eligible to receive payment.

(e) When a facility is eligible due to adding production capacity or retrofitting existing capacity, the entire amount of biomass meeting the cellulosic forestry biomass requirements or agricultural cellulosic biomass sourcing plan is assumed to have been used for the biomass thermal production from the added or retrofitted production capacity.

(f) For purposes of this section, an entity that holds a controlling interest in more than one biomass thermal production facility is considered a single eligible producer.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2020, and applies to claims filed after January 1, 2020.

Sec. 34. Minnesota Statutes 2021 Supplement, 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, 41A.20, and 41A.21 to the legislative committees with jurisdiction over environment policy and finance and agriculture policy and finance. The report shall include information on production and incentive expenditures under the programs, as well as the following information that the commissioner must require of each producer who receives a payment during the reporting period:

(1) the producer's business structure;

(2) the name and address of the producer's parent company, if any;

(3) a cumulative list of all financial assistance received from all grantors for the project;

(4) goals for the number of jobs created and progress in achieving these goals, which may include separate goals for the number of part-time or full-time jobs, or, in cases where job loss is specific and demonstrable, goals for the number of jobs retained;

(5) equity hiring goals and progress in achieving these goals;

(6) wage goals and progress in achieving these goals for all jobs created or maintained by the producer;

(7) board member and executive compensation;

(8) evidence of compliance with environmental permits;

(9) the producer's intended and actual use of payments received from the commissioner; and

(10) if applicable, the latest financial audit opinion statement produced by a certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants.

Sec. 35. Minnesota Statutes 2021 Supplement, section 41A.21, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** (a) A facility eligible for payment under this section must source at least 80 percent of its forest resources raw materials from Minnesota. The facility must be located in Minnesota; must begin construction activities by December 31, 2022, for a specific location; must ~~begin production~~ have produced at least one OSB square foot on a 3/8-inch nominal basis at a specific location by June 30, 2025; and must not begin operating before January 1, 2022. Eligible facilities must be new OSB construction sites with total capital investment in excess of \$250,000,000. Eligible OSB production facilities must produce at least ~~200,000,000~~ 50,000,000 OSB square feet on a 3/8-inch nominal basis of OSB each ~~year~~ quarter. At least one product produced at the facility should be a wood-based wall or roof structural sheathing panel that has an integrated, cellulose-based paper overlay that serves as a water resistive barrier.

(b) No payments shall be made for OSB production that occurs after June 30, 2036, for those eligible producers under paragraph (a).

(c) An eligible producer of OSB shall not transfer the producer's eligibility for payments under this section to a facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

Sec. 36. Minnesota Statutes 2021 Supplement, section 41A.21, subdivision 6, is amended to read:

Subd. 6. **Appropriation.** (a) In fiscal year 2025, a sum sufficient to make the payments required by this section, not to exceed \$1,500,000, is appropriated from the general fund to the commissioner. This is a onetime appropriation.

(b) From fiscal year 2026 through fiscal year 2034, a sum sufficient to make the payments required by this section, not to exceed \$3,000,000 in a fiscal year, is annually appropriated from the general fund to the commissioner.

(c) The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

Sec. 37. Minnesota Statutes 2020, section 41B.047, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** To be eligible for this program, a borrower must:

(1) meet the requirements of section 41B.03, subdivision 1;

(2) certify that the damage or loss was (i) sustained within a county that was the subject of a state or federal disaster declaration; (ii) due to the confirmed presence of a highly contagious animal disease in Minnesota; (iii) due to an infectious human disease for which the governor has declared a peacetime emergency; or (iv) due to an emergency as determined by the authority;

(3) demonstrate an ability to repay the loan; and

(4) have received at least ~~50~~ 20 percent of ~~average~~ annual gross income from farming ~~for in~~ the past ~~three years~~ year.

Sec. 38. Minnesota Statutes 2020, section 223.17, subdivision 4, is amended to read:

Subd. 4. **Bond.** (a) Except as provided in paragraphs (c) to (e), before a grain buyer's license is issued, the applicant for the license must file with the commissioner a bond in a penal sum prescribed by the commissioner but not less than the following amounts:

- (1) \$10,000 for grain buyers whose gross annual purchases are \$100,000 or less;
 - (2) \$20,000 for grain buyers whose gross annual purchases are more than \$100,000 but not more than \$750,000;
 - (3) \$30,000 for grain buyers whose gross annual purchases are more than \$750,000 but not more than \$1,500,000;
 - (4) \$40,000 for grain buyers whose gross annual purchases are more than \$1,500,000 but not more than \$3,000,000;
 - (5) \$50,000 for grain buyers whose gross annual purchases are more than \$3,000,000 but not more than \$6,000,000;
 - (6) \$70,000 for grain buyers whose gross annual purchases are more than \$6,000,000 but not more than \$12,000,000;
 - (7) \$125,000 for grain buyers whose gross annual purchases are more than \$12,000,000 but not more than \$24,000,000; and
 - (8) \$150,000 for grain buyers whose gross annual purchases exceed \$24,000,000.
- (b) The amount of the bond shall be based on the most recent gross annual grain purchase report of the grain buyer.
- (c) A first-time applicant for a grain buyer's license shall file a \$50,000 bond with the commissioner. This bond shall remain in effect for the first year of the license. Thereafter, the licensee shall comply with the applicable bonding requirements contained in paragraph (a), clauses (1) to (8).
- (d) In lieu of the bond required by this subdivision the applicant may deposit with the commissioner of management and budget an irrevocable bank letter of credit as defined in section 336.5-102, in the same amount as would be required for a bond.
- (e) A grain buyer who purchases grain immediately upon delivery solely with cash; a certified check; a cashier's check; or a postal, bank, or express money order is exempt from this subdivision if the grain buyer's gross annual purchases are ~~\$100,000~~ \$250,000 or less.
- (f) Bonds must be continuous until canceled. To cancel a bond, a surety must provide 90 days' written notice of the bond's termination date to the licensee and the commissioner.

Sec. 39. Minnesota Statutes 2020, section 223.17, subdivision 6, is amended to read:

Subd. 6. **Financial statements.** (a) Except as allowed in paragraph (c), a grain buyer licensed under this chapter must annually submit to the commissioner a financial statement prepared in accordance with generally accepted accounting principles. The annual financial statement required under this subdivision must also:

- (1) include, but not be limited to the following:
 - (i) a balance sheet;

- (ii) a statement of income (profit and loss);
- (iii) a statement of retained earnings;
- (iv) a statement of changes in financial position; and
- (v) a statement of the dollar amount of grain purchased in the previous fiscal year of the grain buyer;

(2) be accompanied by a compilation report of the financial statement that is prepared by a grain commission firm or a management firm approved by the commissioner or by an independent public accountant, in accordance with standards established by the American Institute of Certified Public Accountants;

(3) be accompanied by a certification by the chief executive officer or the chief executive officer's designee of the licensee, and where applicable, all members of the governing board of directors under penalty of perjury, that the financial statement accurately reflects the financial condition of the licensee for the period specified in the statement;

(4) for grain buyers purchasing under ~~\$5,000,000~~ \$7,500,000 of grain annually, be reviewed by a certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants, and must show that the financial statements are free from material misstatements; and

(5) for grain buyers purchasing ~~\$5,000,000~~ \$7,500,000 or more of grain annually, be audited by a certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants and must include an opinion statement from the certified public accountant.

(b) Only one financial statement must be filed for a chain of warehouses owned or operated as a single business entity, unless otherwise required by the commissioner. All financial statements filed with the commissioner are private or nonpublic data as provided in section 13.02.

(c) A grain buyer who purchases grain immediately upon delivery solely with cash; a certified check; a cashier's check; or a postal, bank, or express money order is exempt from this subdivision if the grain buyer's gross annual purchases are ~~\$100,000~~ \$250,000 or less.

(d) The commissioner shall annually provide information on a person's fiduciary duties to each licensee. To the extent practicable, the commissioner must direct each licensee to provide this information to all persons required to certify the licensee's financial statement under paragraph (a), clause (3).

Sec. 40. **REVISOR INSTRUCTION.**

The revisor of statutes must renumber the subdivisions in Minnesota Statutes, section 18B.01, so the defined terms are in alphabetical order and adjust any cross-references accordingly.

ARTICLE 3
HOUSING APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to the appropriations in Laws 2021, First Special Session chapter 8, or other law, to specified agencies. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively.

APPROPRIATIONS
Available for the Year
Ending June 30
2022 2023

Sec. 2. **HOUSING FINANCE AGENCY**

Subdivision 1. **Total Appropriation**

\$229,617,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Challenge Program**

20,000,000

(a) This appropriation is for the economic development and housing challenge program under Minnesota Statutes, sections 462A.07, subdivision 14, and 462A.33.

(b) In fiscal years 2024 and 2025, \$17,117,000 is added to the agency's base.

Subd. 3. **Housing Trust Fund**

10,000,000

This appropriation is for deposit in the housing trust fund account created under Minnesota Statutes, section 462A.201, and may be used for the purposes provided in that section. In fiscal years 2024 and 2025, \$10,000,000 is added to the agency's base.

Subd. 4. **Homework Starts with Home**

10,000,000

(a) This appropriation is for the homework starts with home program under Minnesota Statutes, sections 462A.201, subdivision 2, paragraph (a), clause (4), and 462A.204, subdivision 8, to provide assistance to homeless or highly mobile families with minor children or with adult children eligible for enrollment in an academic program through grade 12. Funding must prioritize families with younger children not yet in school who are identified as being at risk of homelessness or experiencing homelessness.

(b) In fiscal years 2024 and 2025, \$10,000,000 is added to the agency's base.

Subd. 5. **Family Homeless Prevention**

14,000,000

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

(b) In fiscal years 2024 and 2025, \$10,000,000 is added to the agency's base.

Subd. 6. Community Stabilization100,000,000

(a) This appropriation is for the community stabilization program under Minnesota Statutes, section 462A.41, to finance improvements for naturally occurring affordable housing.

(b) In fiscal years 2024 and 2025, \$40,000,000 is added to the agency's base.

Subd. 7. Flexible Financing for Capital Costs5,000,000

This appropriation is to provide gap financing to rental housing developments financed by the agency. This is a onetime appropriation.

Subd. 8. Strengthening Supportive Housing Model5,000,000

This appropriation is for the strengthening supportive housing model program under Minnesota Statutes, section 462A.42, to provide funding to strengthen supportive housing for individuals and families who are at risk of homelessness or have experienced homelessness. In fiscal years 2024 and 2025, \$5,000,000 is added to the agency's base.

Subd. 9. Lead-Safe Homes2,000,000

This appropriation is for the lead-safe homes grant program under Minnesota Statutes, section 462A.2095. This is a onetime appropriation.

Subd. 10. Stable Housing Mediation425,000

This appropriation is for the housing mediation grant program for grants to mediation facilities certified by the state under Minnesota Statutes, section 494.015. This is a onetime appropriation.

Subd. 11. Homeownership Education, Counseling, and Training Program1,000,000

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

Subd. 12. First-Generation Homebuyers Down Payment Assistance Fund50,000,000

This appropriation is for a grant to Midwest Minnesota Community Development Corporation (MMCDC) for a first-generation homebuyers down payment assistance fund. This is a onetime appropriation and is available until June 30, 2025.

Subd. 13. Local Housing Trust Fund Grants**7,000,000**

This appropriation is for the local housing trust fund grant program. This is a onetime appropriation.

Subd. 14. Manufactured Home Park Cooperative Purchase Program**5,192,000**

This appropriation is for the manufactured home park cooperative purchase program. This is a onetime appropriation.

Sec. 3. DEPARTMENT OF HUMAN RIGHTS**\$383,000**

(a) \$383,000 in fiscal year 2023 is to the commissioner of human rights for increased capacity and associated costs to investigate sources of income discrimination cases in housing.

(b) In fiscal years 2024 and 2025, \$383,000 is added to the department's base.

ARTICLE 4
HOUSING FINANCE GRANT PROGRAMS AND POLICY

Section 1. Minnesota Statutes 2020, section 462A.201, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

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

Sec. 2. Minnesota Statutes 2020, section 462A.204, subdivision 8, is amended to read:

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

(b) The agency shall make grants to family homeless prevention and assistance projects in communities with a school or schools that have a significant degree of student mobility or in communities with a significant degree of homelessness among families with minor children.

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

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

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

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

(4) one or more of the following:

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

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

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

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

Sec. 3. [462A.2095] LEAD-SAFE HOMES GRANT PROGRAM.

Subdivision 1. Establishment. The Housing Finance Agency shall establish a lead-safe homes grant program to provide grants to increase lead testing and make residential rental units lead safe. The initial pilot program shall provide one grant to a project serving an area in a metropolitan county, as defined in section 473.121, subdivision 4, and one grant to a project serving an area outside a metropolitan county with a priority for targeting grant resources to landlords and tenants where there are high concentrations of lead poisoning in children based on information provided by the commissioner of health.

Subd. 2. Eligibility. (a) Eligible grantees must be a nonprofit or political subdivision capable of providing funding and services to a defined geographic area. The grant programs receiving funding under this section must provide lead risk assessments completed by a lead inspector or a lead risk assessor licensed by the commissioner of health pursuant to section 144.9505 for properties built before 1978 to determine the presence of lead hazards and to provide interim controls to reduce lead health hazards. The grant program must provide funding for testing and lead hazard reduction to:

(1) landlords of residential buildings with 11 units or less where the tenant's income does not exceed 60 percent of area median income;

(2) landlords of residential buildings with 12 units or more where at least 50 percent of the tenants are below 60 percent of the median income; and

(3) a tenant with an income that does not exceed 60 percent of area median income.

(b) A landlord or tenant must first access other available state and federal funding related to lead testing and lead hazard reduction for which they are eligible.

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

Subd. 3. Short title. This section shall be known as the "Dustin Luke Shields Act."

Sec. 4. Minnesota Statutes 2020, section 462A.37, subdivision 2, is amended to read:

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

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

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

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

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

(5) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction of senior housing, with up to 20 percent of the units serving low-income individuals of any age;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(iii) low-fume paint;

(iv) low-chemical carpet; and

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

Nothing in this paragraph relieves projects being funded by these loans from meeting other applicable accessibility requirements.

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

Sec. 5. Minnesota Statutes 2020, section 462A.37, is amended by adding a subdivision to read:

Subd. 2i. **Additional authorization.** In addition to the amount authorized in subdivisions 2 to 2h, the agency may issue up to \$400,000,000 in housing infrastructure bonds in one or more series to which the payments under this section may be pledged.

EFFECTIVE DATE. This section is effective the day following final enactment. If the authorization in this section is enacted more than once in the 2022 legislative session, the authorization must be given effect only once.

Sec. 6. **[462A.41] COMMUNITY STABILIZATION PROGRAM.**

Subdivision 1. **Establishment.** The agency shall establish a community stabilization program for the purpose of providing grants or loans for the preservation of naturally occurring affordable housing through acquisition or rehabilitation.

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

(1) multiunit rental housing that:

(i) is at least 20 years old; and

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

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

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

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

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

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

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

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

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

Subd. 8. **Voucher requirement for multifamily properties.** Rental properties that receive funds must accept rental subsidies, including but not limited to vouchers under Section 8 of the United States Housing Act of 1937, as amended.

Sec. 7. [462A.42] STRENGTHENING SUPPORTIVE HOUSING MODEL.

Subdivision 1. **Establishment.** The agency shall establish a strengthening supportive housing model program for the purpose of providing funding to strengthen supportive housing for individuals and families who are at risk of homelessness or have experienced homelessness.

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

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

Subd. 4. **Eligible uses.** (a) Funds shall be used to cover costs needed for supportive housing to operate effectively that are not covered by other federal or state resources. Costs may include but are not limited to building operating expenses such as front desk, tenant service coordination, revenue shortfall, and security costs.

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

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

Sec. 8. Minnesota Statutes 2020, section 500.20, subdivision 2a, is amended to read:

Subd. 2a. **Restriction of duration of condition.** Except for any right to reenter or to repossess as provided in subdivision 3, all private covenants, conditions, or restrictions created by which the title or use of real property is affected, cease to be valid and operative 30 years after the date of the deed, or other instrument, or the date of the probate of the will, creating them, and may be disregarded.

This subdivision does not apply to covenants, conditions, or restrictions:

(1) that were created before August 1, 1959, under which a person who owns or has an interest in real property against which the covenants, conditions, or restrictions have been filed claims a benefit of the covenant, condition, or restriction if the person records in the office of the county recorder or files in the office of the registrar of titles in the county in which the real estate affected is located, on or before March 30, 1989, a notice sworn to by the claimant or the claimant's agent or attorney: setting forth the name of the claimant; describing the real estate affected; describing the deed, instrument, or will creating the covenant, condition, or restriction; and stating that the covenant, condition, or restriction is not nominal and may not be disregarded under subdivision 1;

(2) that are created by the declaration, bylaws, floor plans, or condominium plat of a condominium created before August 1, 1980, under chapter 515, or created on or after August 1, 1980, under chapter 515A or 515B, or by any amendments of the declaration, bylaws, floor plans, or condominium plat;

(3) that are created by the articles of incorporation, bylaws, or proprietary leases of a cooperative association formed under chapter 308A;

(4) that are created by a declaration or other instrument that authorizes and empowers a corporation of which the qualification for being a stockholder or member is ownership of certain parcels of real estate, to hold title to common real estate for the benefit of the parcels;

(5) that are created by a deed, declaration, reservation, or other instrument by which one or more portions of a building, set of connecting or adjacent buildings, or complex or project of related buildings and structures share support, structural components, ingress and egress, or utility access with another portion or portions;

(6) that were created after July 31, 1959, under which a person who owns or has an interest in real estate against which covenants, conditions, or restrictions have been filed claims a benefit of the covenants, conditions, or restrictions if the person records in the office of the county recorder or files in the office of the registrar of titles in the county in which the real estate affected is located during the period commencing on the 28th anniversary of the date of the deed or instrument, or the date of the probate of the will, creating them and ending on the 30th anniversary, a notice as described in clause (1); ~~or~~

(7) that are created by a declaration or bylaws of a common interest community created under or governed by chapter 515B, or by any amendments thereto; or

(8) that are created by a declaration or other instrument required by a government entity related to affordable housing.

A notice filed in accordance with clause (1) or (6) delays application of this subdivision to the covenants, conditions, or restrictions for a period ending on the later of seven years after the date of filing of the notice, or until final judgment is entered in an action to determine the validity of the covenants, conditions, or restrictions, provided in the case of an action the summons and complaint must be served and a notice of lis pendens must be recorded in the office of the county recorder or filed in the office of the registrar of titles in each county in which the real estate affected is located within seven years after the date of recording or filing of the notice under clause (1) or (6).

County recorders and registrars of titles shall accept for recording or filing a notice conforming with this subdivision and charge a fee corresponding with the fee charged for filing a notice of lis pendens of similar length. The notice may be discharged in the same manner as a notice of lis pendens and when discharged, together with the information included with it, ceases to constitute either actual or constructive notice.

Sec. 9. **MINNESOTA STABLE HOUSING MEDIATION GRANT PROGRAM.**

The commissioner of the Housing Finance Agency shall establish a housing mediation grant program to increase access to voluntary housing mediation services for renters and homeowners. The grant program shall provide funding to mediation facilities certified by the state under Minnesota Statutes, section 494.015, that can increase access to housing mediation throughout the state, increase the availability of culturally specific dispute resolution programs, reduce the need for court actions, and bring stability in housing. The grant funding must be used to:

(1) provide mediation services to benefit renters, property owners, households, utility providers, and homeowners statewide and increase awareness of access to mediation services and expand statewide mediation services;

(2) provide eviction prevention services including access to mediation services that prevent eviction court costs and reduce negative consequences to families, schools, employers, neighborhoods, and communities;

(3) partner with culturally specific dispute resolution programs to provide training and assist in providing mediation services virtually and in person;

(4) increase mediation services for seniors and tenants with disabilities and illnesses who face housing instability;

(5) increase the diversity of the housing mediator roster;

(6) integrate existing and future housing mediation services with legal assistance and court services programs; and

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

Sec. 10. **FIRST-GENERATION HOMEBUYERS DOWN PAYMENT ASSISTANCE FUND.**

Subdivision 1. **Establishment.** A first-generation homebuyers down payment assistance fund is established as a pilot project under the administration of the Midwest Minnesota Community Development Corporation (MMCDC), a community development financial institution (CDFI) as defined under the Riegle Community Development and Regulatory Improvement Act of 1994, to provide targeted assistance to eligible first-generation homebuyers.

Subd. 2. **Eligible homebuyer.** For purposes of this section, "eligible first-generation homebuyer" means an individual:

- (1) whose income is at or below 100 percent of the area median income at the time of purchase;
- (2) who is a first-time homebuyer as defined under Code of Federal Regulations, title 24, section 92.2;
- (3) who is preapproved for a first mortgage loan; and
- (4) whose parent or prior legal guardian does not, or did not at the time of their death, own a home.

An eligible homebuyer must complete an approved homebuyer education course prior to signing a purchase agreement and, following the purchase of the home, must occupy it as the homebuyer's primary residence. The home must be purchased within the maximum loan amount established by the federal Housing Finance Agency, and the eligible homebuyer must contribute a minimum of \$1,000 to down payment or closing costs.

Subd. 3. **Use of funds.** Assistance under this section is limited to ten percent of the purchase price of a home, not to exceed \$30,000 per eligible first-generation homebuyer. The assistance must be provided in the form of a loan that is forgivable at a rate of 20 percent per year on the day after the anniversary date of the note. The prorated balance due is repayable if the property converts to nonowner occupancy, is sold, is subjected to an ineligible refinance, is subjected to an unauthorized transfer of title, or is subjected to a completed foreclosure action within the five-year loan term. Recapture can be waived in the event of financial or personal hardship. The loan may be reserved and used for closing costs, down payment, or principal reduction. The loan must be used in conjunction with a conforming first mortgage loan that is fully amortizing and meets the standards of a qualified mortgage or meets the minimum standards for exemption under Code of Federal Regulations, title 12, section 1026.43. The loan may be used in conjunction with funds from other programs for which the eligible homebuyer may qualify and the loan may be placed in any priority position.

Subd. 4. **Administration.** The first-generation homebuyers down payment assistance fund is available statewide and shall be administered by MMCDC, the designated central CDFI. MMCDC may originate and service funds and authorize other CDFIs, Tribal entities, and nonprofit organizations administering down payment assistance to reserve, originate, fund, and service funds for eligible first-generation homebuyers. Administrative costs must not exceed \$3,000 per loan. Any funds made available due to early resale of a home must be returned to MMCDC for redistribution to eligible first-generation homebuyers.

Subd. 5. **Legislative auditor.** The first-generation homebuyers down payment assistance fund is subject to audit by the legislative auditor. MMCDC and participating CDFIs must cooperate with the audit.

Subd. 6. **Creditor immunity for reliance on borrower self-attestations.** No creditor shall be subject to liability, including monetary penalties or requirements to indemnify a federal or state agency or repurchase a loan that has been sold or securitized, for the provision of down payment assistance under this section to a borrower who does not meet the eligibility requirements if the creditor does so in good faith reliance on borrower attestations of eligibility required by this section or regulation.

Subd. 7. **Report to legislature.** By January 15 each year, the fund administrator, MMCDC, must report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing with the following information:

- (1) the number and amount of loans closed;
- (2) the median loan amount;
- (3) the number and amount of loans issued by race or ethnic categories;
- (4) the median home purchase price;
- (5) the type of mortgage;
- (6) the total amount returned to the fund; and
- (7) the number and amount of loans issued by county.

Subd. 8. **Sunset.** This section sunsets June 30, 2025.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 11. **MANUFACTURED HOME PARK COOPERATIVE PURCHASE PROGRAM.**

(a) The Housing Finance Agency shall establish a manufactured home park cooperative purchase program for grants to nonprofit organizations to assist manufactured home park residents in organizing and purchasing manufactured home parks, and for grants to provide down payment assistance to residents to purchase manufactured home parks.

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

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

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

(e) For purposes of this section, "manufactured home," "manufactured home park," "park owner," "representative acting on behalf of residents," "resident," and "resident association" have the meanings given in Minnesota Statutes, section 327C.01.

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

Sec. 12. **LOCAL HOUSING TRUST FUND GRANTS.**

(a) As provided in this section, the Housing Finance Agency shall award grants to local housing trust funds established under Minnesota Statutes, section 462C.16, to incentivize local funding.

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

(c) \$100,000 of the appropriation in paragraph (b) is for technical assistance grants to local and regional housing trust funds. A housing trust fund may apply for a technical assistance grant at the time and in the manner and form required by the agency. The agency shall make grants on a first-come, first-served basis. A technical assistance grant must not exceed \$5,000.

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

EFFECTIVE DATE. This section is effective July 1, 2022.

ARTICLE 5 HOUSING FINANCE TECHNICAL CHANGES

Section 1. Minnesota Statutes 2020, section 462A.03, subdivision 13, is amended to read:

Subd. 13. **Eligible mortgagor.** "Eligible mortgagor" means a nonprofit or cooperative housing corporation; the Department of Administration for the purpose of developing community-based programs as defined in section 252.50; a limited profit entity or a builder as defined by the agency in its rules, which sponsors or constructs residential housing as defined in subdivision 7; or a natural person of low or moderate income, except that the return to a limited dividend entity shall not exceed 15 percent of the capital contribution of the investors or such lesser percentage as the agency shall establish in its rules, provided that residual receipts funds of a limited dividend entity may be used for agency-approved, housing-related investments owned by the limited dividend entity without regard to the limitation on returns. Owners of existing residential housing occupied by renters shall be eligible for rehabilitation loans, only if, as a condition to the issuance of the loan, the owner agrees to conditions established by the agency in its rules relating to rental or other matters that will ~~insure~~ ensure that the housing will be occupied by persons and families of low or moderate income. The agency shall require by rules that the owner give preference to those persons of low or moderate income who occupied the residential housing at the time of application for the loan.

Sec. 2. Minnesota Statutes 2021 Supplement, section 462A.05, subdivision 14, is amended to read:

Subd. 14. **Rehabilitation loans.** It may agree to purchase, make, or otherwise participate in the making, and may enter into commitments for the purchase, making, or participation in the making, of eligible loans for rehabilitation, with terms and conditions as the agency deems advisable, to persons and families of low and moderate income, and to owners of existing residential housing for occupancy by such persons and families, for the rehabilitation of existing residential housing owned by them. Rehabilitation may include the addition or rehabilitation of a detached accessory dwelling unit. The loans may be insured or uninsured and may be made with security, or may be unsecured, as the agency deems advisable. The loans may be in addition to or in combination with long-term eligible mortgage loans under subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness secured by the property, if refinancing is determined by the agency to be necessary to permit the owner to meet the owner's housing cost without expending an unreasonable portion of the owner's income thereon. No loan for rehabilitation shall be made unless the agency determines that the loan will be used primarily to make the housing more desirable to live in, to increase the market value of the housing, for compliance with state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing, or to accomplish energy conservation related improvements. In unincorporated areas and municipalities

not having codes and standards, the agency may, solely for the purpose of administering the provisions of this chapter, establish codes and standards. No loan under this subdivision for the rehabilitation of owner-occupied housing shall be denied solely because the loan will not be used for placing the owner-occupied residential housing in full compliance with all state, county, or municipal building, housing maintenance, fire, health, or similar codes and standards applicable to housing. Rehabilitation loans shall be made only when the agency determines that financing is not otherwise available, in whole or in part, from private lenders upon equivalent terms and conditions. Accessibility rehabilitation loans authorized under this subdivision may be made to eligible persons and families without limitations relating to the maximum incomes of the borrowers if:

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

(2) home care is appropriate; and

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

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

Sec. 3. Minnesota Statutes 2020, section 462A.05, is amended by adding a subdivision to read:

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

Sec. 4. Minnesota Statutes 2020, section 462A.05, is amended by adding a subdivision to read:

Subd. 43. **Housing disparities.** The agency must prioritize its use of appropriations for any program under this chapter to serve households most affected by housing disparities.

Sec. 5. Minnesota Statutes 2020, section 462A.07, subdivision 9, is amended to read:

Subd. 9. **Priority where State Building Code is adopted.** It may establish such rules as may be necessary to ~~insure~~ ensure that priority for assistance by the agency will be given to projects located in municipal jurisdictions or counties, which have adopted the uniform State Building Code.

Sec. 6. Minnesota Statutes 2020, section 462A.07, subdivision 10, is amended to read:

Subd. 10. **Human rights.** It may establish and enforce such rules as may be necessary to ~~insure~~ ensure compliance with chapter 363A, and to ~~insure~~ ensure that occupancy of housing assisted under this chapter shall be open to all persons, and that contractors and subcontractors engaged in the construction of such housing shall provide an equal opportunity for employment to all persons, without discrimination as to race, color, creed, religion, national origin, sex, marital status, age, and status with regard to public assistance or disability.

Sec. 7. Minnesota Statutes 2020, section 462A.07, subdivision 14, is amended to read:

Subd. 14. **American Indians.** (a) It may engage in housing programs for low- and moderate-income American Indians developed and administered separately or in combination by the Minnesota Chippewa tribe, the Red Lake band of Chippewa Indians, and the Sioux communities as determined by such tribe, band, or communities. In furtherance of the policy of economic integration stated in section 462A.02, subdivision 6, it may engage in housing

programs for American Indians who intend to reside on reservations and who are not persons of low and moderate income, provided that the aggregate dollar amount of the loans for persons who are not of low- or moderate-income closed in each lender's fiscal year shall not exceed an amount equal to 25 percent of the total dollar amount of all loans closed by that lender during the same fiscal year. In developing such housing programs, the tribe, band, or communities shall take into account the housing needs of all American Indians residing both on and off reservations within the state. A plan for each such program, which specifically describes the program content, utilization of funds, administration, operation, implementation and other matter, as determined by the agency, must be submitted to the agency for its review and approval prior to the making of eligible loans pursuant to section 462A.21. All such programs must conform to rules promulgated by the agency concerning program administration, including but not limited to rules concerning costs of administration; the quality of housing; interest rates, fees, and charges in connection with making eligible loans; and other matters determined by the agency to be necessary in order to effectuate the purposes of this subdivision and section 462A.21, subdivisions 4b and 4c. All such programs must provide for a reasonable balance in the distribution of funds appropriated for the purpose of this section between American Indians residing on and off reservations within the state. Nothing in this section shall preclude such tribe, band, or communities from requesting and receiving cooperation, advice, and assistance from the agency as regards program development, operation, delivery, financing, or administration. As a condition to the making of such eligible loans, the Minnesota Chippewa tribe, the Red Lake band of Chippewa Indians, and the Sioux communities shall:

(1) enter into a loan agreement and other contractual arrangements with the agency for the purpose of transferring the allocated portion of loan funds and to ~~insure~~ ensure compliance with the provisions of this section and this chapter; and

(2) agree that all of their official books and records related to such housing programs shall be subjected to audit by the legislative auditor in the manner prescribed for agencies of state government.

The agency shall submit a biennial report concerning the various housing programs for American Indians, and related receipts and expenditures as provided in section 462A.22, subdivision 9, and such tribe, band, or communities to the extent that they administer such programs, shall be responsible for any costs and expenses related to such administration provided, however, they shall be eligible for payment for costs, expenses, and services pursuant to subdivision 12 and section 462A.21. The agency may provide or cause to be provided essential general technical services as set forth in subdivision 2, and general consultative project assistance services, including, but not limited to, management training, and home ownership counseling as set forth in subdivision 3. Members of boards, committees, or other governing bodies of the tribe, band, and communities administering the programs authorized by this subdivision must be compensated for those services as provided in section 15.0575.

(b) The agency may engage in demonstration projects to encourage the participation of financial institutions or other leveraging sources in providing housing opportunities for American Indians. The agency shall consult with the Minnesota Chippewa tribe, the Red Lake band of Chippewa Indians, and the Sioux communities in developing the demonstration projects. The income limits specified in paragraph (a) do not apply to the demonstration projects.

(c) The agency may make home improvement loans under this subdivision without regard to household income.

Sec. 8. Minnesota Statutes 2020, section 462A.204, subdivision 3, is amended to read:

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

Sec. 9. Minnesota Statutes 2020, section 462A.21, subdivision 4a, is amended to read:

Subd. 4a. **Correction of housing defects.** It may make rehabilitation grants and expenditures for correction of residential housing defects as provided in section 462A.05, subdivisions 15 and 16. In order to ~~insure~~ ensure the preservation of the maximum number of housing units with the money appropriated by the legislature, grants shall be recovered by the agency to the extent provided in this section to be used for future grants. Grants made under the terms of this subdivision shall contain a requirement that the grant be recovered by the agency in accordance with the following schedule:

(1) if the property is sold, transferred, or otherwise conveyed within the first three years after the date of a grant, the recipient shall repay the full amount of the grant;

(2) if the property is sold, transferred, or otherwise conveyed within the fourth year after the date of a grant, the recipient shall repay 75 percent of the amount of the grant;

(3) if the property is sold, transferred, or otherwise conveyed within the fifth year after the date of a grant, the recipient shall repay 50 percent of the amount of the grant;

(4) if the property is sold, transferred, or otherwise conveyed within the sixth year after the date of a grant, the recipient shall repay 25 percent of the amount of the grant;

(5) if the property is sold, transferred, or otherwise conveyed within the seventh year after the date of the grant, or thereafter, there is no repayment requirement; provided that no repayment is required to the extent that the grants are made to improve the accessibility of residential housing to a disabled occupant.

Sec. 10. Minnesota Statutes 2020, section 462A.22, subdivision 1, is amended to read:

Subdivision 1. **Debt ceiling.** The aggregate principal amount of general obligation bonds and notes which are outstanding at any time, excluding the principal amount of any bonds and notes refunded by the issuance of new bonds or notes, shall not exceed the sum of \$5,000,000,000.

Sec. 11. Minnesota Statutes 2020, section 462A.36, is amended by adding a subdivision to read:

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

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

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

Sec. 12. Minnesota Statutes 2020, section 462A.36, subdivision 4, is amended to read:

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

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

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

Sec. 13. Minnesota Statutes 2020, section 462A.37, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 14. Minnesota Statutes 2020, section 462A.37, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(5)~~ (4) include households with incomes that do not exceed 30 percent of the median household income for the metropolitan area.

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

Sec. 15. Minnesota Statutes 2020, section 462A.37, is amended by adding a subdivision to read:

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

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

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

Sec. 16. Minnesota Statutes 2020, section 462A.37, subdivision 4, is amended to read:

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

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

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

Sec. 17. Minnesota Statutes 2021 Supplement, section 462A.37, subdivision 5, is amended to read:

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

(b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure bonds issued under subdivision 2a, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$6,400,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

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

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

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

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

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

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

(i) Each July 15, beginning in 2023 and through 2044, if any housing infrastructure bonds issued under subdivision 2h, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

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

Sec. 18. Minnesota Statutes 2020, section 462A.38, subdivision 1, is amended to read:

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

Sec. 19. Minnesota Statutes 2020, section 462A.39, subdivision 2, is amended to read:

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

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

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

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

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

Sec. 20. Minnesota Statutes 2020, section 462A.39, subdivision 5, is amended to read:

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

Sec. 21. Laws 2021, First Special Session chapter 8, article 1, section 3, subdivision 11, is amended to read:

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

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

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

ARTICLE 6 LANDLORD TENANT LAW

Section 1. Minnesota Statutes 2020, section 363A.09, subdivision 1, is amended to read:

Subdivision 1. **Real property interest; action by owner, lessee, and others.** It is an unfair discriminatory practice for an owner, lessee, sublessee, assignee, or managing agent of, or other person having the right to sell, rent or lease any real property, or any agent of any of these:

(1) to refuse to sell, rent, or lease or otherwise deny to or withhold from any person or group of persons any real property because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, participation in or requirements of a public assistance program, disability, sexual orientation, or familial status; or

(2) to discriminate against any person or group of persons because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, participation in or requirements of a public assistance program, disability, sexual orientation, or familial status in the terms, conditions or privileges of the sale, rental or lease of any real property or in the furnishing of facilities or services in connection therewith, except that nothing in this clause shall be construed to prohibit the adoption of reasonable rules intended to protect the safety of minors in their use of the real property or any facilities or services furnished in connection therewith; or

(3) in any transaction involving real property, to print, circulate or post or cause to be printed, circulated, or posted any advertisement or sign, or use any form of application for the purchase, rental or lease of real property, or make any record or inquiry in connection with the prospective purchase, rental, or lease of real property which expresses, directly or indirectly, any limitation, specification, or discrimination as to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, participation in or requirements of a

public assistance program, disability, sexual orientation, or familial status, or any intent to make any such limitation, specification, or discrimination except that nothing in this clause shall be construed to prohibit the advertisement of a dwelling unit as available to adults-only if the person placing the advertisement reasonably believes that the provisions of this section prohibiting discrimination because of familial status do not apply to the dwelling unit.

Sec. 2. Minnesota Statutes 2020, section 363A.09, subdivision 2, is amended to read:

Subd. 2. **Real property interest; action by brokers, agents, and others.** It is an unfair discriminatory practice for a real estate broker, real estate salesperson, or employee, or agent thereof:

(1) to refuse to sell, rent, or lease or to offer for sale, rental, or lease any real property to any person or group of persons or to negotiate for the sale, rental, or lease of any real property to any person or group of persons because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, participation in or requirements of a public assistance program, disability, sexual orientation, or familial status or represent that real property is not available for inspection, sale, rental, or lease when in fact it is so available, or otherwise deny or withhold any real property or any facilities of real property to or from any person or group of persons because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, participation in or requirements of a public assistance program, disability, sexual orientation, or familial status; or

(2) to discriminate against any person because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, participation in or requirements of a public assistance program, disability, sexual orientation, or familial status in the terms, conditions or privileges of the sale, rental or lease of real property or in the furnishing of facilities or services in connection therewith; or

(3) to print, circulate, or post or cause to be printed, circulated, or posted any advertisement or sign, or use any form of application for the purchase, rental, or lease of any real property or make any record or inquiry in connection with the prospective purchase, rental or lease of any real property, which expresses directly or indirectly, any limitation, specification or discrimination as to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, participation in or requirements of a public assistance program, disability, sexual orientation, or familial status or any intent to make any such limitation, specification, or discrimination except that nothing in this clause shall be construed to prohibit the advertisement of a dwelling unit as available to adults-only if the person placing the advertisement reasonably believes that the provisions of this section prohibiting discrimination because of familial status do not apply to the dwelling unit.

Sec. 3. Minnesota Statutes 2020, section 363A.09, is amended by adding a subdivision to read:

Subd. 2a. **Definition; public assistance program.** For purposes of this section, "public assistance program" means federal, state, or local assistance, including but not limited to rental assistance, rent supplements, and housing choice vouchers.

Sec. 4. Minnesota Statutes 2020, section 484.014, subdivision 2, is amended to read:

Subd. 2. **Discretionary expungement.** The court may order expungement of an eviction case court file ~~only upon motion of a defendant and decision by the court, if the court finds that the plaintiff's case is sufficiently without basis in fact or law, which may include lack of jurisdiction over the case, that~~ if the court makes the following findings: (1) the eviction case court file is no longer a reasonable predictor of future tenant behavior; and (2) the expungement is clearly in the interests of justice and those interests are not outweighed by the public's interest in knowing about the record.

Sec. 5. Minnesota Statutes 2020, section 484.014, subdivision 3, is amended to read:

Subd. 3. **Mandatory expungement.** The court shall order expungement of an eviction case:

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

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

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

(2) if the defendant prevailed on the merits;

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

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

(5) if the court finds an eviction was ordered at least three years before the date the expungement was filed; or

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

Sec. 6. **[504B.120] PROHIBITED FEES.**

Subdivision 1. **Prohibited fees.** Except for actual services rendered for an optional service offered by the landlord, a landlord shall not charge a tenant any nonrefundable fee in relation to a residential tenancy.

Subd. 2. **Penalties.** A landlord who violates this section is liable to the residential tenant for each unenforceable fee for three times the amount of each fee imposed that was not for an actual optional service or \$500, whichever is greater, and the court may award the tenant reasonable attorney fees.

EFFECTIVE DATE. This section applies to leases signed before, on, or after August 1, 2022.

Sec. 7. Minnesota Statutes 2020, section 504B.135, is amended to read:

504B.135 TERMINATING TENANCY AT WILL.

~~(a)~~ A tenancy at will may be terminated by either party by giving notice in writing. The time of the notice must be at least as long as the interval between the time rent is due or three months, whichever is less.

~~(b) If a tenant neglects or refuses to pay rent due on a tenancy at will, the landlord may terminate the tenancy by giving the tenant 14 days notice to quit in writing.~~

Sec. 8. Minnesota Statutes 2020, section 504B.161, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) In every lease or license of residential premises, the landlord or licensor covenants:

(1) that the premises and all common areas are fit for the use intended by the parties;

(2) to keep the premises in reasonable repair during the term of the lease or license, except when the disrepair has been caused by the willful, malicious, or irresponsible conduct of the tenant or licensee or a person under the direction or control of the tenant or licensee;

(3) to make the premises reasonably energy efficient by installing weatherstripping, caulking, storm windows, and storm doors when any such measure will result in energy procurement cost savings, based on current and projected average residential energy costs in Minnesota, that will exceed the cost of implementing that measure, including interest, amortized over the ten-year period following the incurring of the cost; ~~and~~

(4) to maintain the premises in compliance with the applicable health and safety laws of the state, and of the local units of government where the premises are located during the term of the lease or license, except when violation of the health and safety laws has been caused by the willful, malicious, or irresponsible conduct of the tenant or licensee or a person under the direction or control of the tenant or licensee; and

(5) to supply or furnish heat at a minimum temperature of at least 68 degrees Fahrenheit, measured at a distance of 36 inches above floor level, and not closer than 36 inches from any wall, from October 1 through April 30.

(b) The parties to a lease or license of residential premises may not waive or modify the covenants imposed by this section.

Sec. 9. Minnesota Statutes 2020, section 504B.211, subdivision 2, is amended to read:

Subd. 2. **Entry by landlord.** Except as provided in subdivision 4, a landlord may enter the premises rented by a residential tenant without the residential tenant's permission only for a reasonable business purpose and after making a good faith effort to give the residential tenant reasonable notice under the circumstances of not less than 24 hours in advance of the intent to enter. The notice must specify a time of entry that does not exceed four hours and the landlord may only enter between the hours of 8:00 a.m. and 8:00 p.m. A tenant may withdraw the tenant's permission at any time. A residential tenant may not waive and the landlord may not require the residential tenant to waive the residential tenant's right to prior notice of entry under this section as a condition of entering into or maintaining the lease.

Sec. 10. Minnesota Statutes 2020, section 504B.211, subdivision 6, is amended to read:

Subd. 6. **Penalty.** If a landlord ~~substantially~~ violates ~~subdivision 2~~ this section, the residential tenant is entitled to a penalty which may include a rent reduction up to full rescission of the lease, recovery of any damage deposit less any amount retained under section 504B.178, and ~~up to a \$100 civil penalty for each violation.~~ damages not less than an amount equal to one month's rent and reasonable attorney fees. A residential tenant ~~shall~~ may follow the procedures in sections 504B.381, 504B.385, and 504B.395 to 504B.471 to enforce the provisions of this section. A violation of this section by the landlord is a violation of section 504B.161.

EFFECTIVE DATE. This section applies to matters commenced on or after August 1, 2022.

Sec. 11. **[504B.266] TERMINATION OF LEASE UPON INFIRMITY OF TENANT.**

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

(b) "Authorized representative" means a person acting as an attorney-in-fact under a power of attorney under section 523.24 or a court-appointed conservator or guardian under chapter 524.

(c) "Disability" means any condition or characteristic that is a physical, sensory, or mental impairment that materially limits one or more major life activity.

(d) "Medical care facility" means:

(1) a nursing home, as defined in section 144A.01, subdivision 5;

(2) hospice care, as defined in section 144A.75, subdivision 8;

(3) a residential hospice facility, as defined in section 144A.75, subdivision 13;

(4) a boarding care home, as licensed under chapter 144 and regulated by the Department of Health under Minnesota Rules, chapter 4655;

(5) a supervised living facility, as licensed under chapter 144;

(6) a facility providing assisted living, as defined in section 144G.08, subdivision 7;

(7) an accessible unit, as defined in section 363A.40, subdivision 1, paragraph (b);

(8) a state facility, as defined in section 246.50, subdivision 3;

(9) a facility providing a foster care for adults program, as defined in section 245A.02, subdivision 6c; or

(10) a facility providing intensive residential treatment services, as defined in section 245I.23.

(e) "Medical professional" means:

(1) a physician who is currently licensed to practice medicine under section 147.02, subdivision 1;

(2) an advanced practice registered nurse, as defined in section 148.171, subdivision 3; or

(3) a mental health professional, as defined in section 245I.04, subdivision 2.

Subd. 2. **Termination of lease upon infirmity of tenant.** (a) A tenant or the authorized representative of the tenant may terminate the lease before the expiration of the lease in the manner provided in subdivision 3 if the tenant has, or if there is more than one tenant, all the tenants have, been found by a medical professional to need to move into a medical care facility and:

(1) require assistance with instrumental activities of daily living or personal activities of daily living due to medical reasons or a disability;

(2) meet one of the nursing facility level of care criteria under section 144.0724, subdivision 11; or

(3) have a disability or functional impairment in three or more of the areas listed in section 245.462, subdivision 11a, so that self-sufficiency is markedly reduced because of a mental illness.

(b) If a tenant requires an accessible unit as defined in section 363A.40, subdivision 1, and the landlord can provide an accessible unit in the same complex where the tenant currently resides that is available within two months of the request, then the provisions of this section do not apply and the tenant may not terminate the lease.

Subd. 3. **Notice.** If the conditions in subdivision 2 have been met, the tenant or the tenant's authorized representative may terminate the lease by providing at least two months' written notice to be effective on the last day of a calendar month. The notice must be either hand delivered or mailed by postage prepaid, first class United States mail. The notice must include: (1) a copy of the medical professional's written documentation of the infirmity; and (2) documentation showing that the tenant has been accepted as a resident or has a pending application at a location where the medical professional has indicated that the tenant needs to move. The termination of a lease under this section shall not relieve the eligible tenant from liability either for the payment of rent or other sums owed prior to or during the notice period, or for the payment of amounts necessary to restore the premises to the condition at the beginning of the tenancy, ordinary wear and tear excepted.

Subd. 4. **Waiver prohibited.** Any waiver of the rights of termination provided by this section, including lease provisions or other agreements that require a longer notice period than those provided for in this section, shall be void and unenforceable.

Subd. 5. **Other laws.** Nothing in this section affects the rights or remedies available in this chapter or other law, including but not limited to chapter 363A.

EFFECTIVE DATE. This section is effective January 1, 2023, and applies to leases entered into or renewed on or after January 1, 2023. For purposes of this section, estates at will shall be deemed to be renewed at the beginning of each rental period.

Sec. 12. Minnesota Statutes 2020, section 504B.291, is amended to read:

504B.291 EVICTION ACTION FOR NONPAYMENT; REDEMPTION; OTHER RIGHTS.

Subdivision 1. **Action to recover.** (a) Subject to subdivision 1a, a landlord may bring an eviction action for nonpayment of rent irrespective of whether the lease contains a right of reentry clause. Such an eviction action is equivalent to a demand for the rent. There is a rebuttable presumption that the rent has been paid if the tenant produces a copy or copies of one or more money orders or produces one or more original receipt stubs evidencing the purchase of a money order, if the documents: (i) total the amount of the rent; (ii) include a date or dates approximately corresponding with the date rent was due; and (iii) in the case of copies of money orders, are made payable to the landlord. This presumption is rebutted if the landlord produces a business record that shows that the tenant has not paid the rent. The landlord is not precluded from introducing other evidence that rebuts this presumption. In such an action, unless the landlord has also sought to evict the tenant by alleging a material violation of the lease under section 504B.285, subdivision 5, the tenant may, at any time before possession has been delivered, redeem the tenancy and be restored to possession by paying to the landlord or bringing to court the amount of the rent that is in arrears, with interest, costs of the action, and an attorney's fee not to exceed \$5, and by performing any other covenants of the lease.

(b) If the tenant has paid to the landlord or brought into court the amount of rent in arrears but is unable to pay the interest, costs of the action, and attorney's fees required by paragraph (a), the court may permit the tenant to pay these amounts into court and be restored to possession within the same period of time, if any, for which the court stays the issuance of the order to vacate under section 504B.345.

(c) Prior to or after commencement of an action to recover possession for nonpayment of rent, the parties may agree only in writing that partial payment of rent in arrears which is accepted by the landlord prior to issuance of the order granting restitution of the premises pursuant to section 504B.345 may be applied to the balance due and does not waive the landlord's action to recover possession of the premises for nonpayment of rent.

(d) Rental payments under this subdivision must first be applied to rent claimed as due in the complaint from prior rental periods before applying any payment toward rent claimed in the complaint for the current rental period, unless the court finds that under the circumstances the claim for rent from prior rental periods has been waived.

Subd. 1a. Eviction prohibited pending rental assistance application determination. A landlord may not bring an eviction action for the nonpayment of rent against a tenant, or proceed with an eviction action for nonpayment of rent if one has already been filed, if the tenant demonstrates the tenant has a pending application for rental assistance with a federal agency, state agency, local unit of government, or nonprofit corporation incorporated under chapter 317A. A landlord may bring an eviction action or proceed on a previously filed eviction action if the tenant has been denied rental assistance, or within 45 days of notice by the tenant of a pending application for rental assistance, whichever comes first. A landlord who is notified that rental assistance for the tenant has been approved shall not file or proceed with an eviction action for 15 business days pending distribution of the funds awarded. For purposes of this section, "rental assistance" means funds distributed to provide direct assistance for the payment of rent:

(1) under chapters 256D, 256I, and 256J;

(2) under sections 116L.17, 245.99, 256.484, 256K.45, 462A.204, 462C.16, and 477A.30;

(3) distributed by or through a county or municipal government;

(4) provided by a federal agency to be administered and distributed by the state or local government; or

(5) distributed by a nonprofit that has been funded by the federal, state, or local government when the funding was provided for the purpose of providing rental assistance.

Subd. 2. Lease greater than 20 years. (a) If the lease under which an action is brought under subdivision 1 is for a term of more than 20 years, the action may not begin until the landlord serves a written notice on the tenant and on all creditors with legal or equitable recorded liens on the property. The notice must state: (1) the lease will be canceled unless the amounts, agreements, and legal obligations in default are paid or performed within 30 days, or a longer specified period; and (2) if the amounts, agreements, and legal obligations are not paid or performed within that period, then the landlord may evict the tenant at the expiration of the period.

(b) If the lease provides that the landlord must give more than the 30 days' notice provided in paragraph (a), then notice must be the same as that provided in the lease.

(c) The tenant may be restored to possession of the property under the terms of the original lease if, before the expiration of six months after the landlord obtains possession due to the tenant's abandonment or surrender of the property or the landlord prevails in the action, the tenant or a creditor holding a legal or equitable lien on the property: (1) pays to the landlord or brings into court the amount of rent then in arrears, with interest and the costs of the action; and (2) performs the other agreements or legal obligations that are in default.

Subd. 3. Recording of eviction or ejectment actions. Upon recovery of possession by the landlord in the action, a certified copy of the judgment shall, upon presentation, be recorded in the office of the county recorder of the county where the land is situated if unregistered land or in the office of the registrar of titles of the county if registered land and upon recovery of possession by the landlord by abandonment or surrender by the tenant an affidavit by the landlord or the landlord's attorney setting forth the fact shall be recorded in a like manner and the recorded certified copy of the judgment or the recorded affidavit shall be prima facie evidence of the facts stated therein in reference to the recovery of possession by the landlord.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to evictions filed on or after that date and evictions pending but not yet adjudicated on the date of final enactment.

Sec. 13. Minnesota Statutes 2020, section 504B.321, is amended to read:

504B.321 COMPLAINT AND SUMMONS.

Subdivision 1. **Procedure.** (a) To bring an eviction action, the person complaining shall file a complaint with the court, stating the full name and date of birth of the person against whom the complaint is made, unless it is not known, describing the premises of which possession is claimed, stating the facts which authorize the recovery of possession, and asking for recovery thereof.

(b) The lack of the full name and date of birth of the person against whom the complaint is made does not deprive the court of jurisdiction or make the complaint invalid.

(c) The court shall issue a summons, commanding the person against whom the complaint is made to appear before the court on a day and at a place stated in the summons.

(d) The appearance shall be not less than seven nor more than 14 days from the day of issuing the summons, except as provided by subdivision 2.

(e) A copy of the complaint shall be attached to the summons, which shall state that the copy is attached and that the original has been filed.

(f) If applicable, the person filing a complaint must attach a copy of the written notice described in subdivision 1a. The court shall dismiss an action without prejudice for failure to provide a notice as described in subdivision 1a and grant an expungement of the eviction case court file.

Subd. 1a. **Written notice.** (a) Before bringing an eviction action alleging nonpayment of rent, a landlord must provide written notice to the residential tenant specifying the basis for a future eviction action.

(b) For an allegation of nonpayment of rent or other unpaid financial obligations in violation of the lease, the landlord must include the following in a written notice:

(1) the total amount due;

(2) a specific accounting of the amount of the total due that is comprised of unpaid rents, late fees, or other charges under the lease; and

(3) the name and address of the person authorized to receive rent and fees on behalf of the landlord.

(c) A notice provided under this section must:

(1) provide a disclaimer that a low-income tenant may be eligible for financial assistance from the county;

(2) provide a description on how to access legal and financial assistance through the "Law Help" website at www.lawhelpmn.org and "Minnesota 211" through its website www.211unitedway.org or by calling 211; and

(3) state that the landlord may bring an eviction action following expiration of the 14-day notice period if the tenant fails to pay the total amount due or fails to vacate.

(d) The landlord or an agent of the landlord must deliver the notice personally or by first class mail to the residential tenant at the address of the leased premises.

(e) If the tenant fails to correct the rent delinquency within 14 days of the delivery or mailing of the notice or fails to vacate, the landlord may bring an eviction action under subdivision 1 based on the nonpayment of rent.

(f) Receipt of a notice under this section is an emergency situation under section 256D.06, subdivision 2, and Minnesota Rules, chapter 9500. For purposes of chapter 256J and Minnesota Rules, chapter 9500, a county agency verifies an emergency situation by receiving and reviewing a notice under this section. If a residential tenant applies for financial assistance from the county, the landlord must cooperate with the application process by:

(1) supplying all information and documentation requested by the tenant or the county; and

(2) accepting or placing into escrow partial rent payments where necessary to establish a tenant's eligibility for assistance.

Subd. 2. **Expedited procedure.** (a) In an eviction action brought under section 504B.171 or on the basis that the residential tenant is causing a nuisance or other illegal behavior that seriously endangers the safety of other residents, their property, or the landlord's property, the person filing the complaint shall file an affidavit stating specific facts and instances in support of why an expedited hearing is required.

(b) The complaint and affidavit shall be reviewed by a referee or judge and scheduled for an expedited hearing only if sufficient supporting facts are stated and they meet the requirements of this paragraph.

(c) The appearance in an expedited hearing shall be not less than five days nor more than seven days from the date the summons is issued. The summons, in an expedited hearing, shall be served upon the residential tenant within 24 hours of issuance unless the court orders otherwise for good cause shown.

(d) If the court determines that the person seeking an expedited hearing did so without sufficient basis under the requirements of this subdivision, the court shall impose a civil penalty of up to \$500 for abuse of the expedited hearing process.

Subd. 3. **Nonpublic record.** An eviction action is not accessible to the public until the court enters a final judgment.

Sec. 14. Minnesota Statutes 2020, section 504B.375, subdivision 1, is amended to read:

Subdivision 1. **Unlawful exclusion or removal.** (a) This section applies to actual or constructive removal or exclusion of a residential tenant which may include the termination of utilities or the removal of doors, windows, or locks. A residential tenant to whom this section applies may recover possession of the premises as described in paragraphs (b) to (e).

(b) The residential tenant shall present a verified petition to the district court of the judicial district of the county in which the premises are located that:

(1) describes the premises and the landlord;

(2) specifically states the facts and grounds that demonstrate that the exclusion or removal was unlawful, including a statement that no writ of recovery of the premises and order to vacate has been issued under section 504B.345 in favor of the landlord and against the residential tenant and executed in accordance with section 504B.365; and

(3) asks for possession.

(c) If it clearly appears from the specific grounds and facts stated in the verified petition or by separate affidavit of the residential tenant or the residential tenant's attorney or agent that the exclusion or removal was unlawful, the court shall immediately order that the residential tenant have possession of the premises.

(d) The residential tenant shall furnish security, if any, that the court finds is appropriate under the circumstances for payment of all costs and damages the landlord may sustain if the order is subsequently found to have been obtained wrongfully. In determining the appropriateness of security, the court shall consider the residential tenant's ability to afford monetary security.

(e) The court shall direct the order to the sheriff of the county in which the premises are located and the sheriff shall execute the order immediately by making a demand for possession on the landlord, if found, or the landlord's agent or other person in charge of the premises. If the landlord fails to comply with the demand, the officer shall take whatever assistance may be necessary and immediately place the residential tenant in possession of the premises. If the landlord, the landlord's agent, or other person in control of the premises cannot be found and if there is no person in charge, the officer shall immediately enter into and place the residential tenant in possession of the premises. The officer shall also serve the order and verified petition or affidavit immediately upon the landlord or agent, in the same manner as a summons is required to be served in a civil action in district court.

(f) The court administrator may charge a filing fee in the amount set for complaints and counterclaims in conciliation court, subject to the filing of an inability to pay affidavit.

Sec. 15. Minnesota Statutes 2020, section 504B.381, subdivision 1, is amended to read:

Subdivision 1. **Petition.** A person authorized to bring an action under section 504B.395, subdivision 1, may petition the court for relief ~~in cases of emergency involving the loss of running water, hot water, heat, electricity, sanitary facilities, or other essential services or facilities that the landlord is responsible for providing.:~~

(1) when a unit of government has issued a condemnation order or a notice of intent to condemn; or

(2) in cases of emergency involving the following services and facilities when the landlord is responsible for providing them:

(i) a serious infestation;

(ii) the loss of running water;

(iii) the loss of hot water;

(iv) the loss of heat;

(v) the loss of electricity;

(vi) the loss of sanitary facilities;

(vii) a nonfunctioning refrigerator;

(viii) if included in the lease, a nonfunctioning air conditioner;

(iv) if included in the lease, no functioning elevator;

(x) any conditions, services, or facilities that pose a serious and negative impact on health or safety; or

(xi) other essential services or facilities.

Sec. 16. Minnesota Statutes 2020, section 504B.381, subdivision 5, is amended to read:

Subd. 5. **Relief; service of petition and order.** Provided proof that the petitioner has given the notice required in subdivision 4 to the landlord, if the court finds based on the petitioner's emergency ex parte motion for relief, affidavit, and other evidence presented that the landlord violated subdivision 1, then the court shall order that the landlord immediately begin to remedy the violation and may order relief as provided in section 504B.425. The court and petitioner shall serve the petition and order on the landlord personally or by mail as soon as practicable. The court shall include notice of a hearing and, at the hearing, shall consider evidence of alleged violations, defenses, compliance with the order, and any additional relief available under section 504B.425. The court and petitioner shall serve the notice of hearing on the ex parte petition and emergency order personally or by mail as soon as practicable.

Sec. 17. Minnesota Statutes 2020, section 504B.381, is amended by adding a subdivision to read:

Subd. 8. **Filing fee.** The court administrator may charge a filing fee in the amount set for complaints and counterclaims in conciliation court, subject to the filing of an inability to pay affidavit.

ARTICLE 7 BROADBAND

Section 1. Minnesota Statutes 2020, section 116J.395, subdivision 7, is amended to read:

Subd. 7. **Limitation.** (a) No grant awarded under this section may fund more than ~~50~~ 75 percent of the total cost of a project.

(b) Grants awarded to a single project under this section must not exceed ~~\$5,000,000~~ \$10,000,000.

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

Sec. 2. **REPORT; GRANT AWARD CHANGES.**

No later than December 31, 2022, the Office of Broadband Development must submit a report to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over broadband policy and finance analyzing the impacts of the statutory changes made in section 1 of this act on the number and amounts of grants awarded under Minnesota Statutes, section 116J.395.

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

Sec. 3. **TRANSFER.**

\$25,000,000 in fiscal year 2023 is transferred from the general fund to the border-to-border broadband fund account established in Minnesota Statutes, section 116J.396. This is a onetime transfer and remains available until expended.

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

Delete the title and insert:

"A bill for an act relating to state government; establishing agriculture grant programs; making policy and technical changes to agricultural and animal health provisions; modifying provisions governing housing finance, housing policy, and various other housing-related provisions; establishing housing grant and loan programs; modifying the border-to-border broadband grant program; requiring reports; transferring money; appropriating money; amending Minnesota Statutes 2020, sections 17.041, subdivision 1; 17.117, subdivisions 9, 9a, 10, 11, 11a;

17.118, subdivisions 1, 3, 4; 18B.01, by adding subdivisions; 18B.051; 18B.07, by adding a subdivision; 18C.005, by adding subdivisions; 18C.201, by adding a subdivision; 21.81, by adding a subdivision; 21.86, subdivision 2; 28A.08, by adding a subdivision; 28A.09, by adding a subdivision; 28A.10; 28A.21, subdivision 2; 35.155, subdivision 10; 41A.16, subdivisions 1, 2; 41A.17, subdivisions 1, 2; 41A.18, subdivisions 1, 2; 41B.047, subdivision 3; 116J.395, subdivision 7; 223.17, subdivisions 4, 6; 363A.09, subdivisions 1, 2, by adding a subdivision; 462A.03, subdivision 13; 462A.05, by adding subdivisions; 462A.07, subdivisions 9, 10, 14; 462A.201, subdivision 2; 462A.204, subdivisions 3, 8; 462A.21, subdivision 4a; 462A.22, subdivision 1; 462A.36, subdivision 4, by adding a subdivision; 462A.37, subdivisions 1, 2, 4, by adding subdivisions; 462A.38, subdivision 1; 462A.39, subdivisions 2, 5; 484.014, subdivisions 2, 3; 500.20, subdivision 2a; 504B.135; 504B.161, subdivision 1; 504B.211, subdivisions 2, 6; 504B.291; 504B.321; 504B.375, subdivision 1; 504B.381, subdivisions 1, 5, by adding a subdivision; Minnesota Statutes 2021 Supplement, sections 41A.19; 41A.21, subdivisions 2, 6; 462A.05, subdivision 14; 462A.37, subdivision 5; Laws 2021, First Special Session chapter 3, article 1, sections 2; 4; Laws 2021, First Special Session chapter 8, article 1, section 3, subdivision 11; proposing coding for new law in Minnesota Statutes, chapters 17; 21; 462A; 504B."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 3438, 4017, 4293 and 4366 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Boldon introduced:

H. F. No. 4797, A bill for an act relating to human services; funding a grant for a Somali mental health pilot project; requiring a report; appropriating money.

The bill was read for the first time and referred to the Committee on Human Services Finance and Policy.

Nelson, N., introduced:

H. F. No. 4798, A bill for an act relating to capital investment; appropriating money for high water mitigation measures for Mora Lake; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Stephenson introduced:

H. F. No. 4799, A bill for an act relating to insurance; providing for term and universal life insurance reserve financing; proposing coding for new law in Minnesota Statutes, chapter 61A.

The bill was read for the first time and referred to the Committee on Commerce Finance and Policy.

Stephenson introduced:

H. F. No. 4800, A bill for an act relating to natural resources; requiring rulemaking to restrict wake surfing on Mississippi River in Hennepin and Anoka Counties.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance and Policy.

Stephenson introduced:

H. F. No. 4801, A bill for an act relating to commerce; establishing a large franchise exemption; proposing coding for new law in Minnesota Statutes, chapter 80C.

The bill was read for the first time and referred to the Committee on Commerce Finance and Policy.

Burkel introduced:

H. F. No. 4802, A bill for an act relating to agriculture; clarifying concurrent authority for regulating farmed white-tailed deer; amending Minnesota Statutes 2021 Supplement, section 35.155, subdivision 14.

The bill was read for the first time and referred to the Committee on Agriculture Finance and Policy.

Grossell introduced:

H. F. No. 4803, A bill for an act relating to capital investment; appropriating money for water infrastructure improvements in the city of Clearbrook; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Neu Brindley introduced:

H. F. No. 4804, A bill for an act relating to capital investment; appropriating money for a new regional public safety training center for the Lakes Area Police Commission; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Feist introduced:

H. F. No. 4805, A bill for an act relating to real property; modifying and updating certain recording and title provisions; making clarifying and technical changes; repealing obsolete provisions; amending Minnesota Statutes 2020, sections 336.9-601; 508.52; 518.191, subdivisions 1, 3; 550.365, subdivision 2; 559.209; 582.039, subdivision 2; 583.25; 583.26, subdivision 2; 600.23; repealing Minnesota Statutes 2020, sections 346.02; 507.07; 582.14.

The bill was read for the first time and referred to the Committee on Judiciary Finance and Civil Law.

O'Neill introduced:

H. F. No. 4806, A bill for an act relating to higher education; requesting the Board of Regents establish a special commission to review intercollegiate athletics.

The bill was read for the first time and referred to the Committee on Higher Education Finance and Policy.

Schomacker introduced:

H. F. No. 4807, A bill for an act relating to human services; appropriating money to the commissioner of human services for grants for operating subsidies for rural mental health crisis facilities developed under a bonding program.

The bill was read for the first time and referred to the Committee on Human Services Finance and Policy.

Bennett introduced:

H. F. No. 4808, A bill for an act relating to public safety; establishing the crime of unauthorized possession of a catalytic converter; proposing coding for new law in Minnesota Statutes, chapter 609.

The bill was read for the first time and referred to the Committee on Public Safety and Criminal Justice Reform Finance and Policy.

Bliss introduced:

H. F. No. 4809, A bill for an act relating to state government; providing for business impact analysis of proposed legislation; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 3.

The bill was read for the first time and referred to the Committee on State Government Finance and Elections.

Igo introduced:

H. F. No. 4810, A bill for an act relating to taxation; property; limiting annual valuation increase on residential properties; amending Minnesota Statutes 2020, section 273.11, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Grossell introduced:

H. F. No. 4811, A bill for an act relating to game and fish; allowing accumulation of bear hunter preference points for youth; amending Minnesota Statutes 2020, section 97B.405.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance and Policy.

Anderson introduced:

H. F. No. 4812, A bill for an act relating to agriculture; appropriating money for grants and financial assistance to livestock farmers and specialty crop producers impacted by drought; appropriating money to the Rural Finance Authority revolving loan account for drought relief; appropriating money for veterinary diagnostic laboratory equipment; appropriating money for transfer to the agricultural emergency account; requiring reports.

The bill was read for the first time and referred to the Committee on Agriculture Finance and Policy.

Her introduced:

H. F. No. 4813, A bill for an act relating to economic development; appropriating money for a filmmaking and film education facility.

The bill was read for the first time and referred to the Committee on Workforce and Business Development Finance and Policy.

Hertaus introduced:

H. F. No. 4814, A bill for an act relating to public safety; permitting civil action for damages against a charitable bail organization; requiring forfeiture of bail in certain instances; proposing coding for new law in Minnesota Statutes, chapter 629.

The bill was read for the first time and referred to the Committee on Public Safety and Criminal Justice Reform Finance and Policy.

Gomez and West introduced:

H. F. No. 4815, A bill for an act relating to consumer protection; establishing the Minnesota Kratom Consumer Protection Act; authorizing administrative penalties; proposing coding for new law in Minnesota Statutes, chapter 325F.

The bill was read for the first time and referred to the Committee on Commerce Finance and Policy.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to the committee to escort the Governor to the Joint Convention on Sunday, April 24, 2022:

Agbaje, Frederick, Klevorn, Demuth and Nelson, N.

Winkler moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by Speaker pro tempore Wolgamott.

REPORTS FROM THE COMMITTEE ON RULES
AND LEGISLATIVE ADMINISTRATION

Winkler from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bills to be placed on the Calendar for the Day for Monday, April 25, 2022 and established a prefiling requirement for amendments offered to the following bills:

H. F. Nos. 3438 and 4366.

Winkler from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bill to be placed on the Calendar for the Day for Tuesday, April 26, 2022 and established a prefiling requirement for amendments offered to the following bill:

H. F. No. 4293.

CALENDAR FOR THE DAY

H. F. No. 961, A bill for an act relating to labor; adding a supervisory law enforcement unit; appropriating money; amending Minnesota Statutes 2020, section 179A.10, subdivisions 2, 3.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 8 nays as follows:

Those who voted in the affirmative were:

Acomb	Davids	Hamilton	Koznick	Neu Brindley	Schultz
Agbaje	Davnie	Hansen, R.	Kresha	Noor	Scott
Akland	Demuth	Hanson, J.	Lee	Novotny	Stephenson
Albright	Dettmer	Hassan	Liebling	O'Driscoll	Sundin
Anderson	Ecklund	Hausman	Lillie	Olson, B.	Swedzinski
Backer	Edelson	Heinrich	Lippert	Olson, L.	Theis
Bahner	Elkins	Heintzeman	Lislegard	O'Neill	Thompson
Baker	Erickson	Her	Long	Pelowski	Torkelson
Becker-Finn	Feist	Hertaus	Lueck	Petersburg	Urdahl
Bennett	Fischer	Hollins	Mariani	Pierson	Vang
Berg	Franke	Hornstein	Marquart	Pinto	Wazlawik
Bernardy	Franson	Howard	Masin	Poston	West
Bierman	Frazier	Huot	McDonald	Pryor	Winkler
Bliss	Frederick	Igo	Moller	Raleigh	Wolgamott
Boe	Freiberg	Johnson	Moran	Rasmusson	Xiong, J.
Boldon	Garofalo	Jordan	Morrison	Reyer	Xiong, T.
Burkel	Green	Jurgens	Mueller	Richardson	Youakim
Carlson	Greenman	Kiel	Murphy	Robbins	Spk. Hortman
Christensen	Grossell	Klevorn	Nash	Sandell	
Daniels	Gruenhagen	Koegel	Nelson, M.	Sandstede	
Daudt	Haley	Kotyza-Witthuhn	Nelson, N.	Schomacker	

Those who voted in the negative were:

Bahr	Lucero	Miller	Munson
Drazkowski	Mekeland	Mortensen	Quam

The bill was passed and its title agreed to.

H. F. No. 3765, A bill for an act relating to natural resources; appropriating money from environment and natural resources trust fund; providing extensions.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 72 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Acomb	Ecklund	Hanson, J.	Koegel	Moran	Sandstede
Agbaje	Edelson	Hassan	Kotzya-Witthuhn	Morrison	Schultz
Bahner	Elkins	Hausman	Lee	Murphy	Stephenson
Becker-Finn	Feist	Her	Liebling	Nelson, M.	Sundin
Berg	Fischer	Hollins	Lillie	Noor	Vang
Bernardy	Franke	Hornstein	Lippert	Olson, L.	Wazlawik
Bierman	Frazier	Howard	Lislegard	Pelowski	Winkler
Boe	Frederick	Huot	Long	Pinto	Wolgamott
Boldon	Freiberg	Jordan	Mariani	Pryor	Xiong, J.
Carlson	Gomez	Jurgens	Marquart	Reyer	Xiong, T.
Christensen	Greenman	Keeler	Masin	Richardson	Youakim
Davnie	Hansen, R.	Klevorn	Moller	Sandell	Spk. Hortman

Those who voted in the negative were:

Akland	Daudt	Gruenhagen	Kresha	Nelson, N.	Raleigh
Albright	Dauids	Haley	Lucero	Neu Brindley	Rasmusson
Anderson	Demuth	Hamilton	Lueck	Novotny	Robbins
Backer	Dettmer	Heinrich	McDonald	O'Driscoll	Schomacker
Bahr	Drazkowski	Heintzeman	Mekeland	Olson, B.	Scott
Baker	Erickson	Hertaus	Miller	O'Neill	Swedzinski
Bennett	Franson	Igo	Mortensen	Petersburg	Theis
Bliss	Garofalo	Johnson	Mueller	Pierson	Torkelson
Burkel	Green	Kiel	Munson	Poston	Urdahl
Daniels	Grossell	Koznick	Nash	Quam	West

The bill was passed and its title agreed to.

MOTIONS AND RESOLUTIONS

Morrison moved that the name of Masin be added as an author on H. F. No. 259. The motion prevailed.

Demuth moved that the name of Scott be added as an author on H. F. No. 262. The motion prevailed.

Akland moved that the names of Scott and Demuth be added as authors on H. F. No. 285. The motion prevailed.

Daudt moved that the name of Scott be added as an author on H. F. No. 304. The motion prevailed.

Jordan moved that the name of Hornstein be added as an author on H. F. No. 550. The motion prevailed.

Reyer moved that the name of Fischer be added as an author on H. F. No. 626. The motion prevailed.

Sundin moved that the names of Vang, Sandstede and Ecklund be added as authors on H. F. No. 803. The motion prevailed.

Agbaje moved that the name of Demuth be added as an author on H. F. No. 1138. The motion prevailed.

Dauids moved that the name of Scott be added as an author on H. F. No. 1502. The motion prevailed.

Heintzeman moved that the name of Scott be added as an author on H. F. No. 1934. The motion prevailed.

Novotny moved that the names of Scott and Demuth be added as authors on H. F. No. 2180. The motion prevailed.

Franson moved that the name of Scott be added as an author on H. F. No. 2289. The motion prevailed.

Gruenhagen moved that the name of Heintzeman be added as an author on H. F. No. 2348. The motion prevailed.

Jordan moved that the name of Hornstein be added as an author on H. F. No. 2650. The motion prevailed.

Richardson moved that the names of Morrison and Moran be added as authors on H. F. No. 2654. The motion prevailed.

Fischer moved that the names of Freiberg and Boe be added as authors on H. F. No. 2908. The motion prevailed.

Wazlawik moved that the name of Hornstein be added as an author on H. F. No. 2952. The motion prevailed.

Hertaus moved that the name of Scott be added as an author on H. F. No. 2968. The motion prevailed.

Acomb moved that the name of Hornstein be added as an author on H. F. No. 3003. The motion prevailed.

Acomb moved that the name of Hornstein be added as an author on H. F. No. 3006. The motion prevailed.

Daudt moved that the name of Backer be added as an author on H. F. No. 3158. The motion prevailed.

Lippert moved that the name of Vang be added as an author on H. F. No. 3220. The motion prevailed.

Hollins moved that the name of Freiberg be added as an author on H. F. No. 3398. The motion prevailed.

Winkler moved that the name of Stephenson be added as an author on H. F. No. 3405. The motion prevailed.

Lislegard moved that his name be stricken as an author on H. F. No. 3605. The motion prevailed.

Bernardy moved that the name of Hornstein be added as an author on H. F. No. 3872. The motion prevailed.

Morrison moved that the name of Moran be added as an author on H. F. No. 3886. The motion prevailed.

Morrison moved that the name of Hornstein be added as an author on H. F. No. 3888. The motion prevailed.

Demuth moved that the name of Scott be added as an author on H. F. No. 3902. The motion prevailed.

Christensen moved that the name of Jurgens be added as an author on H. F. No. 3978. The motion prevailed.

Morrison moved that the name of Moran be added as an author on H. F. No. 4146. The motion prevailed.

Davnie moved that the name of Moran be added as an author on H. F. No. 4300. The motion prevailed.

Reyer moved that the name of Vang be added as an author on H. F. No. 4404. The motion prevailed.

Sandstede moved that the name of Igo be added as an author on H. F. No. 4423. The motion prevailed.

Liebling moved that the name of Boldon be added as an author on H. F. No. 4436. The motion prevailed.

Lucero moved that the name of Akland be added as an author on H. F. No. 4574. The motion prevailed.

Swedzinski moved that the names of Igo and Franson be added as authors on H. F. No. 4620. The motion prevailed.

Feist moved that the name of Freiberg be added as an author on H. F. No. 4702. The motion prevailed.

Pinto moved that the name of Moran be added as an author on H. F. No. 4735. The motion prevailed.

Daudt moved that the name of Daniels be added as an author on H. F. No. 4790. The motion prevailed.

ADJOURNMENT

Winkler moved that when the House adjourns today it adjourn until 4:00 p.m., Sunday, April 24, 2022. The motion prevailed.

Winkler moved that the House adjourn. The motion prevailed, and Speaker pro tempore Wolgamott declared the House stands adjourned until 4:00 p.m., Sunday, April 24, 2022.

PATRICK D. MURPHY, Chief Clerk, House of Representatives

