

STATE OF MINNESOTA

NINETY-THIRD SESSION — 2023

 FORTY-FIFTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, APRIL 4, 2023

The House of Representatives convened at 10:10 a.m. and was called to order by Dan Wolgamott, Speaker pro tempore.

Prayer was offered by Bhai Sahib Gurdial Singh and Randeep Singh Arora, Sikh Society of Minnesota, Bloomington, 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	Daniels	Hassan	Kotzya-Witthuhn	Neu Brindley	Robbins
Agbaje	Daudt	Heintzeman	Kozlowski	Newton	Schomacker
Altendorf	Davids	Hemmingsen-Jaeger	Kraft	Niska	Schultz
Anderson, P. E.	Demuth	Her	Kresha	Noor	Skraba
Anderson, P. H.	Dotseth	Hicks	Lee, F.	Norris	Smith
Backer	Elkins	Hill	Lee, K.	Novotny	Stephenson
Bahner	Engen	Hollins	Liebling	Olson, B.	Swedzinski
Bakeberg	Feist	Hornstein	Lillie	Olson, L.	Tabke
Baker	Finke	Howard	Lislegard	Pelowski	Torkelson
Becker-Finn	Fischer	Huot	Long	Pérez-Vega	Vang
Berg	Franson	Hussein	McDonald	Perryman	Wiens
Bierman	Frederick	Igo	Moller	Petersburg	Witte
Bliss	Freiberg	Jacob	Mueller	Pfarr	Wolgamott
Brand	Gillman	Johnson	Murphy	Pinto	Xiong
Carroll	Gomez	Jordan	Myers	Pryor	Youakim
Cha	Greenman	Keeler	Nadeau	Pursell	Zelevnikar
Clardy	Hansen, R.	Klevorn	Nash	Quam	Spk. Hortman
Coulter	Hanson, J.	Knudsen	Nelson, M.	Rehm	
Curran	Harder	Koegel	Nelson, N.	Reyer	

A quorum was present.

Bennett, Burkel, Davis, Edelson, Fogelman, Frazier, Garofalo, Grossell, Hudella, Hudson, Joy, Kiel, Koznick, Mekeland, O'Driscoll, O'Neill, Richardson, Scott, Sencer-Mura, Urdahl, West and Wiener were 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 CHIEF CLERK

S. F. No. 1213 and H. F. No. 1161, which had been referred to the Chief Clerk for comparison, were examined and found to be not identical.

Wolgamott moved that S. F. No. 1213 be substituted for H. F. No. 1161 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Olson, L., from the Committee on Ways and Means to which was referred:

H. F. No. 3, A bill for an act relating to elections; modifying provisions related to voter registration; absentee voting; requiring voting instructions and sample ballots to be multilingual and interpreters to be provided in certain situations; regulating intimidation, deceptive practices, and interference with voter registration and voting; campaign finance; expanding the definition of express advocacy; providing penalties; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 10A.01, subdivision 16a; 10A.27, subdivision 11; 13.607, by adding a subdivision; 171.06, subdivision 3; 201.054, subdivisions 1, 2; 201.061, by adding a subdivision; 201.071, subdivision 1, as amended; 201.091, subdivision 4; 201.161; 201.162; 203B.04, subdivisions 1, 5; 203B.06, subdivisions 1, 3; 203B.12, by adding subdivisions; 203B.121, subdivision 2; 211B.15, subdivisions 1, 7b, by adding subdivisions; 211B.32, subdivision 1; Laws 2023, chapter 12, section 9; proposing coding for new law in Minnesota Statutes, chapters 204B; 211B.

Reported the same back with the following amendments:

Page 1, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 2022, section 171.06, subdivision 3, as amended by Laws 2023, chapter 13, article 1, section 3, is amended to read:

Subd. 3. **Contents of application; other information.** (a) An application must:

(1) state the full name, date of birth, sex, and either (i) the residence address of the applicant, or (ii) designated address under section 5B.05;

(2) as may be required by the commissioner, contain a description of the applicant and any other facts pertaining to the applicant, the applicant's driving privileges, and the applicant's ability to operate a motor vehicle with safety;

(3) state:

(i) the applicant's Social Security number; or

(ii) if the applicant does not have a Social Security number and is applying for a Minnesota identification card, instruction permit, or class D provisional or driver's license, that the applicant elects not to specify a Social Security number;

(4) contain a notification to the applicant of the availability of a living will/health care directive designation on the license under section 171.07, subdivision 7; ~~and~~

(5) include a method for the applicant to:

(i) request a veteran designation on the license under section 171.07, subdivision 15, and the driving record under section 171.12, subdivision 5a;

(ii) indicate a desire to make an anatomical gift under subdivision 3b, paragraph (e);

(iii) as applicable, designate document retention as provided under section 171.12, subdivision 3c; and

(iv) indicate emergency contacts as provided under section 171.12, subdivision 5b; and

(6) meet the requirements under section 201.161, subdivision 3.

(b) Applications must be accompanied by satisfactory evidence demonstrating:

(1) identity, date of birth, and any legal name change if applicable; and

(2) for driver's licenses and Minnesota identification cards that meet all requirements of the REAL ID Act:

(i) principal residence address in Minnesota, including application for a change of address, unless the applicant provides a designated address under section 5B.05;

(ii) Social Security number, or related documentation as applicable; and

(iii) lawful status, as defined in Code of Federal Regulations, title 6, section 37.3.

(c) An application for an enhanced driver's license or enhanced identification card must be accompanied by:

(1) satisfactory evidence demonstrating the applicant's full legal name and United States citizenship; and

(2) a photographic identity document.

(d) A valid Department of Corrections or Federal Bureau of Prisons identification card containing the applicant's full name, date of birth, and photograph issued to the applicant is an acceptable form of proof of identity in an application for an identification card, instruction permit, or driver's license as a secondary document for purposes of Minnesota Rules, part 7410.0400, and successor rules.

(e) An application form must not provide for identification of (1) the accompanying documents used by an applicant to demonstrate identity, or (2) except as provided in paragraphs (b) and (c), the applicant's citizenship, immigration status, or lawful presence in the United States. The commissioner and a driver's license agent must not inquire about an applicant's citizenship, immigration status, or lawful presence in the United States, except as provided in paragraphs (b) and (c).

EFFECTIVE DATE. This section is effective June 1, 2023."

Page 10, line 26, after "given" insert ", contingent on appropriations being available for this purpose"

Page 12, line 10, delete "For"

Page 12, line 11, delete "purposes of this section."

Page 12, line 15, delete "statute" and insert "chapter"

Page 20, line 15, delete "format" and insert "formats"

Page 20, line 22, delete "A"

Page 20, line 23, delete "district must" and insert "districts will"

Page 20, line 26, delete "designated interpreters" and insert "interpreter required"

Page 20, line 27, delete "of the population"

Page 21, line 5, delete "certified by the American Translators Association"

Page 21, line 32, delete "may" and insert "must demonstrate"

Page 21, line 33, delete "show"

Page 22, line 2, delete everything after the period

Page 22, delete lines 3 to 4

Page 22, delete lines 9 to 14

Page 22, line 15, delete "(c)" and insert "(b)"

Page 23, line 8, delete "a" and insert "any"

Page 23, line 16, delete "the day following final enactment" and insert "June 15, 2023,"

Page 24, line 26, delete "July 1, 2023" and insert "January 1, 2024"

Page 25, after line 19, insert:

"The calculation of a person's or entity's ownership interest for purposes of clauses (1) and (2) must exclude any portion of the person's or entity's direct or indirect beneficial ownership of equity, outstanding voting shares, membership units, or otherwise applicable ownership interests of a corporation that are held or owned in a mutual fund based in the United States."

Page 26, lines 5 and 21, delete "July 1, 2023" and insert "January 1, 2024"

Page 26, line 19, after "person" insert "or entity" and after "contribution" insert "or donation"

Page 27, lines 9 and 18, delete "July 1, 2023" and insert "January 1, 2024"

Page 27, after line 19, insert:

"ARTICLE 4
APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

Subdivision 1. Attorney general. \$100,000 in fiscal year 2024 and \$100,000 in fiscal year 2025 are appropriated from the general fund to the attorney general for enforcement of Minnesota Statutes, section 211B.075.

Subd. 2. **Secretary of state.** \$709,000 in fiscal year 2024 and \$152,000 in fiscal year 2025 are appropriated from the general fund to the secretary of state for implementation of the requirements of this act. The base for this appropriation is \$470,000 in fiscal year 2026 and \$152,000 in fiscal year 2027.

Subd. 3. **Department of Public Safety.** \$45,000 in fiscal year 2024 is appropriated from the vehicle services operating account under Minnesota Statutes, section 299A.705, to the commissioner of public safety for implementation of Minnesota Statutes, section 201.161.

Subd. 4. **Appropriations given effect once.** If an appropriation in this section is enacted more than once during the 2023 regular legislative session, the appropriation must be given effect only once."

Renumber the sections in sequence

Correct the title numbers accordingly

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Gomez from the Committee on Taxes to which was referred:

H. F. No. 100, A bill for an act relating to cannabis; establishing the Office of Cannabis Management; establishing advisory councils; requiring reports relating to cannabis use and sales; legalizing and limiting the possession and use of cannabis and certain hemp products by adults; providing for the licensing, inspection, and regulation of cannabis businesses and hemp businesses; requiring testing of cannabis flower, cannabis products, and certain hemp products; requiring labeling of cannabis flower, cannabis products, and certain hemp products; limiting the advertisement of cannabis flower, cannabis products, and cannabis businesses, and hemp businesses; providing for the cultivation of cannabis in private residences; transferring regulatory authority for the medical cannabis program; taxing the sale of adult-use cannabis flower, cannabis products, and certain hemp products; establishing grant and loan programs; clarifying the prohibition on operating a motor vehicle while under the influence of certain products and chemicals; amending criminal penalties; establishing expungement procedures for certain individuals; requiring reports on expungements; providing for expungement of certain evictions; clarifying the rights of landlords and tenants regarding use of certain forms of cannabis; establishing labor standards for the use of cannabis flower, cannabis products, and certain hemp products by employees and testing of employees; providing for the temporary regulation of certain edible cannabinoid products; providing for professional licensing protections; providing for local registration of certain cannabis businesses and hemp businesses operating retail establishments; amending the scheduling of marijuana and tetrahydrocannabinols; classifying data; making miscellaneous cannabis-related changes and additions; making clarifying and technical changes; appropriating money; amending Minnesota Statutes 2022, sections 13.411, by adding a subdivision; 13.871, by adding a subdivision; 34A.01, subdivision 4; 144.99, subdivision 1; 144A.4791, subdivision 14; 151.72; 152.01, by adding subdivisions; 152.02, subdivisions 2, 4; 152.021, subdivisions 1, 2; 152.022, subdivisions 1, 2; 152.023, subdivisions 1, 2; 152.024, subdivision 1; 152.025, subdivisions 1, 2; 152.11, subdivision 2; 169A.03, by adding subdivisions; 169A.20, subdivision 1; 169A.51, subdivisions 1, 4; 169A.72; 175.45, subdivision 1; 181.938, subdivision 2; 181.950, subdivisions 2, 4, 5, 8, 13, by adding a subdivision; 181.951, subdivisions 4, 5, 6, by adding subdivisions; 181.952, by adding a subdivision; 181.953; 181.954; 181.955; 181.957, subdivision 1; 244.05, subdivision 2; 245C.08, subdivision 1; 256.01, subdivision 18c; 256B.0625, subdivision 13d; 256D.024, subdivisions 1, 3; 256J.26, subdivisions 1, 3; 273.13, subdivision 24; 275.025, subdivision 2; 290.0132, subdivision 29; 290.0134, subdivision 19; 297A.61, subdivision 3; 297A.67, subdivisions 2, 7; 297A.70, subdivisions 2, 18; 297A.99, by adding a subdivision; 297D.01; 297D.04; 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivision 1a; 297D.10;

297D.11; 340A.412, subdivision 14; 484.014, subdivision 3; 504B.171, subdivision 1; 609.2112, subdivision 1; 609.2113, subdivisions 1, 2, 3; 609.2114, subdivisions 1, 2; 609.5311, subdivision 1; 609.5314, subdivision 1; 609.5316, subdivision 2; 609A.01; 609A.03, subdivisions 5, 9; 609B.425, subdivision 2; 609B.435, subdivision 2; 624.712, by adding subdivisions; 624.713, subdivision 1; 624.714, subdivision 6; 624.7142, subdivision 1; 624.7151; proposing coding for new law in Minnesota Statutes, chapters 3; 116J; 116L; 120B; 144; 152; 169A; 289A; 295; 340A; 504B; 609A; 624; proposing coding for new law as Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2022, sections 151.72; 152.027, subdivisions 3, 4; 152.21; 152.22, subdivisions 1, 2, 3, 4, 5, 5a, 5b, 6, 7, 8, 9, 10, 11, 12, 13, 14; 152.23; 152.24; 152.25, subdivisions 1, 1a, 1b, 1c, 2, 3, 4; 152.26; 152.261; 152.27, subdivisions 1, 2, 3, 4, 5, 6, 7; 152.28, subdivisions 1, 2, 3; 152.29, subdivisions 1, 2, 3, 3a, 4; 152.30; 152.31; 152.32, subdivisions 1, 2, 3; 152.33, subdivisions 1, 1a, 2, 3, 4, 5, 6; 152.34; 152.35; 152.36, subdivisions 1, 1a, 2, 3, 4, 5; 152.37.

Reported the same back with the following amendments:

Page 38, after line 25, insert:

"(i) Notwithstanding the foregoing provisions, the state shall not issue a license to any cannabis business to operate in the Indian Country, as defined in United States Code, title 25, section 1151, of a Minnesota Tribal government without the consent of the Tribal government."

Page 143, delete article 2 and insert:

"ARTICLE 2
TAXES

Section 1. Minnesota Statutes 2022, section 270B.12, is amended by adding a subdivision to read:

Subd. 4a. **Office of Cannabis Management.** The commissioner may disclose return information to the Office of Cannabis Management for the purpose of and to the extent necessary to administer section 270C.726.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 2. **[270C.726] POSTING OF TAX DELINQUENCY; SALE OF CANNABIS.**

Subdivision 1. **Posting; notice.** (a) Pursuant to the authority to disclose under section 270B.12, subdivision 4a, the commissioner shall, by the 15th of each month, submit to the Office of Cannabis Management a list of all taxpayers subject to the tax imposed by section 295.81 that are required to pay, withhold, or collect the tax imposed by section 290.02, 290.0922, 290.92, 290.9727, 290.9728, 290.9729, 295.81, or 297A.62; a local sales and use tax payable to the commissioner; or a local sales and use tax administered and collected by the commissioner, and that are ten days or more delinquent in either filing a tax return or paying the tax.

(b) The commissioner is under no obligation to list a taxpayer whose business is inactive. At least ten days before notifying the Office of Cannabis Management, the commissioner shall notify the taxpayer of the intended action.

(c) The Office of Cannabis Management shall post the list required by this section on the Office of Cannabis Management website. The list must prominently show the date of posting. If a previously listed taxpayer files all returns and pays all taxes specified in this subdivision then due, the commissioner shall notify the Office of Cannabis Management within two business days.

Subd. 2. **Sales prohibited.** Beginning the third business day after the list is posted, no cannabis cultivator, cannabis manufacturer, cannabis microbusiness, cannabis mezzobusiness, cannabis wholesaler, or industrial hemp grower as defined in chapter 342 may sell or deliver any product to a taxpayer included on the posted list.

Subd. 3. **Penalty.** A cannabis cultivator, cannabis manufacturer, cannabis microbusiness, cannabis mezzobusiness, cannabis wholesaler, or industrial hemp grower who violates subdivision 2 of this section is subject to the penalties provided in sections 342.19 and 342.21.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 3. Minnesota Statutes 2022, section 273.13, subdivision 24, is amended to read:

Subd. 24. **Class 3.** Commercial and industrial property and utility real and personal property is class 3a.

(1) Except as otherwise provided, each parcel of commercial, industrial, or utility real property has a classification rate of 1.5 percent of the first tier of market value, and 2.0 percent of the remaining market value. In the case of contiguous parcels of property owned by the same person or entity, only the value equal to the first-tier value of the contiguous parcels qualifies for the reduced classification rate, except that contiguous parcels owned by the same person or entity shall be eligible for the first-tier value classification rate on each separate business operated by the owner of the property, provided the business is housed in a separate structure. For the purposes of this subdivision, the first tier means the first \$150,000 of market value. Real property owned in fee by a utility for transmission line right-of-way shall be classified at the classification rate for the higher tier.

For purposes of this subdivision, parcels are considered to be contiguous even if they are separated from each other by a road, street, waterway, or other similar intervening type of property. Connections between parcels that consist of power lines or pipelines do not cause the parcels to be contiguous. Property owners who have contiguous parcels of property that constitute separate businesses that may qualify for the first-tier classification rate shall notify the assessor by July 1, for treatment beginning in the following taxes payable year.

(2) All personal property that is: (i) part of an electric generation, transmission, or distribution system; or (ii) part of a pipeline system transporting or distributing water, gas, crude oil, or petroleum products; and (iii) not described in clause (3), and all railroad operating property has a classification rate as provided under clause (1) for the first tier of market value and the remaining market value. In the case of multiple parcels in one county that are owned by one person or entity, only one first tier amount is eligible for the reduced rate.

(3) The entire market value of personal property that is: (i) tools, implements, and machinery of an electric generation, transmission, or distribution system; (ii) tools, implements, and machinery of a pipeline system transporting or distributing water, gas, crude oil, or petroleum products; or (iii) the mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings, has a classification rate as provided under clause (1) for the remaining market value in excess of the first tier.

(4) Real property used for raising, cultivating, processing, or storing cannabis plants, cannabis flower, or cannabis products for sale has a classification rate as provided under clause (1) for the first tier of market value and the remaining market value. As used in this paragraph, "cannabis plant" has the meaning given in section 342.01, subdivision 18, "cannabis flower" has the meaning given in section 342.01, subdivision 15, and "cannabis product" has the meaning given in section 342.01, subdivision 19.

EFFECTIVE DATE. This section is effective beginning with assessment year 2024 and thereafter.

Sec. 4. Minnesota Statutes 2022, section 275.025, subdivision 2, is amended to read:

Subd. 2. **Commercial-industrial tax capacity.** For the purposes of this section, "commercial-industrial tax capacity" means the tax capacity of all taxable property classified as class 3 or class 5(1) under section 273.13, excluding:

(1) the tax capacity attributable to the first \$150,000 of market value of each parcel of commercial-industrial property as defined under section 273.13, subdivision 24, clauses (1) ~~and~~, (2), and (4);

(2) electric generation attached machinery under class 3; and

(3) property described in section 473.625.

County commercial-industrial tax capacity amounts are not adjusted for the captured net tax capacity of a tax increment financing district under section 469.177, subdivision 2, the net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425, or fiscal disparities contribution and distribution net tax capacities under chapter 276A or 473F. For purposes of this subdivision, the procedures for determining eligibility for tier 1 under section 273.13, subdivision 24, clauses (1) and (2), shall apply in determining the portion of a property eligible to be considered within the first \$150,000 of market value.

EFFECTIVE DATE. This section is effective beginning with assessment year 2024 and thereafter.

Sec. 5. **[289A.33] FILING REQUIREMENTS AND DUE DATES; SPECIAL RULES.**

(a) Upon the request of any cannabis business as defined by section 342.01, subdivision 13, required to collect and remit taxes imposed under section 295.81, chapter 290, or chapter 297A, the commissioner shall waive the requirement that payment of tax must be made electronically if the failure to pay electronically is because the cannabis business is unable to secure banking services and the inability to secure the services is due to its engagement in cannabis-related business allowed under Minnesota law.

(b) If, in consultation with the commissioner of commerce, the commissioner determines the inability to find banking services is widespread and enforcement of the electronic payment requirement will significantly impede the ability of cannabis businesses to timely pay taxes imposed under section 295.81, chapter 290, or chapter 297A, the commissioner may publish notice on the department website that waives the requirement to pay the tax electronically. If such notice is published, a cannabis business must file returns and pay taxes lawfully due in the form and manner prescribed by the commissioner.

(c) Nothing in this subdivision relieves a cannabis business from timely filing and paying taxes.

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

Sec. 6. Minnesota Statutes 2022, section 290.0132, subdivision 29, is amended to read:

Subd. 29. **Disallowed section 280E expenses; medical cannabis manufacturers licenses.** The amount of expenses of a medical cannabis ~~manufacturer~~ business, as defined under section ~~152.22, subdivision 7~~ 342.01, subdivision 51, related to the business of medical cannabis under sections ~~152.21 to 152.37~~ 342.47 to 342.60, or a license holder under chapter 342 related to the business of nonmedical cannabis under that chapter, and not allowed for federal income tax purposes under section 280E of the Internal Revenue Code is a subtraction.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2022.

Sec. 7. Minnesota Statutes 2022, section 290.0134, subdivision 19, is amended to read:

Subd. 19. **Disallowed section 280E expenses; medical cannabis manufacturers licensees.** The amount of expenses of a medical cannabis ~~manufacturer business~~, as defined under section ~~152.22, subdivision 7~~ 342.01, ~~subdivision 51~~, related to the business of medical cannabis under sections ~~152.21 to 152.37~~ 342.47 to 342.60, or a license holder under chapter 342 related to the business of nonmedical cannabis under that chapter, and not allowed for federal income tax purposes under section 280E of the Internal Revenue Code is a subtraction.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2022.

Sec. 8. **[295.81] CANNABIS GROSS RECEIPTS TAX.**

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

(b) "Cannabis flower" has the meaning given in section 342.01, subdivision 15.

(c) "Cannabis product" has the meaning given in section 342.01, subdivision 19.

(d) "Cannabis solution product" means any cartridge, bottle, or other package that contains a taxable cannabis product in a solution that is consumed or meant to be consumed through the use of a heating element, power source, electronic circuit, or other electronic, chemical, or mechanical means that produces vapor or aerosol. A cannabis solution product includes any electronic delivery system, electronic vaping device, electronic vape pen, electronic oral device, electronic delivery device, or similar product or device, and any batteries, heating elements, or other components, parts, or accessories sold with and meant to be used in the consumption of a solution containing a taxable cannabis product.

(e) "Cannabis mezzobusiness" means a cannabis business licensed under section 342.29.

(f) "Cannabis microbusiness" means a cannabis business licensed under section 342.28.

(g) "Cannabis retailer" means a cannabis business licensed under section 342.32.

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

(i) "Gross receipts" means the total amount received in money or by barter or exchange for all taxable cannabis product sales at retail as measured by the sales price. Gross receipts include but are not limited to delivery charges and packaging costs. Gross receipts do not include:

(1) any taxes imposed directly on the customer that are separately stated on the invoice, bill of sale, or similar document given to the purchaser; and

(2) discounts, including cash, terms, or coupons, that are not reimbursed by a third party and that are allowed by the seller and taken by a purchaser on a sale.

(j) "Hemp-derived consumer product" has the meaning given in section 342.01, subdivision 35.

(k) "Lower-potency hemp edible" has the meaning given in section 342.01, subdivision 48.

(l) "Lower-potency hemp edible retailer" means a cannabis business licensed under section 342.43, subdivision 1, clause (1).

(m) "Medical cannabis flower" has the meaning given in section 342.01, subdivision 52.

(n) "Medical cannabinoid product" has the meaning given in section 342.10, subdivision 50.

(o) "Medical cannabis paraphernalia" has the meaning given in section 342.01, subdivision 53.

(p) "Retail sale" has the meaning given in section 297A.61, subdivision 4.

(q) "Taxable cannabis product" means cannabis flower, cannabis product, cannabis solution product, hemp-derived consumer product, lower-potency hemp edible, and any substantially similar product.

(r) "Taxable cannabis product retailer" means a retailer that sells any taxable cannabis product, and includes a cannabis retailer, cannabis microbusiness, cannabis mezzobusiness, and lower-potency hemp edible retailer. Taxable cannabis product retailer includes but is not limited to a:

(1) retailer maintaining a place of business in this state;

(2) marketplace provider maintaining a place of business in this state, as defined in section 297A.66, subdivision 1, paragraph (a);

(3) retailer not maintaining a place of business in this state; and

(4) marketplace provider not maintaining a place of business in this state, as defined in section 297A.66, subdivision 1, paragraph (b).

Subd. 2. Gross receipts tax imposed. (a) A tax equal to a rate established by subdivisions 2 and 3 of gross receipts from retail sales in Minnesota of taxable cannabis products is imposed on any taxable cannabis product retailer that sells these products to customers:

(1) beginning on July 1, 2023, to June 30, 2025, the rate is equal to eight percent;

(2) beginning on July 1, 2025, to June 30, 2027, the rate is equal to 5.25 percent; and

(3) beginning with fiscal year 2028, the rate is equal to the amount established under subdivision 3.

(b) A taxable cannabis product retailer may but is not required to collect the tax imposed by this section from the purchaser as long as the tax is separately stated on the receipt, invoice, bill of sale, or similar document given to the purchaser.

(c) If a product subject to the tax imposed under this section is bundled in a single transaction with a product or service that is not subject to the tax imposed under this section, the entire sales price of the transaction is subject to the tax imposed under this section.

(d) The tax imposed under this section is in addition to any other tax imposed on the sale or use of taxable cannabis products.

Subd. 3. Tax rate adjustment. (a) In April of each odd-numbered year, the commissioner of revenue must make reductions to the tax imposed under this section if, on the basis of a February forecast of general fund revenues and expenditures reflecting the most recently completed fiscal year, the commissioner of management and budget determines that the conditions in paragraph (b) are met.

(b) Revenues raised by the tax imposed under this section combined with the tax imposed under chapter 297A on taxable cannabis products exceed the projected expenditures related to the ongoing regulation of cannabis for the upcoming biennium, including:

- (1) the appropriations to the Office of Cannabis Management;
- (2) the appropriations to the Department of Agriculture;
- (3) the appropriations to the Cannabis Expungement Board;
- (4) the appropriations to the Department of Commerce;
- (5) the appropriations to the Department of Corrections;
- (6) the appropriations to the Department of Education;
- (7) the appropriations to the Department of Employment and Economic Development;
- (8) the appropriations to the Department of Health;
- (9) the appropriations to the Department of Human Services;
- (10) the appropriations to the Department of Labor and Industry;
- (11) the appropriations to the Department of Natural Resources;
- (12) the appropriations to the Office of Higher Education;
- (13) the appropriations to the Pollution Control Agency;
- (14) the appropriations to the Department of Public Safety;
- (15) the appropriations to the Department of Revenue;
- (16) the appropriations to the supreme court; and
- (17) the appropriations to the substance use treatment, recovery, and prevention grant account.

(c) The new rate must be rounded to the nearest one-quarter of one percent. The first rate reduction must occur by April 15, 2027, using the February 2027 forecast. The commissioner of revenue must post the new rate on the department website within five business days.

Subd. 4. Use tax imposed; credit for taxes paid. (a) A person that receives taxable cannabis products for use or storage in Minnesota, other than from a taxable cannabis product retailer that paid the tax under subdivision 2, is subject to tax at the rate imposed under subdivision 2. Liability for the tax is incurred when the person has possession of the taxable cannabis product in Minnesota. The tax must be remitted to the commissioner in the same manner prescribed for taxes imposed under chapter 297A.

(b) A person that has paid taxes to another state or any subdivision thereof on the same transaction and is subject to tax under this section is entitled to a credit for the tax legally due and paid to another state or subdivision thereof to the extent of the lesser of (1) the tax actually paid to the other state or subdivision thereof, or (2) the amount of tax imposed by Minnesota on the transaction subject to tax in the other state or subdivision thereof.

Subd. 5. **Exemptions.** (a) The use tax imposed under subdivision 3, paragraph (c), does not apply to the possession, use, or storage of taxable cannabis products if (1) the taxable cannabis products have an aggregate cost in any calendar month to the customer of \$100 or less, and (2) the taxable cannabis products were carried into this state by the customer.

(b) The tax imposed under this section does not apply to sales of medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia purchased by or for the patients enrolled in the registry program.

(c) Unless otherwise specified in this section, the exemptions applicable to taxes imposed under chapter 297A are not applicable to the taxes imposed under this section.

Subd. 6. **Tax collection required.** A taxable cannabis product retailer with nexus in Minnesota that is not subject to tax under subdivision 2 is required to collect the tax imposed under subdivision 3 from the purchaser of the taxable cannabis product and give the purchaser a receipt for the tax paid. The tax collected must be remitted to the commissioner in the same manner prescribed for the taxes imposed under chapter 297A.

Subd. 7. **Taxes paid to another state or any subdivision thereof; credit.** A taxable cannabis product retailer that has paid taxes to another state or any subdivision thereof measured by gross receipts and is subject to tax under this section on the same gross receipts is entitled to a credit for the tax legally due and paid to another state or any subdivision thereof to the extent of the lesser of (1) the tax actually paid to the other state or any subdivision thereof, or (2) the amount of tax imposed by Minnesota on the gross receipts subject to tax in the other taxing state or any subdivision thereof.

Subd. 8. **Sourcing of sales.** Section 297A.668 applies to the taxes imposed by this section.

Subd. 9. **Administration.** Unless specifically provided otherwise, the audit, assessment, refund, penalty, interest, enforcement, collection remedies, appeal, and administrative provisions of chapters 270C and 289A that are applicable to taxes imposed under chapter 297A, except the requirement to file returns and remit taxes due electronically if authorized under section 289A.33, apply to the tax imposed under this section.

Subd. 10. **Returns; payment of tax.** (a) A taxable cannabis product retailer must report the tax on a return prescribed by the commissioner and must remit the tax in a form and manner prescribed by the commissioner. The return and the tax must be filed and paid using the filing cycle and due dates provided for taxes imposed under section 289A.20, subdivision 4, and chapter 297A.

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

Subd. 11. **Deposit of revenues.** The commissioner must deposit all revenues, including penalties and interest, derived from the tax imposed by this section in the general fund.

Subd. 12. **Personal debt.** The tax imposed by this section, and interest and penalties imposed with respect to it, are a personal debt of the person required to file a return from the time that the liability for it arises, irrespective of when the time for payment of the liability occurs. The debt must, in the case of the executor or administrator of the estate of a decedent and in the case of a fiduciary, only be that of the person in the person's official or fiduciary capacity, unless the person has voluntarily distributed the assets held in that capacity without reserving sufficient assets to pay the tax, interest, and penalties, in which event the person is personally liable for any deficiency.

EFFECTIVE DATE. This section is effective for gross receipts received after June 30, 2023.

Sec. 9. Minnesota Statutes 2022, section 297A.61, subdivision 3, is amended to read:

Subd. 3. **Sale and purchase.** (a) "Sale" and "purchase" include, but are not limited to, each of the transactions listed in this subdivision. In applying the provisions of this chapter, the terms "tangible personal property" and "retail sale" include the taxable services listed in paragraph (g), clause (6), items (i) to (vi) and (viii), and the provision of these taxable services, unless specifically provided otherwise. Services performed by an employee for an employer are not taxable. Services performed by a partnership or association for another partnership or association are not taxable if one of the entities owns or controls more than 80 percent of the voting power of the equity interest in the other entity. Services performed between members of an affiliated group of corporations are not taxable. For purposes of the preceding sentence, "affiliated group of corporations" means those entities that would be classified as members of an affiliated group as defined under United States Code, title 26, section 1504, disregarding the exclusions in section 1504(b).

(b) Sale and purchase include:

(1) any transfer of title or possession, or both, of tangible personal property, whether absolutely or conditionally, for a consideration in money or by exchange or barter; and

(2) the leasing of or the granting of a license to use or consume, for a consideration in money or by exchange or barter, tangible personal property, other than a manufactured home used for residential purposes for a continuous period of 30 days or more.

(c) Sale and purchase include the production, fabrication, printing, or processing of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the production, fabrication, printing, or processing.

(d) Sale and purchase include the preparing for a consideration of food. Notwithstanding section 297A.67, subdivision 2, taxable food includes, but is not limited to, the following:

(1) prepared food sold by the retailer;

(2) soft drinks;

(3) candy; and

(4) dietary supplements.

(e) A sale and a purchase includes the furnishing for a consideration of electricity, gas, water, or steam for use or consumption within this state.

(f) A sale and a purchase includes the transfer for a consideration of prewritten computer software whether delivered electronically, by load and leave, or otherwise.

(g) A sale and a purchase includes the furnishing for a consideration of the following services:

(1) the privilege of admission to places of amusement, recreational areas, or athletic events, and the making available of amusement devices, tanning facilities, reducing salons, steam baths, health clubs, and spas or athletic facilities;

(2) lodging and related services by a hotel, rooming house, resort, campground, motel, or trailer camp, including furnishing the guest of the facility with access to telecommunication services, and the granting of any similar license to use real property in a specific facility, other than the renting or leasing of it for a continuous period of 30 days or more under an enforceable written agreement that may not be terminated without prior notice and including accommodations intermediary services provided in connection with other services provided under this clause;

(3) nonresidential parking services, whether on a contractual, hourly, or other periodic basis, except for parking at a meter;

(4) the granting of membership in a club, association, or other organization if:

(i) the club, association, or other organization makes available for the use of its members sports and athletic facilities, without regard to whether a separate charge is assessed for use of the facilities; and

(ii) use of the sports and athletic facility is not made available to the general public on the same basis as it is made available to members.

Granting of membership means both onetime initiation fees and periodic membership dues. Sports and athletic facilities include golf courses; tennis, racquetball, handball, and squash courts; basketball and volleyball facilities; running tracks; exercise equipment; swimming pools; and other similar athletic or sports facilities;

(5) delivery of aggregate materials by a third party, excluding delivery of aggregate material used in road construction; and delivery of concrete block by a third party if the delivery would be subject to the sales tax if provided by the seller of the concrete block. For purposes of this clause, "road construction" means construction of:

(i) public roads;

(ii) cartways; and

(iii) private roads in townships located outside of the seven-county metropolitan area up to the point of the emergency response location sign; and

(6) services as provided in this clause:

(i) laundry and dry cleaning services including cleaning, pressing, repairing, altering, and storing clothes, linen services and supply, cleaning and blocking hats, and carpet, drapery, upholstery, and industrial cleaning. Laundry and dry cleaning services do not include services provided by coin operated facilities operated by the customer;

(ii) motor vehicle washing, waxing, and cleaning services, including services provided by coin operated facilities operated by the customer, and rustproofing, undercoating, and towing of motor vehicles;

(iii) building and residential cleaning, maintenance, and disinfecting services and pest control and exterminating services;

(iv) detective, security, burglar, fire alarm, and armored car services; but not including services performed within the jurisdiction they serve by off-duty licensed peace officers as defined in section 626.84, subdivision 1, or services provided by a nonprofit organization or any organization at the direction of a county for monitoring and electronic surveillance of persons placed on in-home detention pursuant to court order or under the direction of the Minnesota Department of Corrections;

(v) pet grooming services;

(vi) lawn care, fertilizing, mowing, spraying and sprigging services; garden planting and maintenance; tree, bush, and shrub pruning, bracing, spraying, and surgery; indoor plant care; tree, bush, shrub, and stump removal, except when performed as part of a land clearing contract as defined in section 297A.68, subdivision 40; and tree trimming for public utility lines. Services performed under a construction contract for the installation of shrubbery, plants, sod, trees, bushes, and similar items are not taxable;

(vii) massages, except when provided by a licensed health care facility or professional or upon written referral from a licensed health care facility or professional for treatment of illness, injury, or disease; and

(viii) the furnishing of lodging, board, and care services for animals in kennels and other similar arrangements, but excluding veterinary and horse boarding services.

(h) A sale and a purchase includes the furnishing for a consideration of tangible personal property or taxable services by the United States or any of its agencies or instrumentalities, or the state of Minnesota, its agencies, instrumentalities, or political subdivisions.

(i) A sale and a purchase includes the furnishing for a consideration of telecommunications services, ancillary services associated with telecommunication services, and pay television services. Telecommunication services include, but are not limited to, the following services, as defined in section 297A.669: air-to-ground radiotelephone service, mobile telecommunication service, postpaid calling service, prepaid calling service, prepaid wireless calling service, and private communication services. The services in this paragraph are taxed to the extent allowed under federal law.

(j) A sale and a purchase includes the furnishing for a consideration of installation if the installation charges would be subject to the sales tax if the installation were provided by the seller of the item being installed.

(k) A sale and a purchase includes the rental of a vehicle by a motor vehicle dealer to a customer when (1) the vehicle is rented by the customer for a consideration, or (2) the motor vehicle dealer is reimbursed pursuant to a service contract as defined in section 59B.02, subdivision 11.

(l) A sale and a purchase includes furnishing for a consideration of specified digital products or other digital products or granting the right for a consideration to use specified digital products or other digital products on a temporary or permanent basis and regardless of whether the purchaser is required to make continued payments for such right. Wherever the term "tangible personal property" is used in this chapter, other than in subdivisions 10 and 38, the provisions also apply to specified digital products, or other digital products, unless specifically provided otherwise or the context indicates otherwise.

(m) The sale of the privilege of admission under section 297A.61, subdivision 3, paragraph (g), clause (1), to a place of amusement, recreational area, or athletic event includes all charges included in the privilege of admission's sales price, without deduction for amenities that may be provided, unless the amenities are separately stated and the purchaser of the privilege of admission is entitled to add or decline the amenities, and the amenities are not otherwise taxable.

(n) A sale and purchase includes the transfer for a consideration of a taxable cannabis product as defined in section 295.81, subdivision 1, paragraph (q).

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 10. Minnesota Statutes 2022, section 297A.67, subdivision 2, is amended to read:

Subd. 2. **Food and food ingredients.** Except as otherwise provided in this subdivision, food and food ingredients are exempt. For purposes of this subdivision, "food" and "food ingredients" mean substances, whether in liquid, concentrated, solid, frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value. Food and food ingredients exempt under this subdivision do not include candy, soft drinks, dietary supplements, and prepared foods. Food and food ingredients do not include alcoholic beverages ~~and~~, tobacco, taxable cannabis products, medical cannabis flower, and medical cannabinoid products. For purposes of this subdivision, "alcoholic beverages" means beverages that are suitable for human consumption and contain one-half of one percent or more of alcohol by volume. For purposes of this subdivision, "tobacco" means cigarettes, cigars, chewing or pipe tobacco, or any other item that contains tobacco. For purposes of this subdivision, "taxable cannabis product" has the meaning given in section 295.81, subdivision 1, paragraph (q), "medical cannabis flower" has the meaning given in section 342.01, subdivision 52, and "medical cannabinoid product" has the meaning given in section 342.01, subdivision 50. For purposes of this subdivision, "dietary supplements" means any product, other than tobacco, intended to supplement the diet that:

(1) contains one or more of the following dietary ingredients:

(i) a vitamin;

(ii) a mineral;

(iii) an herb or other botanical;

(iv) an amino acid;

(v) a dietary substance for use by humans to supplement the diet by increasing the total dietary intake; and

(vi) a concentrate, metabolite, constituent, extract, or combination of any ingredient described in items (i) to (v);

(2) is intended for ingestion in tablet, capsule, powder, softgel, gelcap, or liquid form, or if not intended for ingestion in such form, is not represented as conventional food and is not represented for use as a sole item of a meal or of the diet; and

(3) is required to be labeled as a dietary supplement, identifiable by the supplement facts box found on the label and as required pursuant to Code of Federal Regulations, title 21, section 101.36.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 11. Minnesota Statutes 2022, section 297A.67, subdivision 7, is amended to read:

Subd. 7. **Drugs; medical devices.** (a) Sales of the following drugs and medical devices for human use are exempt:

(1) drugs, including over-the-counter drugs;

(2) single-use finger-pricking devices for the extraction of blood and other single-use devices and single-use diagnostic agents used in diagnosing, monitoring, or treating diabetes;

(3) insulin and medical oxygen for human use, regardless of whether prescribed or sold over the counter;

- (4) prosthetic devices;
- (5) durable medical equipment for home use only;
- (6) mobility enhancing equipment;
- (7) prescription corrective eyeglasses; and
- (8) kidney dialysis equipment, including repair and replacement parts.

(b) Items purchased in transactions covered by:

(1) Medicare as defined under title XVIII of the Social Security Act, United States Code, title 42, section 1395, et seq.; or

(2) Medicaid as defined under title XIX of the Social Security Act, United States Code, title 42, section 1396, et seq.

(c) For purposes of this subdivision:

(1) "Drug" means a compound, substance, or preparation, and any component of a compound, substance, or preparation, other than food and food ingredients, dietary supplements, taxable cannabis products as defined under section 295.81, subdivision 1, paragraph (q), or alcoholic beverages that is:

(i) recognized in the official United States Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, or official National Formulary, and supplement to any of them;

(ii) intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease; or

(iii) intended to affect the structure or any function of the body.

(2) "Durable medical equipment" means equipment, including repair and replacement parts, including single-patient use items, but not including mobility enhancing equipment, that:

(i) can withstand repeated use;

(ii) is primarily and customarily used to serve a medical purpose;

(iii) generally is not useful to a person in the absence of illness or injury; and

(iv) is not worn in or on the body.

For purposes of this clause, "repair and replacement parts" includes all components or attachments used in conjunction with the durable medical equipment, including repair and replacement parts which are for single patient use only.

(3) "Mobility enhancing equipment" means equipment, including repair and replacement parts, but not including durable medical equipment, that:

(i) is primarily and customarily used to provide or increase the ability to move from one place to another and that is appropriate for use either in a home or a motor vehicle;

(ii) is not generally used by persons with normal mobility; and

(iii) does not include any motor vehicle or equipment on a motor vehicle normally provided by a motor vehicle manufacturer.

(4) "Over-the-counter drug" means a drug that contains a label that identifies the product as a drug as required by Code of Federal Regulations, title 21, section 201.66. The label must include a "drug facts" panel or a statement of the active ingredients with a list of those ingredients contained in the compound, substance, or preparation. Over-the-counter drugs do not include grooming and hygiene products, regardless of whether they otherwise meet the definition. "Grooming and hygiene products" are soaps, cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and suntan lotions and sunscreens.

(5) "Prescribed" and "prescription" means a direction in the form of an order, formula, or recipe issued in any form of oral, written, electronic, or other means of transmission by a duly licensed health care professional.

(6) "Prosthetic device" means a replacement, corrective, or supportive device, including repair and replacement parts, worn on or in the body to:

(i) artificially replace a missing portion of the body;

(ii) prevent or correct physical deformity or malfunction; or

(iii) support a weak or deformed portion of the body.

Prosthetic device does not include corrective eyeglasses.

(7) "Kidney dialysis equipment" means equipment that:

(i) is used to remove waste products that build up in the blood when the kidneys are not able to do so on their own; and

(ii) can withstand repeated use, including multiple use by a single patient, notwithstanding the provisions of clause (2).

(8) A transaction is covered by Medicare or Medicaid if any portion of the cost of the item purchased in the transaction is paid for or reimbursed by the federal government or the state of Minnesota pursuant to the Medicare or Medicaid program, by a private insurance company administering the Medicare or Medicaid program on behalf of the federal government or the state of Minnesota, or by a managed care organization for the benefit of a patient enrolled in a prepaid program that furnishes medical services in lieu of conventional Medicare or Medicaid coverage pursuant to agreement with the federal government or the state of Minnesota.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 12. Minnesota Statutes 2022, section 297A.70, subdivision 2, is amended to read:

Subd. 2. **Sales to government.** (a) All sales, except those listed in paragraph (b), to the following governments and political subdivisions, or to the listed agencies or instrumentalities of governments and political subdivisions, are exempt:

(1) the United States and its agencies and instrumentalities;

(2) school districts, local governments, the University of Minnesota, state universities, community colleges, technical colleges, state academies, the Perpich Minnesota Center for Arts Education, and an instrumentality of a political subdivision that is accredited as an optional/special function school by the North Central Association of Colleges and Schools;

(3) hospitals and nursing homes owned and operated by political subdivisions of the state of tangible personal property and taxable services used at or by hospitals and nursing homes;

(4) notwithstanding paragraph (d), the sales and purchases by the Metropolitan Council of vehicles and repair parts to equip operations provided for in section 473.4051 are exempt through December 31, 2016;

(5) other states or political subdivisions of other states, if the sale would be exempt from taxation if it occurred in that state; and

(6) public libraries, public library systems, multicounty, multitype library systems as defined in section 134.001, county law libraries under chapter 134A, state agency libraries, the state library under section 480.09, and the Legislative Reference Library.

(b) This exemption does not apply to the sales of the following products and services:

(1) building, construction, or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility;

(2) construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities;

(3) the leasing of a motor vehicle as defined in section 297B.01, subdivision 11, except for leases entered into by the United States or its agencies or instrumentalities;

(4) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause (2), ~~and~~ prepared food, candy, soft drinks, ~~and~~ alcoholic beverages as defined in section 297A.67, subdivision 2, and taxable cannabis products as defined under section 295.81, subdivision 1, paragraph (q), except for lodging, prepared food, candy, soft drinks, ~~and~~ alcoholic beverages, and taxable cannabis products purchased directly by the United States or its agencies or instrumentalities; or

(5) goods or services purchased by a local government as inputs to a liquor store, gas or electric utility, solid waste hauling service, solid waste recycling service, landfill, golf course, marina, campground, cafe, or laundromat.

(c) As used in this subdivision, "school districts" means public school entities and districts of every kind and nature organized under the laws of the state of Minnesota, and any instrumentality of a school district, as defined in section 471.59.

(d) For purposes of the exemption granted under this subdivision, "local governments" has the following meaning:

(1) for the period prior to January 1, 2017, local governments means statutory or home rule charter cities, counties, and townships; and

(2) beginning January 1, 2017, local governments means statutory or home rule charter cities, counties, and townships; special districts as defined under section 6.465; any instrumentality of a statutory or home rule charter city, county, or township as defined in section 471.59; and any joint powers board or organization created under section 471.59.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 13. Minnesota Statutes 2022, section 297A.70, subdivision 4, is amended to read:

Subd. 4. **Sales to nonprofit groups.** (a) All sales, except those listed in paragraph (b), to the following "nonprofit organizations" are exempt:

(1) a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes if the item purchased is used in the performance of charitable, religious, or educational functions;

(2) any senior citizen group or association of groups that:

(i) in general limits membership to persons who are either age 55 or older, or persons with a physical disability;

(ii) is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, not including housing, no part of the net earnings of which inures to the benefit of any private shareholders; and

(iii) is an exempt organization under section 501(c) of the Internal Revenue Code; and

(3) an organization that qualifies for an exemption for memberships under subdivision 12 if the item is purchased and used in the performance of the organization's mission.

For purposes of this subdivision, charitable purpose includes the maintenance of a cemetery owned by a religious organization.

(b) This exemption does not apply to the following sales:

(1) building, construction, or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility;

(2) construction materials purchased by tax-exempt entities or their contractors to be used in constructing buildings or facilities that will not be used principally by the tax-exempt entities;

(3) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause (2), ~~and~~ prepared food, candy, soft drinks, ~~and~~ alcoholic beverages as defined in section 297A.67, subdivision 2, except wine purchased by an established religious organization for sacramental purposes or as allowed under subdivision 9a, and taxable cannabis products as defined under section 295.81, subdivision 1, paragraph (q); and

(4) leasing of a motor vehicle as defined in section 297B.01, subdivision 11, except as provided in paragraph (c).

(c) This exemption applies to the leasing of a motor vehicle as defined in section 297B.01, subdivision 11, only if the vehicle is:

(1) a truck, as defined in section 168.002, a bus, as defined in section 168.002, or a passenger automobile, as defined in section 168.002, if the automobile is designed and used for carrying more than nine persons including the driver; and

(2) intended to be used primarily to transport tangible personal property or individuals, other than employees, to whom the organization provides service in performing its charitable, religious, or educational purpose.

(d) A limited liability company also qualifies for exemption under this subdivision if (1) it consists of a sole member that would qualify for the exemption, and (2) the items purchased qualify for the exemption.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 14. Minnesota Statutes 2022, section 297A.70, subdivision 18, is amended to read:

Subd. 18. **Nursing homes and boarding care homes.** (a) All sales, except those listed in paragraph (b), to a nursing home licensed under section 144A.02 or a boarding care home certified as a nursing facility under title 19 of the Social Security Act are exempt if the facility:

(1) is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code; and

(2) is certified to participate in the medical assistance program under title 19 of the Social Security Act, or certifies to the commissioner that it does not discharge residents due to the inability to pay.

(b) This exemption does not apply to the following sales:

(1) building, construction, or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility;

(2) construction materials purchased by tax-exempt entities or their contractors to be used in constructing buildings or facilities that will not be used principally by the tax-exempt entities;

(3) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause (2), ~~and~~ prepared food, candy, soft drinks, and alcoholic beverages as defined in section 297A.67, subdivision 2, and taxable cannabis products as defined under section 295.81, subdivision 1, paragraph (q); and

(4) leasing of a motor vehicle as defined in section 297B.01, subdivision 11, except as provided in paragraph (c).

(c) This exemption applies to the leasing of a motor vehicle as defined in section 297B.01, subdivision 11, only if the vehicle is:

(1) a truck, as defined in section 168.002; a bus, as defined in section 168.002; or a passenger automobile, as defined in section 168.002, if the automobile is designed and used for carrying more than nine persons including the driver; and

(2) intended to be used primarily to transport tangible personal property or residents of the nursing home or boarding care home.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 15. Minnesota Statutes 2022, section 297A.85, is amended to read:

297A.85 CANCELLATION OF PERMITS.

The commissioner may cancel a permit if one of the following conditions occurs:

(1) the permit holder has not filed a sales or use tax return for at least one year;

(2) the permit holder has not reported any sales or use tax liability on the permit holder's returns for at least two years;

(3) the permit holder requests cancellation of the permit;

(4) the permit is subject to cancellation under section 270C.722, subdivision 2, paragraph (a); ~~or~~

(5) the permit is subject to cancellation under section 297A.84-; or

(6) the permit holder is a taxable cannabis product retailer as defined in section 295.81, subdivision 1, paragraph (r), other than a lower-potency hemp edible retailer as licensed under section 342.43, subdivision 1, and its license to sell a taxable cannabis product as defined in section 295.81, subdivision 1, paragraph (q), has been revoked by the Office of Cannabis Management.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 16. Minnesota Statutes 2022, section 297A.99, is amended by adding a subdivision to read:

Subd. 4a. **Cannabis local tax prohibited.** A political subdivision of this state is prohibited from imposing a tax under this section solely on the sale of taxable cannabis products as defined under section 295.81, subdivision 1, paragraph (q).

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

Sec. 17. Minnesota Statutes 2022, section 297D.01, is amended to read:

297D.01 DEFINITIONS.

Subdivision 1. ~~**Marijuana**~~ **Illegal cannabis.** "~~Marijuana~~" **Illegal cannabis**" means any ~~marijuana~~ **taxable cannabis product** as defined in section 295.81, subdivision 1, paragraph (q), whether real or counterfeit, ~~as defined in section 152.01, subdivision 9,~~ that is held, possessed, transported, transferred, sold, or offered to be sold in violation of ~~chapter 342 or~~ Minnesota criminal laws.

Subd. 2. **Controlled substance.** "Controlled substance" means any drug or substance, whether real or counterfeit, as defined in section 152.01, subdivision 4, that is held, possessed, transported, transferred, sold, or offered to be sold in violation of Minnesota laws. "Controlled substance" does not include ~~marijuana~~ **illegal cannabis**.

Subd. 3. **Tax obligor or obligor.** "Tax obligor" or "obligor" means a person who in violation of Minnesota law manufactures, produces, ships, transports, or imports into Minnesota or in any manner acquires or possesses more than 42-1/2 grams of ~~marijuana~~ **illegal cannabis**, or seven or more grams of any controlled substance, or ten or more dosage units of any controlled substance which is not sold by weight. A quantity of ~~marijuana~~ **illegal cannabis** or other controlled substance is measured by the weight of the substance whether pure or impure or dilute, or by dosage units when the substance is not sold by weight, in the tax obligor's possession. A quantity of a controlled substance is dilute if it consists of a detectable quantity of pure controlled substance and any excipients or fillers.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of revenue.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 18. Minnesota Statutes 2022, section 297D.04, is amended to read:

297D.04 TAX PAYMENT REQUIRED FOR POSSESSION.

No tax obligor may possess any ~~marijuana~~ illegal cannabis or controlled substance upon which a tax is imposed by section 297D.08 unless the tax has been paid on the ~~marijuana~~ illegal cannabis or ~~other a~~ controlled substance as evidenced by a stamp or other official indicia.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 19. Minnesota Statutes 2022, section 297D.06, is amended to read:

297D.06 PHARMACEUTICALS.

Nothing in this chapter requires persons registered under chapter 151 or otherwise lawfully in possession of ~~marijuana~~ illegal cannabis or a controlled substance to pay the tax required under this chapter.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 20. Minnesota Statutes 2022, section 297D.07, is amended to read:

297D.07 MEASUREMENT.

For the purpose of calculating the tax under section 297D.08, a quantity of ~~marijuana~~ illegal cannabis or ~~other a~~ controlled substance is measured by the weight of the substance whether pure or impure or dilute, or by dosage units when the substance is not sold by weight, in the tax obligor's possession. A quantity of a controlled substance is dilute if it consists of a detectable quantity of pure controlled substance and any excipients or fillers.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 21. Minnesota Statutes 2022, section 297D.08, is amended to read:

297D.08 TAX RATE.

A tax is imposed on ~~marijuana~~ illegal cannabis and controlled substances as defined in section 297D.01 at the following rates:

- (1) on each gram of ~~marijuana~~ illegal cannabis, or each portion of a gram, \$3.50; and
- (2) on each gram of controlled substance, or portion of a gram, \$200; or
- (3) on each ten dosage units of a controlled substance that is not sold by weight, or portion thereof, \$400.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 22. Minnesota Statutes 2022, section 297D.085, is amended to read:

297D.085 CREDIT FOR PREVIOUSLY PAID TAXES.

If another state or local unit of government has previously assessed an excise tax on the ~~marijuana~~ illegal cannabis or controlled substances, the taxpayer must pay the difference between the tax due under section 297D.08 and the tax previously paid. If the tax previously paid to the other state or local unit of government was equal to or

greater than the tax due under section 297D.08, no tax is due. The burden is on the taxpayer to show that an excise tax on the ~~marijuana~~ illegal cannabis or controlled substances has been paid to another state or local unit of government.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 23. Minnesota Statutes 2022, section 297D.09, subdivision 1a, is amended to read:

Subd. 1a. **Criminal penalty; sale without affixed stamps.** In addition to the tax penalty imposed, a tax obligor distributing or possessing ~~marijuana~~ illegal cannabis or controlled substances without affixing the appropriate stamps, labels, or other indicia is guilty of a crime and, upon conviction, may be sentenced to imprisonment for not more than seven years or to payment of a fine of not more than \$14,000, or both.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 24. Minnesota Statutes 2022, section 297D.10, is amended to read:

297D.10 STAMP PRICE.

Official stamps, labels, or other indicia to be affixed to all ~~marijuana~~ illegal cannabis or controlled substances shall be purchased from the commissioner. The purchaser shall pay 100 percent of face value for each stamp, label, or other indicia at the time of the purchase.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 25. Minnesota Statutes 2022, section 297D.11, is amended to read:

297D.11 PAYMENT DUE.

Subdivision 1. **Stamps affixed.** When a tax obligor purchases, acquires, transports, or imports into this state ~~marijuana~~ illegal cannabis or controlled substances on which a tax is imposed by section 297D.08, and if the indicia evidencing the payment of the tax have not already been affixed, the tax obligor shall have them permanently affixed on the ~~marijuana~~ illegal cannabis or controlled substance immediately after receiving the substance. Each stamp or other official indicia may be used only once.

Subd. 2. **Payable on possession.** Taxes imposed upon ~~marijuana~~ illegal cannabis or controlled substances by this chapter are due and payable immediately upon acquisition or possession in this state by a tax obligor.

EFFECTIVE DATE. This section is effective June 30, 2023."

Page 211, delete section 2 and insert:

"Sec. 2. **[3.9228] ADULT-USE CANNABIS; COMPACTS TO BE NEGOTIATED.**

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given.

(b) "Adult-use cannabis flower" has the meaning given in section 342.01, subdivision 4.

(c) "Adult-use cannabinoid product" has the meaning given in section 342.01, subdivision 2.

(d) "Cannabis business" means a cannabis cultivator, manufacturer, retailer, wholesaler, transporter, testing facility, microbusiness, event organizer, delivery service, or lower potency edible retailer.

(e) "Cannabinoid product" has the meaning given in section 342.01, subdivision 12.

(f) "Minnesota Tribal governments" means the federally recognized Indian Tribes located in Minnesota including:

(1) Bois Forte Band;

(2) Fond Du Lac Band;

(3) Grand Portage Band;

(4) Leech Lake Band;

(5) Mille Lacs Band;

(6) White Earth Band;

(7) Red Lake Nation;

(8) Lower Sioux Indian Community;

(9) Prairie Island Indian Community;

(10) Shakopee Mdewakanton Sioux Community; and

(11) Upper Sioux Indian Community.

(g) "Tribal cannabis business" means a cannabis business licensed by a Minnesota Tribal government, including the business categories identified in paragraph (d) as well as any others that may be provided under the law of a Minnesota Tribal government.

(h) "Tribally regulated land" means:

(1) all land held in trust by the United States for the benefit of a Minnesota Tribal government;

(2) all land held by a Minnesota Tribal government in restricted fee status; and

(3) all land within the exterior boundaries of the reservation of a Minnesota Tribal government that is subject to the civil regulatory jurisdiction of the Tribal government. For the purposes of this section, land that is subject to the civil regulatory jurisdiction of the Tribal government includes:

(i) fee land held by the Tribe, entities organized under Tribal law, or individual Indians; and

(ii) land held by non-Indian entities or individuals who consent to the civil regulation of the Tribal government or are otherwise subject to such regulation under federal law.

Subd. 2. Acknowledgment and purpose; negotiations authorized. (a) The state of Minnesota acknowledges the sovereign right of Minnesota Tribal governments to regulate Tribal cannabis businesses and address other matters of cannabis regulation related to the internal affairs of Minnesota Tribal governments without regard to

whether such Tribal government has entered a compact authorized by this section. The purpose of this section is to provide for the negotiation of compacts to proactively address jurisdictional issues related to the regulation of adult-use cannabis. The legislature finds that these agreements will facilitate and promote a cooperative and mutually beneficial relationship between the state and the Tribes regarding the legalization of cannabis. Such cooperative agreements will enhance public health and safety, ensure a lawful and well-regulated cannabis market, encourage economic development, and provide fiscal benefits to both Indian Tribes and the state.

(b) The governor shall negotiate in good faith, and has the authority to execute and bind the state to, a compact with any Minnesota Tribal government wishing to enter into such compact regulating adult-use cannabis flower and adult-use cannabinoid products.

(c) This subdivision shall be effective upon enactment.

Subd. 3. **Terms of compact; rights of parties.** (a) A compact agreed to under this section may address any issues related to the adult-use cannabis industry including adult-use cannabis flower, adult-use cannabinoid products, extracts, concentrates, and artificially derived cannabinoids that affect the interest of both the state and Minnesota Tribal government or otherwise have an impact on Tribal-state relations. Indian Tribes are not required to enter into compacts pursuant to this section in order to regulate or engage in cannabis businesses or activities on reservation lands or participate as a licensee in the state's legal cannabis market.

(b) The state shall not, as a condition for entering into a compact under this section:

(1) require any Minnesota Tribal government to waive any right, privilege, or immunity based on their status as independent sovereigns;

(2) require that any revenue generated by cannabis businesses licensed by a Minnesota Tribal government be subject to any state cannabis gross receipt taxes imposed under section 295.81 or state and local sales or use taxes on sales of cannabis;

(3) require any taxes collected by Minnesota Tribal governments to be shared in any manner with the state or any subdivisions thereof;

(4) require a Minnesota Tribal government to consent to state licensing of cannabis businesses on the Tribally regulated land of the Minnesota Tribal government; or

(5) require any cannabis business licensed by a Minnesota Tribal government pursuant to a compact agreed to under this section to comply with specific state regulations on Tribally regulated land.

(c) Notwithstanding any law to the contrary, the state shall not impose, attempt to impose, and shall not require or attempt to require any Indian Tribe to impose, any taxes, fees, assessments, and other charges related to the production, processing, sale, purchase, distribution, or possession of adult-use cannabis flower and adult-use cannabinoid products on Minnesota Tribal governments, or their members, on a reservation or Tribally regulated land.

(d) Compacts agreed to under this section may allow an exemption from any otherwise applicable tax for sales to a Minnesota Tribal government, a Tribal cannabis business, or Tribal members, of cannabis flower and adult use cannabinoid products grown, produced, or processed as provided for in said compacts, or for activities, to the extent they are not already exempt under state or federal law from the state cannabis gross receipt tax under section 295.81 or state and local sales or use taxes on sales of cannabis.

(e) This subdivision shall be effective upon enactment.

Subd. 4. **Tax agreements.** (a) For any cannabis business owned by a Minnesota Tribal government or its instrumentalities that is operated outside of Tribally regulated land, under a state-issued license, the collection and administration of taxes on such business may be governed through an agreement to be entered under section 270C.19.

(b) Any compact that provides for the voluntary sharing of tax or fee revenue among a Minnesota Tribal government and the state or a local government may provide that such sharing be carried out through an agreement to be entered under section 270C.19.

Subd. 5. **Civil and criminal immunities.** (a) The following acts, when performed by a licensed Tribal cannabis business or an employee in the course of their employment for a Tribal cannabis business, pursuant to a compact entered into under this section, do not constitute a criminal or civil offense under state law:

(1) the cultivation of cannabis flower, and the extraction, processing, or manufacture of adult-use cannabinoid and artificially derived cannabinoid products, extracts, or concentrates, as those terms are defined in section 342.01;

(2) the possession, purchase, and receipt of adult-use cannabis seed, flower, and adult-use cannabinoid products that are properly packaged and labeled as authorized under a compact entered into pursuant to this section, and the sale, delivery, transport, or distribution of such products to a licensed cannabis business; and

(3) the delivery, distribution, and sale of adult-use cannabis seed, flower, and adult-use cannabinoid products as authorized under a compact entered into pursuant to this section and that takes place on, or originates from, the premises of a Tribal cannabis business on Tribally regulated land, to any person 21 years of age or older.

(b) The following acts, when performed by a patron of a licensed Tribal cannabis business do not constitute a criminal or civil offense under state law: the purchase, possession, or receipt of adult-use cannabis seed, flower, and adult-use cannabinoid products as authorized under a compact entered into pursuant to this section.

(c) Actions by a Tribal cannabis business, a Tribal member, employee, or agent of a Minnesota Tribal government or Tribal cannabis business on Tribally regulated land pursuant to Tribal laws governing cannabis, or a compact entered into under this section, do not constitute a criminal or civil offense under state law.

(d) The following acts, when performed by a state-licensed cannabis business, or an employee of such business, and which would be permitted under the terms of the applicable cannabis business license if undertaken with another state-licensed cannabis business, are permitted under the state license conditions when undertaken with a Tribal cannabis business and do not constitute a criminal or civil offense under state law: the possession, purchase, wholesale and retail sale, delivery, transport, distribution, and receipt of adult-use cannabis, seed, flower, and adult-use cannabinoid products that are properly packaged and labeled as authorized under a compact entered into pursuant to this section.

(e) The following acts, when performed by a Minnesota Tribal government, a Tribal cannabis business licensed by such Tribal government, or an employee of such Tribal government or Tribal cannabis business, regardless of whether the Minnesota Tribal government issuing such license has compacted with the state under this section, do not constitute a criminal or civil offense under state law: purchase, sale, receipt, or delivery (including delivery that involves transit through the state, outside a reservation), from or to another Minnesota Tribal government or cannabis business licensed by such government.

(f) Notwithstanding any other provision of law, a state-licensed cannabis testing facility may provide cannabis testing services to a Tribal cannabis business, and the possession or transport of cannabis flower or cannabinoid products for such purpose by a Tribal cannabis business shall not constitute a criminal or civil offense under state law.

(g) This subdivision shall be effective upon enactment.

Subd. 6. **Publication.** The governor shall post any compact entered into under this section on a publicly accessible website."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, delete "adult-use"

Correct the title numbers accordingly

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Olson, L., from the Committee on Ways and Means to which was referred:

H. F. No. 463, A bill for an act relating to capital investment; appropriating money for the Rural Finance Authority; authorizing the sale and issuance of state bonds.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

Olson, L., from the Committee on Ways and Means to which was referred:

H. F. No. 1999, A bill for an act relating to state government; appropriating money from outdoor heritage, clean water, parks and trails, and arts and cultural heritage funds; modifying prior appropriations; modifying provisions related to outdoor heritage fund and parks and trails fund; modifying Clean Water Legacy Act; requiring reports; amending Minnesota Statutes 2022, sections 85.53, subdivision 2, by adding a subdivision; 85.536, subdivisions 1, 2; 97A.056, subdivisions 2, 11, 22; 114D.20, subdivision 2; 114D.30, subdivisions 4, 6, 7; 114D.50, subdivision 4; 129D.17, by adding a subdivision; Laws 2020, chapter 104, article 1, section 2, subdivision 5, as amended.

Reported the same back with the following amendments:

Page 20, line 21, after the period, insert "Unless there are not enough eligible grant applications received."

Page 30, line 30, after "Minnesota" insert ", including reaching low- and moderate-income households"

Page 63, line 6, after "Minnesota" insert ", including reaching low- and moderate-income households"

Page 70, line 18, after "Minnesota" insert ", including reaching low- and moderate-income households"

Page 74, line 31, delete "\$18,500,000" and insert "\$19,523,000" and delete "\$18,561,000" and insert "\$19,524,000"

Page 76, line 32, after the period, insert "The funding for the significant public art installations in this paragraph is available until June 30, 2028."

Page 77, line 1, delete "\$936,000" and insert "Up to five percent of the totals in paragraphs (b) to (e)"

Page 86, line 6, delete "\$2,000,000" and insert "\$3,000,000"

Page 86, line 17, delete "\$2,000,000" and insert "\$3,000,000"

Page 91, after line 22, insert:

"(4) an assessment of whether the funding celebrates cultural diversity or reaches diverse communities in Minnesota;"

Page 91, line 23, delete "(4)" and insert "(5)"

Page 91, line 24, delete "(5)" and insert "(6)"

Page 91, after line 25, insert:

"ARTICLE 5
GRANTS MANAGEMENT

Section 1. **FINANCIAL REVIEW OF NONPROFIT GRANT RECIPIENTS REQUIRED.**

Subdivision 1. **Financial review required.** (a) Before awarding a competitive, legislatively named, single source, or sole source grant to a nonprofit organization under this act, the grantor must require the applicant to submit financial information sufficient for the grantor to document and assess the applicant's current financial standing and management. Items of significant concern must be addressed with the applicant and resolved to the satisfaction of the grantor before a grant is awarded. The grantor must document the material requested and reviewed; whether the applicant had a significant operating deficit, a deficit in unrestricted net assets, or insufficient internal controls; whether and how the applicant resolved the grantor's concerns; and the grantor's final decision. This documentation must be maintained in the grantor's files.

(b) At a minimum, the grantor must require each applicant to provide the following information:

(1) the applicant's most recent Form 990, Form 990-EZ, or Form 990-N filed with the Internal Revenue Service. If the applicant has not been in existence long enough or is not required to file Form 990, Form 990-EZ, or Form 990-N, the applicant must demonstrate to the grantor that the applicant is exempt and must instead submit documentation of internal controls and the applicant's most recent financial statement prepared in accordance with generally accepted accounting principles and approved by the applicant's board of directors or trustees or, if there is no such board, by the applicant's managing group;

(2) evidence of registration and good standing with the secretary of state under Minnesota Statutes, chapter 317A, or other applicable law;

(3) unless exempt under Minnesota Statutes, section 309.515, evidence of registration and good standing with the attorney general under Minnesota Statutes, chapter 309; and

(4) if required under Minnesota Statutes, section 309.53, subdivision 3, the applicant's most recent audited financial statement prepared in accordance with generally accepted accounting principles.

Subd. 2. **Authority to postpone or forgo.** Notwithstanding any contrary provision in this act, a grantor that identifies an area of significant concern regarding the financial standing or management of a legislatively named applicant may postpone or forgo awarding the grant.

Subd. 3. **Authority to award subject to additional assistance and oversight.** A grantor that identifies an area of significant concern regarding an applicant's financial standing or management may award a grant to the applicant if the grantor provides or the grantee otherwise obtains additional technical assistance, as needed, and the grantor imposes additional requirements in the grant agreement. Additional requirements may include but are not limited to enhanced monitoring, additional reporting, or other reasonable requirements imposed by the grantor to protect the interests of the state.

Subd. 4. **Relation to other law and policy.** The requirements in this section are in addition to any other requirements imposed by law; the commissioner of administration under Minnesota Statutes, sections 16B.97 and 16B.98; or agency policy."

Amend the title as follows:

Page 1, line 5, delete "trials" and insert "trails" and after the second semicolon, insert "requiring financial review of certain grant recipients;"

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Olson, L., from the Committee on Ways and Means to which was referred:

H. F. No. 2073, A bill for an act relating to higher education; providing funding and policy related changes for the Office of Higher Education, Minnesota State Colleges and Universities, the University of Minnesota, and the Mayo Clinic; creating and modifying certain scholarships and student aid programs; creating and modifying grant programs to higher education institutions; establishing the Inclusive Higher Education Technical Assistance Center; creating a direct admissions program; establishing higher education bonding policy; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 136A.101, subdivisions 5a, 7; 136A.121, subdivisions 6, 9, 13; 136A.1241, subdivision 5; 136A.125, subdivision 4; 136A.126, subdivision 4; 136A.1312; 136A.1791, subdivision 3a; 136A.246, subdivisions 4, 5, 6, 8; 136F.04, subdivision 1; 136F.38, subdivisions 3, 4, 5; 175.45, subdivision 1; 354B.23, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; repealing Minnesota Statutes 2022, sections 136F.03; 136F.38, subdivision 2.

Reported the same back with the following amendments:

Page 13, line 10, delete "26" and insert "27"

Page 14, line 20, delete "27" and insert "28"

Page 27, after line 30, insert:

"Sec. 6. **FINANCIAL REVIEW OF NONPROFIT GRANT RECIPIENTS REQUIRED.**

Subdivision 1. **Financial review required.** (a) Before awarding a competitive, legislatively named, single source, or sole source grant to a nonprofit organization under this act, the grantor must require the applicant to submit financial information sufficient for the grantor to document and assess the applicant's current financial

standing and management. Items of significant concern must be addressed with the applicant and resolved to the satisfaction of the grantor before a grant is awarded. The grantor must document the material requested and reviewed; whether the applicant had a significant operating deficit, a deficit in unrestricted net assets, or insufficient internal controls; whether and how the applicant resolved the grantor's concerns; and the grantor's final decision. This documentation must be maintained in the grantor's files.

(b) At a minimum, the grantor must require each applicant to provide the following information:

(1) the applicant's most recent Form 990, Form 990-EZ, or Form 990-N filed with the Internal Revenue Service. If the applicant has not been in existence long enough or is not required to file Form 990, Form 990-EZ, or Form 990-N, the applicant must demonstrate to the grantor that the applicant is exempt and must instead submit documentation of internal controls and the applicant's most recent financial statement prepared in accordance with generally accepted accounting principles and approved by the applicant's board of directors or trustees, or if there is no such board, by the applicant's managing group;

(2) evidence of registration and good standing with the secretary of state under Minnesota Statutes, chapter 317A, or other applicable law;

(3) unless exempt under Minnesota Statutes, section 309.515, evidence of registration and good standing with the attorney general under Minnesota Statutes, chapter 309; and

(4) if required under Minnesota Statutes, section 309.53, subdivision 3, the applicant's most recent audited financial statement prepared in accordance with generally accepted accounting principles.

Subd. 2. **Authority to postpone or forgo.** Notwithstanding any contrary provision in this act, a grantor that identifies an area of significant concern regarding the financial standing or management of a legislatively named applicant may postpone or forgo awarding the grant.

Subd. 3. **Authority to award subject to additional assistance and oversight.** A grantor that identifies an area of significant concern regarding an applicant's financial standing or management may award a grant to the applicant if the grantor provides or the grantee otherwise obtains additional technical assistance, as needed, and the grantor imposes additional requirements in the grant agreement. Additional requirements may include but are not limited to enhanced monitoring, additional reporting, or other reasonable requirements imposed by the grantor to protect the interests of the state.

Subd. 4. **Relation to other law and policy.** The requirements in this section are in addition to any other requirements imposed by law, the commissioner of administration under Minnesota Statutes, sections 16B.97 to 16B.98, or agency policy."

Page 46, after line 21, insert:

"Sec. 25. **[268.193] POSTSECONDARY UNEMPLOYMENT INSURANCE AID.**

Subdivision 1. **Postsecondary institutions.** For the purposes of this section, "eligible postsecondary institution" means:

(1) the University of Minnesota;

(2) a postsecondary institution governed by the Board of Trustees of the Minnesota State Colleges and Universities; or

(3) a Tribal college, which includes Leech Lake Tribal College, White Earth Tribal College, or Red Lake Nation Tribal College.

Subd. 2. **Unemployment insurance aid.** Eligible postsecondary institutions are eligible to receive unemployment insurance aid under this section. For each fiscal year, an eligible entity's aid is the difference between fiscal year 2022's unemployment insurance costs and the current year's unemployment insurance costs, as reflected in the unemployment insurance employer accounts maintained by the state. If the total eligible unemployment insurance aid for a fiscal year is greater than the annual appropriation for that year, the Board of Trustees of the Minnesota State Colleges and Universities or the commissioner of the Office of Higher Education, as applicable, must proportionately reduce the aid payment to each eligible entity.

EFFECTIVE DATE. This section is effective for aid beginning in fiscal year 2024."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the second semicolon, insert "providing aid to postsecondary institutions for unemployment insurance;"

Page 1, line 8, after the first semicolon, insert "requiring financial review of nonprofit grant recipients;"

Correct the title numbers accordingly

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Hansen, R., from the Committee on Environment and Natural Resources Finance and Policy to which was referred:

H. F. No. 2310, A bill for an act relating to state government; appropriating money for environment and natural resources; modifying utilities license and permit provisions; modifying commissioner's duties; modifying disposition of certain receipts; modifying and providing for fees; modifying provisions for water and soil conservation; modifying requirements to notify of water pollution; modifying provisions for waste management assistance; modifying certain environmental stewardship and grant programs; providing for environmental justice considerations in certain permitting; prohibiting lead and cadmium in certain consumer products; modifying report requirements; requiring reports; requiring rulemaking; amending Minnesota Statutes 2022, sections 84.415, subdivisions 3, 6, 7, by adding a subdivision; 84D.15, subdivision 2; 85.055, subdivision 1; 86B.005, by adding a subdivision; 86B.415, subdivisions 1, 1a, 2, 3, 4, 5, 7; 97A.473, subdivisions 2, 2a, 2b, 5, 5a; 97A.474, subdivision 2; 97A.475, subdivisions 6, 7, 8, 10, 10a, 11, 12, 13; 97C.087, subdivision 2; 103B.101, subdivisions 9, 16, by adding a subdivision; 103B.103; 103C.501, subdivisions 1, 4, 5, 6; 103D.605, subdivision 5; 103F.505; 103F.511, by adding a subdivision; 103G.2242, subdivision 1; 103G.271, subdivision 6; 103G.301, subdivision 2; 115.03, subdivision 1; 115.061; 115A.03, by adding a subdivision; 115A.1415; 115A.49; 115A.51; 115A.54, subdivisions 1, 2, 2a; 115A.565, subdivisions 1, 3; 115B.17, subdivision 14; 115B.171, subdivision 3; 115B.52, subdivision 4; 116.06, by adding subdivisions; 116.07, subdivision 6, by adding a subdivision; 168.1295, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 103B; 103F; 116; 325E; repealing Minnesota Statutes 2022, sections 103C.501, subdivisions 2, 3; 115.44, subdivision 9; 116.011; 325E.389; 325E.3891; Minnesota Rules, parts 8400.0500; 8400.0550; 8400.0600, subparts 4, 5; 8400.0900, subparts 1, 2, 4, 5; 8400.1650; 8400.1700; 8400.1750; 8400.1800; 8400.1900.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS

Section 1. **ENVIRONMENT AND NATURAL RESOURCES 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 "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2024</u>	<u>2025</u>

Sec. 2. **POLLUTION CONTROL AGENCY**

<u>Subdivision 1. Total Appropriation</u>	<u>\$276,096,000</u>	<u>\$214,828,000</u>
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Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	151,113,000	81,891,000
<u>State Government</u>		
<u>Special Revenue</u>	85,000	90,000
<u>Environmental</u>	105,227,000	112,600,000
<u>Remediation</u>	19,671,000	20,247,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

The commissioner must present the agency's biennial budget for fiscal years 2026 and 2027 to the legislature in a transparent way by agency division, including the proposed budget bill and presentations of the budget to committees and divisions with jurisdiction over the agency's budget.

<u>Subd. 2. Environmental Analysis and Outcomes</u>	<u>46,983,000</u>	<u>41,231,000</u>
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Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	28,970,000	20,714,000
<u>Environmental</u>	17,764,000	20,312,000
<u>Remediation</u>	249,000	205,000

(a) \$122,000 the first year and \$125,000 the second year are from the general fund for:

(1) a municipal liaison to assist municipalities in implementing and participating in the rulemaking process for water quality standards and navigating the NPDES/SDS permitting process;

(2) enhanced economic analysis in the rulemaking process for water quality standards, including more-specific analysis and identification of cost-effective permitting;

(3) developing statewide economic analyses and templates to reduce the amount of information and time required for municipalities to apply for variances from water quality standards; and

(4) coordinating with the Public Facilities Authority to identify and advocate for the resources needed for urban, suburban, and Greater Minnesota municipalities to achieve permit requirements.

(b) \$216,000 the first year and \$219,000 the second year are from the environmental fund for a monitoring program under Minnesota Statutes, section 116.454.

(c) \$132,000 the first year and \$137,000 the second year are for monitoring water quality and operating assistance programs.

(d) \$390,000 the first year and \$399,000 the second year are from the environmental fund for monitoring ambient air for hazardous pollutants.

(e) \$106,000 the first year and \$109,000 the second year are from the environmental fund for duties related to harmful chemicals in children's products under Minnesota Statutes, sections 116.9401 to 116.9407. Of this amount, \$68,000 the first year and \$70,000 the second year are transferred to the commissioner of health.

(f) \$128,000 the first year and \$132,000 the second year are from the environmental fund for registering wastewater laboratories.

(g) \$1,492,000 the first year and \$1,519,000 the second year are from the environmental fund to continue perfluorochemical biomonitoring in eastern metropolitan communities, as recommended by the Environmental Health Tracking and Biomonitoring Advisory Panel, and to address other environmental health risks, including air quality. The communities must include Hmong and other immigrant farming communities. Of this amount, up to \$1,226,000 the first year and \$1,248,000 the second year are for transfer to the commissioner of health.

(h) \$61,000 the first year and \$62,000 the second year are from the environmental fund for the listing procedures for impaired waters required under this act.

(i) \$72,000 the first year and \$74,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(j) \$500,000 the first year is to facilitate the collaboration and modeling of greenhouse gas impacts, costs, and benefits of strategies to reduce statewide greenhouse gas emissions. This is a onetime appropriation.

(k) \$20,266,000 the first year and \$20,270,000 the second year are to establish and implement a local government water infrastructure grant program for local governmental units and Tribal governments. Of this amount, \$19,720,000 each year is for grants to support communities in planning and implementing projects that will allow for adaptation for a changing climate. At least 50 percent of the money granted under this paragraph must be for projects in the seven-county metropolitan area. This appropriation is available until June 30, 2027. The base for this appropriation in fiscal year 2026 and beyond is \$270,000.

(l) \$2,070,000 the first year and \$2,070,000 the second year are from the environmental fund to develop and implement a drinking water protection and PFAS response program related to emerging issues, including *Minnesota's PFAS Blueprint*.

(m) \$1,820,000 the second year is from the environmental fund to support improved management of data collected by the agency and its partners and regulated parties to facilitate decision-making and public access.

(n) \$500,000 the first year is for developing and implementing firefighter biomonitoring protocols required under this act. Of this amount, up to \$250,000 may be transferred to the commissioner of health for biomonitoring of firefighters. This appropriation is available until June 30, 2025.

(o) \$2,000,000 the first year is to develop protocols to be used by agencies and departments for sampling and testing groundwater, surface water, public drinking water, and private wells for microplastics and nanoplastics and to begin implementation. The commissioner of the Pollution Control Agency may transfer money appropriated under this paragraph to the commissioners of agriculture, natural resources, and health to implement the protocols developed. This is a onetime appropriation and is available until June 30, 2025.

(p) \$50,000 the first year is from the remediation fund for the work group on PFAS manufacturer fees and report required under this act.

(q) \$387,000 the first year and \$90,000 the second year are to develop and implement the requirements for fish kills under Minnesota Statutes, sections 103G.216 and 103G.2165. Of this amount, up to \$331,000 the first year and \$90,000 the second year may be transferred to the commissioners of health, natural resources, agriculture, and public safety and to the Board of Regents of the University of Minnesota as necessary to implement those sections. The base for this appropriation for fiscal year 2026 and beyond is \$7,000.

(r) \$63,000 the first year and \$92,000 the second year are for transfer to the commissioner of health for amending the health risk limit for PFOS. This is a onetime appropriation and is available until June 30, 2026.

(s) \$5,000,000 the first year is for community air-monitoring grants as provided in this act. This is a onetime appropriation and is available until June 30, 2025.

(t) \$625,000 the first year and \$779,000 the second year are from the environmental fund to adopt rules and implement air toxics emissions requirements under Minnesota Statutes, section 116.062. The base for this appropriation is \$669,000 in fiscal year 2026 and \$1,400,000 in fiscal year 2027 and beyond.

Subd. 3. **Industrial**

54,056,000

34,308,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>34,980,000</u>	<u>14,577,000</u>
<u>Environmental</u>	<u>17,355,000</u>	<u>17,958,000</u>
<u>Remediation</u>	<u>1,721,000</u>	<u>1,773,000</u>

(a) \$1,621,000 the first year and \$1,670,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(b) \$448,000 the first year and \$457,000 the second year are from the environmental fund to further evaluate the use and reduction of trichloroethylene around Minnesota and identify its potential health effects on communities. Of this amount, \$145,000 the first year and \$149,000 the second year are transferred to the commissioner of health.

(c) \$4,000 the first year and \$4,000 the second year are from the environmental fund to purchase air emissions monitoring equipment to support compliance and enforcement activities.

(d) \$3,200,000 the first year and \$3,200,000 the second year are to provide air emission reduction grants. Of this amount, \$2,800,000 each year is for grants to reduce air pollution at regulated facilities within environmental justice areas of concern. This appropriation is available until June 30, 2027, and is a onetime appropriation.

(e) \$40,000 the first year and \$40,000 the second year are for air compliance equipment maintenance. This is a onetime appropriation.

(f) \$20,000,000 the first year and \$300,000 the second year are to support research on innovative technologies to treat difficult-to-manage pollutants and for implementation grants based on this research at taconite facilities. Of this amount, \$2,100,000 is for transfer to the Board of Regents of the University of Minnesota for academic and applied research through the MnDRIVE program at the Natural Resources Research Institute for research to foster economic development of the state's natural resources in an environmentally sound manner and \$17,600,000 is for grants. Of the \$2,100,000 transferred, at least \$900,000 is to develop and demonstrate technologies that enhance the long-term health and management of Minnesota's water and mineral resources. This appropriation is for continued characterization of Minnesota's iron resources and development of next-generation process technologies for iron products and reduced effluent. This research must be conducted in consultation with the Mineral Coordinating Committee established under Minnesota Statutes, section 93.0015. This is a onetime appropriation and is available until June 30, 2027.

(g) \$500,000 the first year and \$500,000 the second year are for the purposes of biofuel wastewater monitoring requirements under Minnesota Statutes, section 115.03, subdivision 12.

(h) \$250,000 the first year is for a life cycle assessment of the presence of neonicotinoid pesticide in the production of ethanol, biodiesel, and advanced biofuel, including feedstocks, coproducts, air emissions, and the fuel itself. This is a onetime appropriation and is available until June 30, 2025. No later than December 15, 2024, the commissioner of the Pollution Control Agency must submit the assessment, including recommendations, to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and environment.

(i) \$670,000 the first year and \$522,000 the second year are from the general fund and \$277,000 the first year and \$277,000 the second year are from the environmental fund for the purposes of

the nonexpiring state individual air quality permit requirements under Minnesota Statutes, section 116.07, subdivision 4m. The base for this appropriation in fiscal year 2026 and beyond is \$277,000 from the environmental fund.

(j) \$250,000 the first year and \$250,000 the second year are for rulemaking and implementation of the odor management requirements under Minnesota Statutes, section 116.063. The base for this appropriation is \$250,000 in fiscal year 2026 and \$500,000 in fiscal year 2027 and beyond.

(k) \$9,526,000 the first year and \$9,221,000 the second year are from the general fund for implementation of the environmental justice, cumulative impact analysis, and demographic analysis requirements under this act. This is a onetime appropriation and is available until June 30, 2028. The base for this appropriation in fiscal year 2026 and beyond is \$9,021,000 from the environmental fund.

Subd. 4. Municipal

10,725,000

11,373,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>761,000</u>	<u>767,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>85,000</u>	<u>90,000</u>
<u>Environmental</u>	<u>9,879,000</u>	<u>10,516,000</u>

(a) \$217,000 the first year and \$223,000 the second year are for:

(1) a municipal liaison to assist municipalities in implementing and participating in the rulemaking process for water quality standards and navigating the NPDES/SDS permitting process;

(2) enhanced economic analysis in the rulemaking process for water quality standards, including more-specific analysis and identification of cost-effective permitting;

(3) developing statewide economic analyses and templates to reduce the amount of information and time required for municipalities to apply for variances from water quality standards; and

(4) coordinating with the Public Facilities Authority to identify and advocate for the resources needed for municipalities to achieve permit requirements.

(b) \$50,000 the first year and \$50,000 the second year are from the environmental fund for transfer to the Office of Administrative Hearings to establish sanitary districts.

(c) \$1,240,000 the first year and \$1,338,000 the second year are from the environmental fund for subsurface sewage treatment system (SSTS) program administration and community technical assistance and education, including grants and technical assistance to communities for water-quality protection. Of this amount, \$350,000 each year is for assistance to counties through grants for SSTS program administration. A county receiving a grant from this appropriation must submit the results achieved with the grant to the commissioner as part of its annual SSTS report. Any unexpended balance in the first year does not cancel but is available in the second year.

(d) \$994,000 the first year and \$1,094,000 the second year are from the environmental fund to address the need for continued increased activity in new technology review, technical assistance for local governments, and enforcement under Minnesota Statutes, sections 115.55 to 115.58, and to complete the requirements of Laws 2003, chapter 128, article 1, section 165.

(e) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2025, as grants or contracts for subsurface sewage treatment systems, surface water and groundwater assessments, storm water, and water-quality protection in this subdivision are available until June 30, 2028.

Subd. 5. Operations

34,236,000

32,836,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
General	<u>23,250,000</u>	<u>21,859,000</u>
Environmental	<u>8,369,000</u>	<u>8,486,000</u>
Remediation	<u>2,617,000</u>	<u>2,491,000</u>

(a) \$1,154,000 the first year and \$1,124,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(b) \$3,000,000 the first year and \$3,109,000 the second year are to support agency information technology services provided at the enterprise and agency level to improve operations.

(c) \$906,000 the first year and \$919,000 the second year are from the environmental fund to develop and maintain systems to support agency permitting and regulatory business processes and data.

(d) \$2,000,000 the first year and \$2,000,000 the second year are to provide technical assistance to Tribal governments. This is a onetime appropriation.

(e) \$18,250,000 the first year and \$16,750,000 the second year are to support modernizing and automating agency environmental programs and data systems and how the agency provides services to regulated parties, partners, and the public. This appropriation is available until June 30, 2027. This is a onetime appropriation.

(f) \$270,000 the first year and \$270,000 the second year are from the environmental fund to support current and future career pathways for underrepresented students.

(g) \$700,000 the first year and \$700,000 the second year are from the environmental fund to improve the coordination, effectiveness, transparency, and accountability of the environmental review and permitting process.

(h) \$438,000 the first year and \$333,000 the second year are from the environmental fund for the Minnesota Pollution Control Agency citizen members.

Subd. 6. Remediation

40,318,000

16,022,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>25,000,000</u>	<u>-0-</u>
<u>Environmental</u>	<u>607,000</u>	<u>628,000</u>
<u>Remediation</u>	<u>14,711,000</u>	<u>15,394,000</u>

(a) All money for environmental response, compensation, and compliance in the remediation fund not otherwise appropriated is appropriated to the commissioners of the Pollution Control Agency and agriculture for purposes of Minnesota Statutes, section 115B.20, subdivision 2, clauses (1), (2), (3), (6), and (7). At the beginning of each fiscal year, the two commissioners must jointly submit to the commissioner of management and budget an annual spending plan that maximizes resource use and appropriately allocates the money between the two departments. This appropriation is available until June 30, 2025.

(b) \$415,000 the first year and \$426,000 the second year are from the environmental fund to manage contaminated sediment projects at multiple sites identified in the St. Louis River remedial action plan to restore water quality in the St. Louis River Area of Concern.

(c) \$4,476,000 the first year and \$4,622,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(d) \$308,000 the first year and \$316,000 the second year are from the remediation fund for transfer to the commissioner of health for private water-supply monitoring and health assessment costs in areas contaminated by unpermitted mixed municipal solid waste disposal facilities and drinking water advisories and public information activities for areas contaminated by hazardous releases.

(e) \$25,000,000 the first year is for grants to support planning, designing, and preparing for solutions for public water treatment systems contaminated with PFAS. The grants are to reimburse local public water supply operators for source investigations, sampling and treating private drinking water wells, and evaluating solutions for treating private drinking water wells. At least 50 percent of the money appropriated under this paragraph must be for grants in the seven-county metropolitan area. This appropriation is available until June 30, 2027, and is a onetime appropriation.

(f) \$76,000 the first year is from the remediation fund for the petroleum tank release cleanup program duties and report required under this act. This is a onetime appropriation.

Subd. 7. Resource Management and Assistance

75,025,000

63,467,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>31,477,000</u>	<u>18,655,000</u>
<u>Environmental</u>	<u>43,548,000</u>	<u>44,812,000</u>

(a) Up to \$150,000 the first year and \$150,000 the second year may be transferred from the environmental fund to the small business environmental improvement loan account under Minnesota Statutes, section 116.993.

(b) \$1,000,000 the first year and \$1,000,000 the second year are for competitive recycling grants under Minnesota Statutes, section 115A.565. Of this amount, \$300,000 the first year and \$300,000 the second year are from the general fund, and \$700,000 the first year and \$700,000 the second year are from the environmental fund. This appropriation is available until June 30, 2027.

(c) \$694,000 the first year and \$694,000 the second year are from the environmental fund for emission-reduction activities and grants to small businesses and other nonpoint-emission-reduction efforts. Of this amount, \$100,000 the first year and \$100,000 the second year are to continue work with Clean Air Minnesota, and the commissioner may enter into an agreement with Environmental Initiative to support this effort.

(d) \$22,450,000 the first year and \$22,450,000 the second year are for SCORE block grants to counties. Of this amount, \$4,000,000 the first year and \$4,000,000 the second year are from the general fund, and \$18,450,000 the first year and \$18,450,000 the second year are from the environmental fund. The base in fiscal year 2026 and beyond is \$18,450,000 from the environmental fund. For fiscal years 2024 and 2025, each county's allocation is based on Minnesota Statutes, section 115A.557, and \$2,000,000 must be used only for waste prevention and reuse activities.

(e) \$119,000 the first year and \$119,000 the second year are from the environmental fund for environmental assistance grants or loans under Minnesota Statutes, section 115A.0716.

(f) \$400,000 the first year and \$400,000 the second year are from the environmental fund for grants to develop and expand recycling markets for Minnesota businesses.

(g) \$767,000 the first year and \$770,000 the second year are from the environmental fund for reducing and diverting food waste, redirecting edible food for consumption, and removing barriers to collecting and recovering organic waste. Of this amount, \$500,000 each year is for grants to increase food rescue and waste prevention. This appropriation is available until June 30, 2027.

(h) \$2,797,000 the first year and \$2,811,000 the second year are from the environmental fund for the purposes of Minnesota Statutes, section 473.844.

(i) \$318,000 the first year and \$474,000 the second year are from the environmental fund to address chemicals in products, including to implement and enforce flame retardant provisions under Minnesota Statutes, section 325F.071, and perfluoroalkyl and polyfluoroalkyl substances in food packaging provisions under Minnesota Statutes, section 325F.075. Of this amount, \$78,000 the first year and \$80,000 the second year are transferred to the commissioner of health.

(j) \$180,000 the first year and \$140,000 the second year are for quantifying climate-related impacts from projects for environmental review. This is a onetime appropriation.

(k) \$1,790,000 the first year and \$70,000 the second year are for accelerating pollution prevention at small businesses. Of this amount, \$1,720,000 the first year is for zero-interest loans to phase out high-polluting equipment, products, and processes and replace with new options. This appropriation is available until June 30, 2027. This is a onetime appropriation.

(l) \$190,000 the first year and \$190,000 the second year are to support the Greenstep Cities program. This is a onetime appropriation.

(m) \$420,000 the first year is to complete a study on the viability of recycling solar energy equipment. This is a onetime appropriation.

(n) \$650,000 the first year and \$650,000 the second year are from the environmental fund for Minnesota GreenCorps investment.

(o) \$4,210,000 the first year and \$210,000 the second year are for PFAS reduction grants. Of this amount, \$4,000,000 the first year is for grants to industry and public entities to identify sources of PFAS entering facilities and to develop pollution prevention and reduction initiatives to reduce PFAS entering facilities, prevent releases, and monitor the effectiveness of these projects. Priority must be given to projects in underserved communities. This is a onetime appropriation and is available until June 30, 2027.

(p) \$12,940,000 the first year and \$12,940,000 the second year are for a waste prevention and reduction grants and loan program. This is a onetime appropriation and is available until June 30, 2027.

(q) \$825,000 the first year and \$1,453,000 the second year are from the environmental fund for rulemaking and implementation of the new PFAS requirements under Minnesota Statutes, section 116.943. Of this amount, \$312,000 the first year and \$468,000 the second year are for transfer to the commissioner of health. The base for this appropriation is \$1,115,000 in fiscal year 2026 and beyond. The base for the transfer to the commissioner of health in fiscal year 2026 and beyond is \$468,000.

(r) \$680,000 the first year is for the zero-waste report required in this act. This is a onetime appropriation and is available until June 30, 2026.

(s) \$1,592,000 the first year and \$805,000 the second year are for zero-waste grants under Minnesota Statutes, section 115A.566.

(t) \$35,000 the second year is from the environmental fund for the compostable labeling requirements under Minnesota Statutes, section 325E.046. The base for this appropriation in fiscal year 2026 and beyond is \$68,000.

(u) \$175,000 the first year is for the rulemaking required under this act providing for the safe and lawful disposal of waste treated seed. This appropriation is available until June 30, 2025.

(v) \$1,000,000 the first year is for a lead tackle reduction program that provides outreach, education, and opportunities to safely dispose of and exchange lead tackle throughout the state. This is a onetime appropriation and is available until June 30, 2025.

(w) \$4,000,000 is for a grant to the owner of a biomass energy generation plant in Shakopee that uses waste heat from the generation of electricity in the malting process to purchase a wood dehydrator to facilitate disposal of wood that is infested by the emerald ash borer. By October 1, 2024, the commissioner of the Pollution Control Agency must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources on the use of money appropriated under this paragraph.

(x) Any unencumbered grant and loan balances in the first year do not cancel but are available for grants and loans in the second year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2025, as contracts or grants for environmental assistance awarded under Minnesota Statutes, section 115A.0716; technical and research assistance under Minnesota Statutes, section 115A.152; technical assistance under Minnesota Statutes, section 115A.52; and pollution prevention assistance under Minnesota Statutes, section 115D.04, are available until June 30, 2027.

Subd. 8. Watershed

12,678,000

13,952,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>4,821,000</u>	<u>3,906,000</u>
<u>Environmental</u>	<u>7,484,000</u>	<u>9,662,000</u>
<u>Remediation</u>	<u>373,000</u>	<u>384,000</u>

(a) \$3,000,000 the first year and \$3,000,000 the second year are for grants to delegated counties to administer the county feedlot program under Minnesota Statutes, section 116.0711, subdivisions 2 and 3. Money remaining after the first year is available for the second year. The base for this appropriation in fiscal year 2026 and beyond is \$1,959,000.

(b) \$236,000 the first year and \$241,000 the second year are from the environmental fund for the costs of implementing general operating permits for feedlots over 1,000 animal units.

(c) \$125,000 the first year and \$129,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(d) \$459,000 the first year and \$494,000 the second year are from the general fund and \$1,680,000 the second year is from the environmental fund to implement feedlot financial assurance requirements and compile the annual feedlot and manure storage area lists required under Minnesota Statutes, section 116.07, subdivisions 7f and 7g. The general fund base for this appropriation in fiscal year 2026 and beyond is \$315,000. The environmental fund base in fiscal year 2026 and beyond is \$1,680,000.

(e) \$700,000 the first year is for distribution to delegated counties based on registered feedlots and manure storage areas for inspections of manure storage areas and the abandoned manure storage area reports required under this act. This appropriation is available until June 30, 2025.

(f) \$250,000 the first year is for a grant to the Minnesota Association of County Feedlot Officers to provide training on state feedlot requirements, working efficiently and effectively with producers, and reducing the incidence of manure or nutrients entering surface water or groundwater.

(g) \$140,000 the first year and \$140,000 the second year are for the Pig's Eye Landfill Task Force.

Subd. 9. Environmental Quality Board

2,075,000

1,639,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>1,854,000</u>	<u>1,413,000</u>
<u>Environmental</u>	<u>221,000</u>	<u>226,000</u>

\$620,000 the first year and \$140,000 the second year are to develop a Minnesota-based greenhouse gas sector and source-specific guidance, including climate information, a greenhouse gas calculator, and technical assistance for users. This is a onetime appropriation.

Subd. 10. Transfers

(a) The commissioner must transfer up to \$23,000,000 the first year and \$24,000,000 the second year from the environmental fund to the remediation fund for purposes of the remediation fund under Minnesota Statutes, section 116.155, subdivision 2. The base for this transfer is \$24,000,000 in fiscal year 2026 and beyond.

(b) By June 30, 2024, the commissioner of management and budget must transfer \$29,055,000 from the general fund to the metropolitan landfill contingency action trust account in the remediation fund to restore the money transferred from the account as intended under Laws 2003, chapter 128, article 1, section 10, paragraph (e), and Laws 2005, First Special Session chapter 1, article 3, section 17, and to compensate the account for the estimated lost investment income.

Sec. 3. NATURAL RESOURCES**Subdivision 1. Total Appropriation****\$569,950,000****\$424,403,000****Appropriations by Fund**

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>307,778,000</u>	<u>165,064,000</u>
<u>Natural Resources</u>	<u>125,611,000</u>	<u>124,456,000</u>
<u>Game and Fish</u>	<u>129,903,000</u>	<u>131,814,000</u>
<u>Remediation</u>	<u>117,000</u>	<u>117,000</u>
<u>Permanent School</u>	<u>791,000</u>	<u>702,000</u>
<u>Reinvest in Minnesota Resources</u>	<u>5,750,000</u>	<u>2,250,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Land and Mineral Resources Management**9,095,000****8,828,000****Appropriations by Fund**

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>4,095,000</u>	<u>3,828,000</u>
<u>Natural Resources</u>	<u>4,438,000</u>	<u>4,438,000</u>
<u>Game and Fish</u>	<u>344,000</u>	<u>344,000</u>
<u>Permanent School</u>	<u>218,000</u>	<u>218,000</u>

(a) \$319,000 the first year and \$319,000 the second year are for environmental research relating to mine permitting, of which \$200,000 each year is from the minerals management account in the natural resources fund and \$119,000 each year is from the general fund.

(b) \$3,383,000 the first year and \$3,383,000 the second year are from the minerals management account in the natural resources fund for use as provided under Minnesota Statutes, section 93.2236, paragraph (c), for mineral resource management, projects to enhance future mineral income, and projects to promote new mineral-resource opportunities.

(c) \$218,000 the first year and \$218,000 the second year are transferred from the forest suspense account to the permanent school fund and are appropriated from the permanent school fund to secure maximum long-term economic return from the school trust lands consistent with fiduciary responsibilities and sound natural resources conservation and management principles.

(d) \$338,000 the first year and \$338,000 the second year are from the water management account in the natural resources fund for mining hydrology.

(e) \$1,052,000 the first year and \$242,000 the second year are for modernizing utility licensing for state lands and public waters. The first year appropriation is available through fiscal year 2026.

(f) \$125,000 the first year and \$125,000 the second year are for conservation stewardship.

Subd. 3. Ecological and Water Resources

58,394,000

46,763,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>37,664,000</u>	<u>26,008,000</u>
<u>Natural Resources</u>	<u>15,006,000</u>	<u>15,031,000</u>
<u>Game and Fish</u>	<u>5,724,000</u>	<u>5,724,000</u>

(a) \$5,397,000 the first year and \$5,422,000 the second year are from the invasive species account in the natural resources fund and \$2,831,000 the first year and \$2,831,000 the second year are from the general fund for management, public awareness, assessment and monitoring research, and water access inspection to prevent the spread of invasive species; management of invasive plants in public waters; and management of terrestrial invasive species on state-administered lands.

(b) \$6,056,000 the first year and \$6,056,000 the second year are from the water management account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 103G.27, subdivision 2.

(c) \$124,000 the first year and \$124,000 the second year are for a grant to the Mississippi Headwaters Board for up to 50 percent of the cost of implementing the comprehensive plan for the upper

Mississippi within areas under the board's jurisdiction. By December 15, 2025, the board must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources on the activities funded under this paragraph and the progress made in implementing the comprehensive plan.

(d) \$10,000 the first year and \$10,000 the second year are for payment to the Leech Lake Band of Chippewa Indians to implement the band's portion of the comprehensive plan for the upper Mississippi River.

(e) \$300,000 the first year and \$300,000 the second year are for grants for up to 50 percent of the cost of implementing the Red River mediation agreement. The base for this appropriation in fiscal year 2026 and beyond is \$264,000.

(f) \$2,498,000 the first year and \$2,498,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified in Minnesota Statutes, section 297A.94, paragraph (h), clause (1).

(g) \$1,150,000 the first year and \$1,150,000 the second year are from the nongame wildlife management account in the natural resources fund for nongame wildlife management. Notwithstanding Minnesota Statutes, section 290.431, \$100,000 the first year and \$100,000 the second year may be used for nongame wildlife information, education, and promotion.

(h) Notwithstanding Minnesota Statutes, section 84.943, \$48,000 the first year and \$48,000 the second year from the critical habitat private sector matching account may be used to publicize the critical habitat license plate match program.

(i) \$5,700,000 the first year and \$6,000,000 the second year are for the following activities:

(1) financial reimbursement and technical support to soil and water conservation districts or other local units of government for groundwater-level monitoring;

(2) surface water monitoring and analysis, including installing monitoring gauges;

(3) groundwater analysis to assist with water-appropriation permitting decisions;

(4) permit application review incorporating surface water and groundwater technical analysis;

(5) precipitation data and analysis to improve irrigation use;

(6) information technology, including electronic permitting and integrated data systems; and

(7) compliance and monitoring.

(j) \$410,000 the first year and \$410,000 the second year are from the heritage enhancement account in the game and fish fund and \$500,000 the first year and \$500,000 the second year are from the general fund for grants to the Minnesota Aquatic Invasive Species Research Center at the University of Minnesota to prioritize, support, and develop research-based solutions that can reduce the effects of aquatic invasive species in Minnesota by preventing spread, controlling populations, and managing ecosystems and to advance knowledge to inspire action by others.

(k) \$134,000 the first year and \$134,000 the second year are for increased capacity for broadband utility licensing for state lands and public waters.

(l) \$998,000 the first year and \$568,000 the second year are for protecting and restoring carbon storage in state-administered peatlands by reviewing and updating the state's peatland inventory, piloting a restoration project, and piloting trust fund buyouts. This is a onetime appropriation and is available until June 30, 2028.

(m) \$900,000 the first year is for a grant to the Minnesota Lakes and Rivers Advocates to work with civic leaders to purchase, install, and operate waterless cleaning stations for watercraft; conduct aquatic invasive species education; and implement education upgrades at public accesses to prevent invasive starry stonewort spread beyond the lakes already infested. This is a onetime appropriation and is available until June 30, 2025.

(n) \$300,000 the first year is to prepare an analysis of alternative sources of water to resolve the water-use conflict in the Little Rock Creek area and to protect the stream from negative impacts due to groundwater use. The analysis must be submitted to the legislative committees and divisions with jurisdiction over environment and natural resources by June 30, 2027, and include:

(1) a conceptual engineering plan;

(2) an estimate of implementation costs and funding needs;

(3) governance and operational considerations;

(4) a development schedule; and

(5) an economic evaluation of lost revenue if no action is taken.

(o) \$6,000,000 the first year is for land acquisition and maintenance and restoration at Grey Cloud Dunes Scientific and Natural Area. This is a onetime appropriation and is available until June 30, 2027.

(p) \$6,000,000 the first year is for improved maintenance at scientific and natural areas under Minnesota Statutes, section 86A.05, subdivision 5, including additional natural resource specialists and technicians, coordinators, seasonal crews, equipment, supplies, and administrative support. This is a onetime appropriation and is available until June 30, 2027.

(q) The general fund base for the Ecological and Water Resources Division in fiscal year 2026 and beyond is \$25,004,000.

Subd. 4. Forest Management

116,725,000

76,067,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>99,072,000</u>	<u>58,389,000</u>
<u>Natural Resources</u>	<u>16,161,000</u>	<u>16,161,000</u>
<u>Game and Fish</u>	<u>1,492,000</u>	<u>1,517,000</u>

(a) \$7,521,000 the first year and \$7,521,000 the second year are for prevention, presuppression, and suppression costs of emergency firefighting and other costs incurred under Minnesota Statutes, section 88.12. The amount necessary to pay for presuppression and suppression costs during the biennium is appropriated from the general fund. By January 15 each year, the commissioner of natural resources must submit a report to the chairs and ranking minority members of the house and senate committees and divisions having jurisdiction over environment and natural resources finance that identifies all firefighting costs incurred and reimbursements received in the prior fiscal year. These appropriations may not be transferred. Any reimbursement of firefighting expenditures made to the commissioner from any source other than federal mobilizations must be deposited into the general fund.

(b) \$15,386,000 the first year and \$15,386,000 the second year are from the forest management investment account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 89.039, subdivision 2.

(c) \$1,492,000 the first year and \$1,517,000 the second year are from the heritage enhancement account in the game and fish fund to advance ecological classification systems (ECS), forest habitat, and invasive species management.

(d) \$906,000 the first year and \$926,000 the second year are for the Forest Resources Council to implement the Sustainable Forest Resources Act.

(e) \$1,143,000 the first year and \$1,143,000 the second year are for the Next Generation Core Forestry data system. Of this appropriation, \$868,000 each year is from the general fund and \$275,000 each year is from the forest management investment account in the natural resources fund.

(f) \$500,000 the first year and \$500,000 the second year are from the forest management investment account in the natural resources fund for forest road maintenance on state forest roads.

(g) \$500,000 the first year and \$500,000 the second year are for forest road maintenance on county forest roads.

(h) \$2,086,000 the first year and \$2,086,000 the second year are to support forest management, cost-share assistance, and inventory on private woodlands. This is a onetime appropriation.

(i) \$800,000 the first year and \$800,000 the second year are to accelerate tree seed collection to support a growing demand for tree planting on public and private lands. This is a onetime appropriation and is available until June 30, 2027.

(j) \$10,400,000 the first year and \$10,400,000 the second year are for grants to local and Tribal governments and nonprofit organizations to enhance community forest ecosystem health and sustainability under Minnesota Statutes, section 88.82, the Minnesota ReLeaf program. This appropriation is available until June 30, 2027. Money appropriated for grants under this paragraph may be used to pay reasonable costs incurred by the commissioner of natural resources to administer the grants. The base is \$400,000 beginning in fiscal year 2026.

(k) \$3,000,000 the first year and \$3,000,000 the second year are for forest stand improvement and to meet the reforestation requirements of Minnesota Statutes, section 89.002, subdivision 2. This is a onetime appropriation.

(l) \$5,000,000 is for purposes of the Lowland Conifer Carbon Reserve under Minnesota Statutes, section 88.85. This is a onetime appropriation and is available until June 30, 2026.

(m) \$37,000,000 the first year is for emerald ash borer response grants under Minnesota Statutes, section 88.83. This is a onetime appropriation and is available until June 30, 2030. The commissioner may use up to two percent of this appropriation to administer the grants. Of this amount:

(1) \$9,000,000 is for grants to local units of government responding or actively preparing to respond to an emerald ash borer infestation; and

(2) \$28,000,000 is for grants to a Minnesota nonprofit corporation that owns a cogeneration facility that serves a St. Paul district heating and cooling system.

(n) \$1,000,000 the first year is for grants to schools, including public and private schools, to plant trees on school grounds while providing hands-on learning opportunities for students. A grant application under this section must be prepared jointly with the parent-teacher organization or similar parent organization for the school. This is a onetime appropriation and is available until June 30, 2026.

Subd. 5. Parks and Trails Management

125,897,000

113,230,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
General	<u>50,094,000</u>	<u>38,707,000</u>
Natural Resources	<u>73,503,000</u>	<u>72,223,000</u>
Game and Fish	<u>2,300,000</u>	<u>2,300,000</u>

(a) \$7,985,000 the first year and \$7,985,000 the second year are from the natural resources fund for state trail, park, and recreation area operations. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (2).

(b) \$23,828,000 the first year and \$23,828,000 the second year are from the state parks account in the natural resources fund to operate and maintain state parks and state recreation areas.

(c) \$1,300,000 the first year and \$1,300,000 the second year are from the natural resources fund for park and trail grants to local units of government on land to be maintained for at least 20 years for parks or trails. Priority must be given for projects that are in underserved communities or that increase access to persons with disabilities. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (4). Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(d) \$9,624,000 the first year and \$9,624,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for the snowmobile grants-in-aid program. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(e) \$2,435,000 the first year and \$2,435,000 the second year are from the natural resources fund for the off-highway vehicle grants-in-aid program. Of this amount, \$1,960,000 each year is from the all-terrain vehicle account; \$150,000 each year is from the off-highway motorcycle account; and \$325,000 each year is from the off-road vehicle account. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(f) \$2,250,000 the first year and \$2,250,000 the second year are from the state land and water conservation account in the natural resources fund for priorities established by the commissioner for eligible state projects and administrative and planning activities consistent with Minnesota Statutes, section 84.0264, and the federal Land and Water Conservation Fund Act. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(g) \$250,000 the first year and \$250,000 the second year are for matching grants for local parks and outdoor recreation areas under Minnesota Statutes, section 85.019, subdivision 2.

(h) \$250,000 the first year and \$250,000 the second year are for matching grants for local trail connections under Minnesota Statutes, section 85.019, subdivision 4c.

(i) \$750,000 the first year is from the all-terrain vehicle account in the natural resources fund for a grant to St. Louis County to match other funding sources for design, right-of-way acquisition, permitting, and construction of trails within the Voyageur Country ATV trail system. This is a onetime appropriation and is available until June 30, 2026. This appropriation may be used as a local match to a 2023 state bonding award.

(j) \$700,000 the first year is from the all-terrain vehicle account in the natural resources fund for a grant to St. Louis County to match other funding sources for design, right-of-way acquisition, permitting, and construction of a new trail within the Prospector trail system. This is a onetime appropriation and is available until June 30, 2026. This appropriation may be used as a local match to a 2023 state bonding award.

(k) \$5,000,000 the first year is to facilitate the transfer of land within Upper Sioux Agency State Park required under this act, including but not limited to the acquisition of any land necessary to facilitate the transfer. This is a onetime appropriation and is available until June 30, 2033.

(l) \$10,000,000 the first year is to remove hazardous trees and replace ash trees with more diverse, climate-adapted species within the state park system. This is a onetime appropriation and is available until June 30, 2027.

(m) \$100,000 the first year is for the report on state trails required under this act.

(n) \$1,075,000 the first year and \$1,075,000 the second year are from the water recreation account in the natural resources fund for maintaining and enhancing public water-access facilities.

Subd. 6. Fish and Wildlife Management

116,489,000

99,230,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
General	<u>20,936,000</u>	<u>3,616,000</u>
Natural Resources	<u>2,082,000</u>	<u>2,082,000</u>
Game and Fish	<u>87,721,000</u>	<u>91,282,000</u>
Reinvest in Minnesota Resources	<u>5,750,000</u>	<u>2,250,000</u>

(a) \$10,458,000 the first year and \$10,658,000 the second year are from the heritage enhancement account in the game and fish fund only for activities specified under Minnesota Statutes, section 297A.94, paragraph (h), clause (1). Notwithstanding Minnesota Statutes, section 297A.94, five percent of this appropriation may be used for expanding hunter and angler recruitment and retention.

(b) \$982,000 the first year and \$982,000 the second year are from the general fund and \$1,675,000 the first year and \$1,675,000 the second year are from the game and fish fund for statewide response and management of chronic wasting disease. The commissioner and the Board of Animal Health must each submit annual reports on chronic wasting disease activities funded in this biennium to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources and agriculture. The general fund base for this appropriation in fiscal year 2026 and beyond is \$282,000.

(c) \$484,000 of the general fund appropriation for fiscal year 2023 in Laws 2021, First Special Session chapter 6, article 1, section 3, subdivision 6, paragraph (b), for planning for and emergency response to disease outbreaks in wildlife is canceled no later than June 29, 2023.

(d) \$8,546,000 the first year and \$8,546,000 the second year are from the deer management account for the purposes identified in Minnesota Statutes, section 97A.075, subdivision 1.

(e) \$134,000 the first year and \$134,000 the second year are for increased capacity for broadband utility licensing for state lands and public waters.

(f) \$15,000,000 the first year is for enhancing prairies and grasslands and restoring wetlands on state-owned wildlife management areas to sequester more carbon and enhance climate resiliency. This is a onetime appropriation and is available until June 30, 2027.

(g) \$500,000 the first year and \$500,000 the second year are from the general fund and \$500,000 the first year and \$500,000 the second year are from the heritage enhancement account in the game and fish fund for grants for natural-resource-based education and recreation programs serving youth under Minnesota Statutes, section 84.976, and for grant administration. Priority must be given to projects benefiting underserved communities. The base for this appropriation in fiscal year 2026 and beyond is \$500,000 from the heritage enhancement account in the game and fish fund. The general fund appropriation is onetime.

(h) \$400,000 the first year and \$400,000 the second year are from the heritage enhancement account in the game and fish fund for the walk-in access program under Minnesota Statutes, section 97A.126.

(i) \$1,000,000 the first year and \$1,000,000 the second year are from the game and fish fund for investments in fish management activities.

(j) \$2,000,000 the first year and \$2,000,000 the second year are for grants to the Fond du Lac Band of Lake Superior Chippewa to expand Minnesota's wild elk population and range. Consideration must be given to moving elk from existing herds in northwest Minnesota to the area of the Fond du Lac State Forest and the Fond du Lac Reservation in Carlton and southern St. Louis Counties. The Fond du Lac Band of Lake Superior Chippewa's elk reintroduction efforts must undergo thorough planning with the Department of Natural Resources to develop necessary capture and handling protocols, including protocols related to cervid disease management, and to produce postrelease state and Tribal elk comanagement plans. This is a onetime appropriation and is available until June 30, 2026.

(k) \$773,000 the first year is to examine the impacts of neonicotinoid exposure on the reproduction and survival of Minnesota's game species, including deer and prairie chicken. This is a onetime appropriation and is available until June 30, 2027.

(l) \$134,000 the first year and \$134,000 the second year are from the heritage enhancement account in the game and fish fund for native fish conservation and classification.

(m) \$1,400,000 the first year is for designating swan protection areas under Minnesota Statutes, section 97A.096, and to provide increased education and outreach promoting the protection of

swans in the state, including education regarding the restrictions on taking swans. This is a onetime appropriation and is available until June 30, 2026.

(n) \$65,000 the first year is for preparing the report on feral pigs and mink required under this act and holding at least one public meeting on the topic.

(o) Notwithstanding Minnesota Statutes, section 84.943, subdivision 3, \$5,750,000 the first year and \$2,250,000 the second year are transferred from the Minnesota critical habitat private sector matching account to the reinvest in Minnesota resources fund and are appropriated from the reinvest in Minnesota resources fund for wildlife management area acquisition. This appropriation is available until June 30, 2027.

(p) \$82,000 the first year is for the native fish reports required under this act. This is a onetime appropriation.

(q) Notwithstanding Minnesota Statutes, section 297A.94, \$300,000 the first year and \$300,000 the second year are from the heritage enhancement account in the game and fish fund for shooting sports facility grants under Minnesota Statutes, section 87A.10, including grants for archery facilities. Grants must be matched with a nonstate match, which may include in-kind contributions. Priority must be given to facilities that prohibit the use of lead ammunition. Recipients of money appropriated under this paragraph must provide information on the toxic effects of lead. This is a onetime appropriation and is available until June 30, 2026. This appropriation must be allocated as follows:

(1) \$200,000 each fiscal year is for grants of \$25,000 or less; and

(2) \$100,000 each fiscal year is for grants in excess of \$25,000.

Subd. 7. Enforcement

64,672,000

67,712,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>18,322,000</u>	<u>22,937,000</u>
<u>Natural Resources</u>	<u>13,911,000</u>	<u>14,011,000</u>
<u>Game and Fish</u>	<u>32,322,000</u>	<u>30,647,000</u>
<u>Remediation</u>	<u>117,000</u>	<u>117,000</u>

(a) \$1,718,000 the first year and \$1,718,000 the second year are from the general fund for enforcement efforts to prevent the spread of aquatic invasive species.

(b) \$2,080,000 the first year and \$1,892,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified under Minnesota Statutes, section 297A.94, paragraph (h), clause (1).

(c) \$1,442,000 the first year and \$1,442,000 the second year are from the water recreation account in the natural resources fund for grants to counties for boat and water safety. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(d) \$315,000 the first year and \$315,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for grants to local law enforcement agencies for snowmobile enforcement activities. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(e) \$250,000 the first year and \$250,000 the second year are from the all-terrain vehicle account in the natural resources fund for grants to qualifying organizations to assist in safety and environmental education and monitoring trails on public lands under Minnesota Statutes, section 84.9011. Grants issued under this paragraph must be issued through a formal agreement with the organization. By December 15 each year, an organization receiving a grant under this paragraph must report to the commissioner with details on expenditures and outcomes from the grant. Of this appropriation, \$25,000 each year is for administering these grants. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(f) \$510,000 the first year and \$510,000 the second year are from the natural resources fund for grants to county law enforcement agencies for off-highway vehicle enforcement and public education activities based on off-highway vehicle use in the county. Of this amount, \$498,000 each year is from the all-terrain vehicle account, \$11,000 each year is from the off-highway motorcycle account, and \$1,000 each year is from the off-road vehicle account. The county enforcement agencies may use money received under this appropriation to make grants to other local enforcement agencies within the county that have a high concentration of off-highway vehicle use. Of this appropriation, \$25,000 each year is for administering the grants. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(g) \$2,250,000 the first year and \$5,734,000 the second year are appropriated for inspections, investigations, and enforcement activities taken in conjunction with the Board of Animal Health for the white-tailed deer farm program and for statewide response and

management of chronic wasting disease. This appropriation is available until June 30, 2027. The base for fiscal year 2026 and beyond is \$3,250,000.

(h) \$3,000,000 of the general fund appropriation for fiscal years 2022 and 2023 in Laws 2021, First Special Session chapter 6, article 1, section 3, subdivision 7, paragraph (i), for inspections, investigations, and enforcement activities taken in conjunction with the Board of Animal Health for the white-tailed deer farm program is canceled no later than June 29, 2023.

(i) \$3,050,000 the first year is for modernizing the enforcement aviation fleet. This appropriation is available until June 30, 2027.

(j) \$360,000 the first year and \$360,000 the second year are for training department enforcement officers and for maintaining and storing equipment for conservation officer public safety responses. The training may not include training for duties unrelated to enforcement of game and fish laws. This is a onetime appropriation.

Subd. 8. Operations Support

2,434,000

1,408,000

(a) \$1,684,000 the first year and \$1,408,000 second year are for information technology security and modernization. This is a onetime appropriation.

(b) \$750,000 the first year is for legal costs. The unencumbered amount of the general fund appropriation in Laws 2019, First Special Session chapter 4, article 1, section 3, subdivision 8, for legal costs, estimated to be \$750,000, is canceled no later than June 29, 2023.

Subd. 9. Pass Through Funds

11,244,000

11,165,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
General	<u>10,161,000</u>	<u>10,171,000</u>
Natural Resources	<u>510,000</u>	<u>510,000</u>
Permanent School	<u>573,000</u>	<u>484,000</u>

(a) \$510,000 the first year and \$510,000 the second year are from the natural resources fund for grants to be divided equally between the city of St. Paul for the Como Park Zoo and Conservatory and the city of Duluth for the Lake Superior Zoo. This appropriation is from revenue deposited to the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (5).

(b) \$211,000 the first year and \$221,000 the second year are for the Office of School Trust Lands.

(c) \$250,000 the first year and \$150,000 the second year are transferred from the forest suspense account to the permanent school fund and are appropriated from the permanent school fund for transaction and project management costs for divesting of school trust lands within Boundary Waters Canoe Area Wilderness.

(d) \$323,000 the first year and \$334,000 the second year are transferred from the forest suspense account to the permanent school fund and are appropriated from the permanent school fund for the Office of School Trust Lands.

(e) \$9,950,000 the first year and \$9,950,000 the second year are to be added as a supplement to the 1854 Treaty Area agreement payment under Minnesota Statutes, section 97A.165. This is a onetime appropriation.

Subd. 10. Get Out MORE (Modernizing Outdoor Recreation Experiences)

65,000,000

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(a) \$65,000,000 the first year is for modernizing Minnesota's state-managed outdoor recreation experiences. Of this amount:

(1) \$25,000,000 is for enhancing access and welcoming new users to public lands and outdoor recreation facilities, including improvements to improve climate resiliency;

(2) \$4,000,000 is for modernizing camping and related infrastructure, including improvements to improve climate resiliency;

(3) \$25,000,000 is for modernizing fish hatcheries and fishing infrastructure; and

(4) \$11,000,000 is for restoring streams and modernizing water-related infrastructure with priority given to fish habitat improvements, dam removal, and improvements to improve climate resiliency.

(b) The commissioner may reallocate money appropriated in paragraph (a) across those purposes based on project readiness and priority. The appropriations in paragraph (a) are available until June 30, 2029.

EFFECTIVE DATE. Subdivisions 6, 7, and 8 are effective the day following final enactment.

Sec. 4. **BOARD OF WATER AND SOIL RESOURCES****\$52,086,000****\$46,574,000**

(a) \$3,116,000 the first year and \$3,116,000 the second year are for grants and payments to soil and water conservation districts for accomplishing the purposes of Minnesota Statutes, chapter 103C, and for other general purposes, nonpoint engineering, and implementation and stewardship of the reinvest in Minnesota reserve program. Expenditures may be made from this appropriation for supplies and services benefiting soil and water conservation districts. Any district receiving a payment under this paragraph must maintain a website that publishes, at a minimum, the district's annual report, annual audit, annual budget, and meeting notices.

(b) \$761,000 the first year and \$761,000 the second year are to implement, enforce, and provide oversight for the Wetland Conservation Act, including administering the wetland banking program and in-lieu fee mechanism.

(c) \$1,560,000 the first year and \$1,560,000 the second year are for the following:

(1) \$1,460,000 each year is for cost-sharing programs of soil and water conservation districts for accomplishing projects and practices consistent with Minnesota Statutes, section 103C.501, including perennially vegetated riparian buffers, erosion control, water retention and treatment, water quality cost-sharing for feedlots under 500 animal units and nutrient and manure management projects in watersheds where there are impaired waters, and other high-priority conservation practices; and

(2) \$100,000 each year is for county cooperative weed management programs and to restore native plants at selected invasive species management sites.

(d) \$166,000 the first year and \$166,000 the second year are to provide technical assistance to local drainage management officials and for the costs of the Drainage Work Group. The board must coordinate the activities of the Drainage Work Group according to Minnesota Statutes, section 103B.101, subdivision 13. The Drainage Work Group must review a drainage authority's power under Minnesota Statutes, chapter 103E, to consider the abandonment or dismantling of drainage systems; to re-meander, restore, or reconstruct a natural waterway that has been modified by drainage; or to deconstruct dikes, dams, or other water-control structures.

(e) \$100,000 the first year and \$100,000 the second year are for a grant to the Red River Basin Commission for water quality and floodplain management, including program administration. This appropriation must be matched by nonstate funds.

(f) \$140,000 the first year and \$140,000 the second year are for grants to Area II Minnesota River Basin Projects for floodplain management.

(g) \$125,000 the first year and \$125,000 the second year are for conservation easement stewardship.

(h) \$240,000 the first year and \$240,000 the second year are for a grant to the Lower Minnesota River Watershed District to defray the annual cost of operating and maintaining sites for dredge spoil to sustain the state, national, and international commercial and recreational navigation on the lower Minnesota River.

(i) \$2,000,000 the first year and \$2,000,000 the second year are for the lawns to legumes program under Minnesota Statutes, section 103B.104. The board may enter into agreements with local governments, Metro Blooms, and other organizations to support this effort. This appropriation is available until June 30, 2029. The base for fiscal year 2026 and each year thereafter is \$250,000.

(j) \$2,000,000 the first year and \$2,000,000 the second year are for the habitat enhancement landscape program under Minnesota Statutes, section 103B.106. This is a onetime appropriation and is available until June 30, 2029.

(k) \$203,000 the first year and \$203,000 the second year are for soil health practice adoption purposes consistent with the cost-sharing provisions of Minnesota Statutes, section 103C.501, and for soil health program responsibilities in consultation with the University of Minnesota Office for Soil Health.

(l) \$8,500,000 the first year and \$8,500,000 the second year are for conservation easements and to restore and enhance grasslands and adjacent lands consistent with Minnesota Statutes, sections 103F.501 to 103F.531, for the purposes of climate resiliency, adaptation, carbon sequestration, and related benefits. Of this amount, up to \$423,000 is for deposit in the water and soil conservation easement stewardship account established under Minnesota Statutes, section 103B.103. This is a onetime appropriation and is available until June 30, 2029. The board must give priority to leveraging nonstate funding, including practices, programs, and projects funded by the U.S. Department of Agriculture via the Conservation Reserve Enhancement Program, the Conservation Reserve Program, the Federal Inflation Reduction Act, the Federal Farm Bill, or the Climate-Smart Commodities Program.

(m) \$2,500,000 the first year and \$5,000,000 the second year are to acquire conservation easements and to restore and enhance peatlands and adjacent lands consistent with Minnesota Statutes, sections 103F.501 to 103F.531, for the purposes of climate

resiliency, adaptation, carbon sequestration, and related benefits. Of this amount, up to \$299,000 is for deposit in the water and soil conservation easement stewardship account established under Minnesota Statutes, section 103B.103. This is a onetime appropriation and is available until June 30, 2029. The board must give priority to leveraging nonstate funding, including practices, programs, and projects funded by the U.S. Department of Agriculture via the Conservation Reserve Enhancement Program, the Conservation Reserve Program, the Federal Inflation Reduction Act, the Federal Farm Bill, or the Climate-Smart Commodities Program.

(n) \$3,550,000 the first year and \$3,550,000 the second year are to enhance existing easements established under Minnesota Statutes, sections 103F.501 to 103F.531. Enhancements are for the purposes of climate resiliency, adaptation, and carbon sequestration and include but are not limited to increasing biodiversity and mitigating the effects of rainfall and runoff events. This is a onetime appropriation and is available until June 30, 2029. The board must give priority to leveraging nonstate funding, including practices, programs, and projects funded by the U.S. Department of Agriculture via the Conservation Reserve Enhancement Program, the Conservation Reserve Program, the Federal Inflation Reduction Act, the Federal Farm Bill, or the Climate-Smart Commodities Program.

(o) \$8,500,000 the first year and \$8,500,000 the second year are for water quality and storage practices and projects to protect infrastructure, improve water quality and related public benefits, and mitigate climate change impacts consistent with Minnesota Statutes, section 103F.05. This is a onetime appropriation and is available until June 30, 2029. The board must give priority to leveraging nonstate funding, including practices, programs, and projects funded by the U.S. Department of Agriculture via the Conservation Reserve Enhancement Program, the Conservation Reserve Program, the Federal Inflation Reduction Act, the Federal Farm Bill, or the Climate-Smart Commodities Program.

(p) \$4,673,000 the first year and \$4,673,000 the second year are for natural resources block grants to local governments to implement the Wetland Conservation Act and shoreland management program under Minnesota Statutes, chapter 103F, and local water management responsibilities under Minnesota Statutes, chapter 103B. The board may reduce the amount of the natural resources block grant to a county by an amount equal to any reduction in the county's general services allocation to a soil and water conservation district from the county's previous year allocation when the board determines that the reduction was disproportionate. The base for this appropriation in fiscal year 2026 and beyond is \$3,423,000.

(q) \$129,000 the first year and \$136,000 the second year are to accomplish the objectives of Minnesota Statutes, section 10.65, and related Tribal government coordination. The base for fiscal year 2026 and each year thereafter is \$144,000.

(r) \$5,000,000 the first year is to provide onetime state incentive payments to enrollees in the federal Conservation Reserve Program (CRP) during the continuous enrollment period and to enroll complementary areas in conservation easements consistent with Minnesota Statutes, section 103F.515. The board may establish payment rates based on land valuation and on environmental benefit criteria, including but not limited to surface water or groundwater pollution reduction, drinking water protection, soil health, pollinator and wildlife habitat, and other conservation enhancements. The board may use state funds to implement the program and to provide technical assistance to landowners or their agents to fulfill enrollment and contract provisions. The board must consult with the commissioners of agriculture, health, natural resources, and the Pollution Control Agency and the United States Department of Agriculture in establishing program criteria. This is a onetime appropriation and is available until June 30, 2027.

(s) \$3,000,000 the first year is to acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands and associated uplands of prairie and grasslands and to restore and enhance rivers and streams, riparian lands, and associated uplands of prairie and grasslands, in order to protect soil and water quality, support fish and wildlife habitat, reduce flood damage, and provide other public benefits. Minnesota Statutes, section 103F.515, applies to this program. The board must give priority to leveraging federal money by enrolling targeted new lands or enrolling environmentally sensitive lands that have expiring federal conservation agreements. The board is authorized to enter into new agreements and amend past agreements with landowners as required by Minnesota Statutes, section 103F.515, subdivision 5, to allow for restoration. Up to five percent of this appropriation may be used for restoration and enhancement.

(t) \$200,000 the first year is to establish the drainage registry information portal under Minnesota Statutes, section 103E.122.

(u) \$5,623,000 the first year and \$5,804,000 the second year are for agency administration and operation of the Board of Water and Soil Resources.

(v) The board may shift money in this section and may adjust the technical and administrative assistance portion of the funds to leverage federal or other nonstate funds or to address accountability, oversight, local government performance, or high-priority needs.

(w) Returned grants and payments are available for two years after they are returned or regrant, whichever is later. Funds must be regrant consistent with the purposes of this section. If an appropriation for grants in either year is insufficient, the appropriation in the other year is available for it.

(x) Notwithstanding Minnesota Statutes, section 16B.97, grants awarded from appropriations in this section are exempt from the Department of Administration, Office of Grants Management Policy 08-08 Grant Payments and 08-10 Grant Monitoring.

Sec. 5. **METROPOLITAN COUNCIL**

\$35,540,000

\$16,490,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>35,540,000</u>	<u>7,540,000</u>
<u>Natural Resources</u>	<u>8,950,000</u>	<u>8,950,000</u>

(a) \$7,540,000 the first year and \$7,540,000 the second year are for metropolitan-area regional parks operation and maintenance according to Minnesota Statutes, section 473.351. The base for this appropriation in fiscal year 2026 and beyond is \$2,540,000.

(b) \$8,950,000 the first year and \$8,950,000 the second year are from the natural resources fund for metropolitan-area regional parks and trails maintenance and operations. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (3).

(c) \$5,000,000 the first year is for developing a decision-making support tool set to help local partners quantify the risks of a changing climate and prioritize strategies that mitigate those risks. This is a onetime appropriation and is available until June 30, 2027.

(d) \$9,000,000 the first year is to modernize regional parks and trails. This is a onetime appropriation and is available until June 30, 2027.

(e) \$5,000,000 the first year is for reducing the amount of inflow and infiltration to the Metropolitan Council's metropolitan sanitary sewer disposal system. Of this amount, \$4,000,000 is for grants to cities for capital improvements in municipal wastewater collection systems under Minnesota Statutes, section 473.5491, and \$1,000,000 is for grants and loans to inspect, repair, and replace privately owned sewer service lines. Priority for grants and loans for privately owned lines must be given to applicants with a household income at or below 80 percent of area median income. This is a onetime appropriation and is available until June 30, 2026.

(f) \$9,000,000 the first year is for grants to implementing agencies to remove hazardous trees and replace ash trees with more diverse, climate-adapted species within the metropolitan regional park system. This is a onetime appropriation.

Sec. 6. **CONSERVATION CORPS MINNESOTA** **\$1,195,000** **\$1,195,000**

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
General	<u>705,000</u>	<u>705,000</u>
Natural Resources	<u>490,000</u>	<u>490,000</u>

Conservation Corps Minnesota may receive money appropriated from the natural resources fund under this section only as provided in an agreement with the commissioner of natural resources.

Sec. 7. **ZOOLOGICAL BOARD** **\$14,494,000** **\$13,812,000**

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
General	<u>14,239,000</u>	<u>13,557,000</u>
Natural Resources	<u>255,000</u>	<u>255,000</u>

(a) \$255,000 the first year and \$255,000 the second year are from the natural resources fund from revenue deposited under Minnesota Statutes, section 297A.94, paragraph (h), clause (5).

(b) \$850,000 the first year is to improve safety and security at the Minnesota Zoo. This is a onetime appropriation.

(c) \$250,000 the first year is for removing hazardous trees and replacing ash trees with more diverse, climate-adapted species. This is a onetime appropriation.

Sec. 8. **SCIENCE MUSEUM** **\$10,200,000** **\$1,710,000**

\$9,000,000 the first year and \$450,000 the second year are for debt reduction, rehiring and retaining employees, and reducing entrance fees for fiscal years 2024 and 2025.

Sec. 9. **LEGISLATIVE COORDINATING COMMISSION** **\$52,000** **\$52,000**

\$52,000 the first year and \$52,000 the second year are for the Legislative Water Commission established in this act.

Sec. 10. **UNIVERSITY OF MINNESOTA** **\$8,433,000** **\$1,856,000**

(a) \$1,633,000 the first year and \$1,856,000 the second year are for chronic wasting disease contingency plans developed by the Center for Infectious Disease Research and Policy. The center must

develop, refine, and share with relevant experts and stakeholders contingency plans regarding the potential transmission of chronic wasting disease from Cervidae to humans, livestock, and other species. The contingency plans must provide a blueprint for preparedness and response planning documents, including authoritative risk communication, education, and outreach materials. This is a onetime appropriation and is available until June 30, 2026.

(b) \$200,000 the first year is for the University of Minnesota Water Council to develop a scope of work, timeline, and budget for the 50-year clean water plan as required under this act.

(c) \$6,600,000 the first year is for the Minnesota Aquatic Invasive Species Research Center to enhance and implement the center's aquatic invasive species research-based solutions through:

(1) implementation of a watershed-scale carp management plan and additional research focused on site-specific method refinement and evaluation;

(2) creation of a long-term monitoring program with state and local partners that evaluates the feasibility of whole-lake zebra mussel control projects and the development of criteria for selecting and managing lakes;

(3) refinement and implementation of large-scale surveillance and early detection methods for high-priority aquatic invasive species, including but not limited to zebra mussels, spiny water flea, and starry stonewort; and

(4) development and sharing, with relevant experts and stakeholders, contingency plans regarding the potential risks of aquatic invasive species. The contingency plans must provide a blueprint for preparedness and response planning documents, including authoritative risk communication, education, and outreach materials. The communication, education, and outreach materials must be prepared in multiple languages, including but not limited to Tribal languages.

(d) The board must ensure that the Minnesota Aquatic Invasive Species Research Center coordinates research activities funded under paragraph (c) with Tribal governments.

(e) The appropriation under paragraph (c) is onetime and available until June 30, 2027.

Sec. 11. **PUBLIC SAFETY**

\$-0-

\$229,000

\$229,000 the second year is from the fire safety account in the special revenue fund for purposes of the class B firefighting foam requirements under Minnesota Statutes, section 325F.072.

ARTICLE 2
ENVIRONMENT AND NATURAL RESOURCES TRUST FUND

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 environment and natural resources trust fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025. Any unencumbered balance remaining in the first year does not cancel and is available for the second year or until the end of the appropriation. These are onetime appropriations.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2024</u>	<u>2025</u>

Sec. 2. **MINNESOTA RESOURCES**

<u>Subdivision 1. Total Appropriation</u>	<u>\$79,833,000</u>	<u>\$-0-</u>
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Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>Environment and</u>		
<u>Natural Resources</u>		
<u>Trust Fund</u>	79,644,000	-0-
<u>Great Lakes Protection</u>		
<u>Account</u>	189,000	-0-

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Definitions**

(a) "Trust fund" means the Minnesota environment and natural resources trust fund established under the Minnesota Constitution, article XI, section 14.

(b) "Great Lakes protection account" means the account referred to in Minnesota Statutes, section 116Q.02.

Subd. 3. **Foundational Natural Resource Data and Information**

	<u>8,219,000</u>	<u>-0-</u>
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(a) **Assessing Restorations for Rusty-Patched and Other Bumblebee Habitat**

\$75,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Friends of the Mississippi River to assess how prairie restoration and different

restoration seeding methods affect bumblebee abundance, diversity, and habitat and make recommendations to improve restoration outcomes.

(b) Removing Barriers to Carbon Market Entry

\$482,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to develop ground-tested carbon stock models of forest resources throughout Minnesota to enable better resource management of public and private forests as well as generate reliable tools for landowners seeking to enter carbon markets.

(c) Mapping Migratory Bird Pit Stops in Minnesota

\$340,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the National Audubon Society, Minnesota office, to identify avian migratory stopover sites, develop a shared decision-support tool, and publish guidance for conserving migratory birds in Minnesota. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(d) Enhancing Knowledge of Minnesota River Fish Ecology

\$199,000 the first year is from the trust fund to the commissioner of natural resources to collect baseline information about the diets, distribution, status, and movement patterns of fish in the Minnesota River to inform management and conservation decisions.

(e) Changing Distribution of Flying Squirrel Species in Minnesota

\$186,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural Resources Research Institute in Duluth to determine current distribution and habitat associations of northern and southern flying squirrels to fill key knowledge gaps in flying squirrel status in Minnesota.

(f) Statewide Forest Carbon Inventory and Change Mapping

\$987,000 the first year is from the trust fund to the commissioner of natural resources to work with Minnesota Forest Resources Council, Minnesota Forestry Association, the Board of Water and Soil Resources, and the University of Minnesota to develop a programmatic approach and begin collecting plot-based inventories on private forestland for use with remote sensing data to better assess changing forest conditions and climate mitigation opportunities across all ownerships in the state.

(g) Predicting the Future of Aquatic Species by Understanding the Past

\$170,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to use past and present information to model future ranges of native aquatic species in Minnesota to generate publicly available tools for species and habitat management.

(h) Assessing Status of Common Tern Populations in Minnesota

\$199,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural Resources Research Institute in Duluth to assess the population status of Common Tern breeding colonies in Minnesota, implement management activities, and develop a standardized monitoring protocol and online database for accessing current and historic monitoring data to help prioritize conservation and restoration actions for this state-threatened species.

(i) Salvaged Wildlife to Inform Environmental Health, Ecology, and Education

\$486,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, Bell Museum of Natural History, to establish a statewide network to collect, analyze, and archive salvaged dead wildlife and build a foundation of biodiversity resources to track ecosystem-wide changes, monitor environmental health, and educate Minnesotans about the value of scientific specimens.

(j) Developing Conservation Priorities for Rare and Specialist Bees

\$619,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to collect data on rare and specialist bees and their habitat preferences, determine their conservation status, and develop strategies to improve their chances of survival.

(k) Efficacy of Urban Archery Hunting to Manage Deer

\$393,000 the first year is from the trust fund to the Board of Trustees of the Minnesota State Colleges and Universities for Bemidji State University to conduct an analysis of deer survival, habitat use, and hunter data in the city of Bemidji to improve special archery hunt management practices in urban areas of the state.

(l) Mapping the Ecology of Urban and Rural Canids

\$601,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to determine how disease prevalence, diet, habitat use, and interspecies interactions of coyotes and foxes change from urban to rural areas along the Mississippi River corridor.

(m) Maximizing Lowland Conifer Ecosystem Services - Phase II

\$482,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to continue monitoring forested peatland hydrology and wildlife, conduct new wildlife and habitat surveys, and quantify carbon storage to provide support for management decisions.

(n) Modernizing Minnesota's Wildlife (and Plant) Action Plan

\$889,000 the first year is from the trust fund to the commissioner of natural resources to modernize the Minnesota Wildlife Action Plan by filling critical data gaps, including adding rare plants to the plan, and standardizing conservation status assessment methods to ensure Minnesota's natural heritage is protected into the future.

(o) Linking Breeding and Migratory Bird Populations in Minnesota

\$199,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Hawk Ridge Bird Observatory to map year-round habitat use of understudied bird species of special conservation concern and evaluate areas with the greatest risk of contaminant exposure.

(p) Old Growth Forest Monitoring

\$441,000 the first year is from the trust fund to the commissioner of natural resources to establish baseline conditions and develop a cost-effective method to monitor approximately 93,000 acres of old growth forest in Minnesota to ensure that these rare and important forest resources are properly protected.

(q) Integrating Remotely Sensed Data with Traditional Forest Inventory

\$191,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural Resources Research Institute in Duluth to calibrate and optimize the use of LiDAR for forest inventory purposes and estimate stand-level forest resource metrics in northeastern Minnesota so ecosystem services can be better considered in management decisions.

(r) Community Response Monitoring for Adaptive Management in Southeast Minnesota

\$483,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with The Nature Conservancy to assess community-level plant and animal responses to past restoration efforts in select southeast Minnesota conservation focus areas to determine if management outcomes are being achieved.

(s) Minnesota Biodiversity Atlas - Phase III

\$797,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, Bell Museum of Natural History, to expand the Minnesota Biodiversity Atlas to include more than 2,000,000 records and images of Minnesota wildlife, plants, and fungi by adding insect specimens, collections from new partners, historical data, and repatriating records of Minnesota's biodiversity that exist in various federal institutions.

Subd. 4. Water Resources8,328,000-0-Appropriations by FundEnvironment and
Natural Resources

<u>Trust Fund</u>	<u>8,139,000</u>	<u>-0-</u>
<u>Great Lakes Protection Account</u>	<u>189,000</u>	<u>-0-</u>

(a) Ditching Delinquent Ditches: Optimizing Wetland Restoration

\$199,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to use new techniques to identify and rank areas statewide where targeted removal of poorly functioning drainage ditches and restoration to wetlands can provide maximum human and ecological benefits, including aquifer recharge and flood prevention.

(b) Assessment of Red River Basin Project Outcomes

\$920,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Red River Watershed Management Board acting as fiscal agent for the Red River Basin Flood Damage Reduction Work Group to plan and implement multiresource monitoring at flood damage reduction and natural resource enhancement projects across the Red River Basin to evaluate outcomes and improve design of future projects at a regional scale. This appropriation is available until June 30, 2028, by which time the project must be completed and final products delivered.

(c) Wind Wave and Boating Impacts on Inland Lakes

\$415,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the St. Anthony Falls Laboratory to conduct a field study to measure the impacts of boat propeller wash and boat wakes on lake bottoms, shorelines, and water quality compared to the impacts of wind-generated waves.

(d) Finding, Capturing, and Destroying PFAS in Minnesota Waters

\$478,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to develop novel methods for the detection, sequestration, and degradation of poly- and perfluoroalkyl substances (PFAS) in Minnesota's lakes and rivers.

(e) Sinking and Suspended Microplastic Particles in Lake Superior

\$412,000 the first year is to the Board of Regents of the University of Minnesota for the Large Lakes Observatory in Duluth to investigate the abundance, characteristics, and fate of microplastic particles in Lake Superior to inform remediation strategies and analyses of environmental impacts. Of this amount, \$189,000 is from the Great Lakes protection account and \$223,000 is from the trust fund. These appropriations may also be used to educate the public about the research conducted with this appropriation.

(f) Ecotoxicological Impacts of Quinone Outside Inhibitor (QoI) Fungicides

\$279,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the University of St. Thomas to assess the ecological hazards associated with QoI fungicides and their major environmental transformation products.

(g) Brightsdale Dam Channel Restoration

\$1,004,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Fillmore County Soil and Water Conservation District to reduce sedimentation and improve aquatic habitat by restoring a channel of the north branch of the Root River at the site of a failed hydroelectric power dam that was removed in 2003.

(h) Mapping Aquifer Recharge Potential

\$391,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the St. Anthony Falls Laboratory to partner with the Freshwater Society to develop a practical tool for mapping aquifer recharge potential, demonstrate

the tool with laboratory and field tests, use the tool to evaluate recharge potential of several aquifers in Minnesota, and analyze aquifer recharge policy.

(i) ALASD's Chloride Source Reduction Pilot Program

\$764,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Alexandria Lake Area Sanitary District (ALASD) to coordinate with Douglas County and the Pollution Control Agency to pilot an incentive program for residences and businesses to install high-efficiency water softeners, salt-free systems, or softener discharge disposal systems to reduce the annual salt load to Lake Winona and downstream waters. The pilot program includes rebates, inspections, community education, and water quality monitoring to measure chloride reduction success. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(j) Removing CECs from Stormwater with Biofiltration

\$641,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the St. Anthony Falls Laboratory to develop a treatment practice design using biofiltration media to remove contaminants of emerging concern (CECs) from stormwater runoff and to provide statewide stormwater management guidance.

(k) Didymo II The North Shore Threat Continues

\$394,000 the first year is from the trust fund to the Science Museum of Minnesota for the St. Croix Watershed Research Station to identify North Shore streams with didymo, determine the risk of invasion to other streams, document didymo impacts to stream functioning, and develop strategies to prevent further spread of didymo.

(l) Leveraging Data Analytics Innovations for Watershed District Planning

\$738,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Minnehaha Creek Watershed District to integrate local and statewide data sets into a high-resolution planning tool that forecasts the impacts of changing precipitation patterns and quantitatively compares cost effectiveness and outcomes for water quality, ecological integrity, and flood prevention projects in the district. Minnehaha Creek Watershed District may license third parties to use products developed with this appropriation without further approval from the legislature or the Legislative-Citizen Commission on Minnesota Resources, provided the licensing does not generate income. This appropriation is subject to Minnesota Statutes, section 116P.10.

(m) Protecting Water in the Central Sands Region of the Mississippi River Headwaters

\$1,693,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the White Earth Band of Minnesota Chippewa Indians to conduct a policy analysis and assess aggregate irrigation impacts on water quality and quantity in the Pineland Sands region of the state.

Subd. 5. Environmental Education

3,905,000

-0-

(a) Fostering Conservation by Connecting Students to the BWCA

\$1,080,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Friends of the Boundary Waters Wilderness to connect Minnesota youth to the Boundary Waters through environmental education, experiential learning, and wilderness canoe trips.

(b) Statewide Environmental Education via PBS Outdoor Series

\$391,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Pioneer Public Broadcasting Service to produce new episodes of a statewide public television series and an educational web page designed to inspire Minnesotans to connect with the outdoors and to restore and protect the state's natural resources.

(c) Increasing Diversity in Environmental Careers

\$763,000 the first year is from the trust fund to the commissioner of natural resources in cooperation with Conservation Corps Minnesota and Iowa to ensure a stable and prepared natural resources work force in Minnesota by encouraging a diversity of students to pursue careers in environment and natural resources through internships, mentorships, and fellowships with the Department of Natural Resources, the Board of Water and Soil Resources, and the Pollution Control Agency. This appropriation is available until June 30, 2028, by which time the project must be completed and final products delivered.

(d) Reducing Biophobia & Fostering Environmental Stewardship in Underserved Schools

\$180,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Raptor Center to foster long-lasting environmental stewardship and literacy in Minnesota youth in underserved schools by providing engaging, multiunit, standards-based environmental programming featuring positive interactions with raptors and evaluating program effectiveness and areas for improvement.

(e) Sharing Minnesota's Biggest Environmental Investment

\$628,000 the first year is from the trust fund to the Science Museum of Minnesota, in coordination with the Legislative-Citizen Commission on Minnesota Resources (LCCMR), to increase public access to the results of LCCMR-recommended research, including through a free online interactive map, in-depth videos, and public events.

(f) North Shore Private Forestry Outreach and Implementation

\$375,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Sugarloaf: The North Shore Stewardship Association to conduct outreach to private forest landowners, develop site restoration plans, and connect landowners with restoration assistance to encourage private forest restoration and improve the ecological health of Minnesota's North Shore forest landscape.

(g) Teaching Students about Watersheds through Outdoor Science

\$290,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Minnesota Trout Unlimited to engage students in classroom and outdoor hands-on learning focused on water quality, groundwater, aquatic life, and watershed stewardship and provide youth and their families with fishing experiences to further foster a conservation ethic.

(h) Bioblitz Urban Parks: Engaging Communities in Scientific Efforts

\$198,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Minneapolis Park and Recreation Board to work with volunteers to collect baseline biodiversity data for neighborhood and regional parks to inspire stewardship and inform habitat restoration work.

Subd. 6. Aquatic and Terrestrial Invasive Species

5,104,000

-0-

(a) Northward Expansion of Ecologically Damaging Amphibians and Reptiles

\$163,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to assess the distribution and potential for expansion of key detrimental and nonnative amphibians and reptiles in Minnesota.

(b) Developing Research-Based Solutions to Minnesota's AIS Problems

\$4,941,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Minnesota Aquatic Invasive Species Research Center to conduct high-priority projects aimed at solving Minnesota's aquatic invasive species problems using rigorous science and a collaborative process. Additionally, funds may be spent to deliver research findings to end users through strategic communication and outreach. This appropriation is subject to Minnesota Statutes, section 116P.10. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

Subd. 7. Air Quality, Climate Change, and Renewable Energy

3,913,000

-0-

(a) Community Forestry AmeriCorps

\$1,500,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with ServeMinnesota to preserve and increase tree canopy throughout the state by training, supporting, and deploying AmeriCorps members to local agencies and nonprofit organizations to plant and inventory trees, develop and implement pest management plans, create and maintain nursery beds for replacement trees, and organize opportunities for community engagement in tree stewardship activities.

(b) Biochar Implementation in Habitat Restoration: A Pilot

\$185,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Great River Greening to pilot the use of portable biochar kilns as an alternative to open-pile burning of trees and shrubs to reduce smoke and carbon emissions and produce beneficial by-products from invasive species removal and land restoration efforts.

(c) Completing Installment of the Minnesota Ecological Monitoring Network

\$1,094,000 the first year is from the trust fund to the commissioner of natural resources to improve conservation and management of Minnesota's native forests, wetlands, and grasslands by completing the Ecological Monitoring Network to measure ecosystems' change through time.

(d) Lichens as Low-Cost Air Quality Monitors in Minnesota

\$341,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to develop community science protocols for using lichens as indicators of air quality and conduct an analysis of air pollution changes across Minnesota in the present and in the past century.

(e) Environment-Friendly Decarbonizing of Steel Production with Hydrogen Plasma

\$739,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to investigate the use of microwave hydrogen plasma to reduce fossil fuel use, carbon dioxide emissions, and waste and enable the use of alternative iron resources, including lower quality iron ores, tailings, and iron ore waste piles, in the iron-making industry. This appropriation is subject to Minnesota Statutes, section 116P.10.

(f) Economic Analysis Guide for Minnesota Climate Investments

\$54,000 the first year is from the trust fund to the commissioner of the Minnesota Pollution Control Agency to create a guide that will incorporate nation-wide best practices for considering costs, benefits, economics, and equity in Minnesota climate policy decisions.

Subd. 8. Methods to Protect or Restore Land, Water, and Habitat

15,997,000

-0-

(a) Minnesota Bee and Beneficial Species Habitat Enhancement II

\$876,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Pheasants Forever Inc. to enhance grassland habitats to benefit pollinators and other wildlife species on permanently protected lands and to collaborate with the University of Minnesota to determine best practices for seeding timing and techniques.

(b) Karner Blue Butterfly Insurance Population Establishment in Minnesota

\$405,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Three Rivers Park District to establish a breeding population of the federally endangered Karner blue butterfly on protected lands within the butterfly's northern expanding range, increase the habitat area, and evaluate the butterfly establishment effort to assist with adaptive management. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(c) Root River Habitat Restoration at Eagle Bluff

\$866,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Eagle Bluff Environmental Learning Center to restore habitat in and alongside

the Root River north of Lanesboro, Minnesota, and to conduct monitoring to ensure water quality and fish population improvements are achieved. This appropriation is available until June 30, 2028, by which time the project must be completed and final products delivered.

(d) Restoring Mussels in Streams and Lakes - Continuation

\$825,000 the first year is from the trust fund to the commissioner of natural resources to propagate, rear, and restore native freshwater mussel assemblages and the ecosystem services they provide in the Mississippi, Cedar, and Cannon Rivers; to evaluate reintroduction success; and to inform the public on mussels and mussel conservation.

(e) Minnesota Million: Seedlings for Reforestation and CO 2 Sequestration

\$906,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, Duluth, to collaborate with The Nature Conservancy and Minnesota Extension to expand networks of seed collectors and tree growers and to research tree planting strategies to accelerate reforestation for carbon sequestration, wildlife habitat, and watershed resilience.

(f) Panoway on Wayzata Bay Shoreline Restoration Project

\$200,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Wayzata to restore native lake bottom and shoreline vegetation to improve shoreline stability, wildlife habitat, and the natural beauty of Lake Minnetonka's Wayzata Bay. The recipient must report to the Legislative-Citizen Commission on Minnesota Resources on the effectiveness of any new methods tested while conducting the project and may use a portion of the appropriation to prepare that report.

(g) Pollinator Central III: Habitat Improvement with Community Monitoring

\$190,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Great River Greening to restore and enhance pollinator habitat in parks, schools, and other public spaces to benefit pollinators and people and to build knowledge about impacts of the pollinator plantings through community-based monitoring.

(h) Restoring Forests and Savannas Using Silvopasture - Phase II

\$674,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Great River Greening to continue to partner with the University of Minnesota and the Sustainable Farming Association to demonstrate, evaluate, and increase adoption of the combined use of intensive tree, forage, and grazing as a method to restore and manage forest and savanna habitats.

(i) Minnesota Community Schoolyards

\$1,433,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with The Trust for Public Land to engage students and communities to create nature-focused habitat improvements at schoolyards across the state to increase environmental outcomes and encourage outdoor learning.

(j) Pollinator Enhancement and Mississippi River Shoreline Restoration

\$187,000 the first year is from the trust fund to the adjutant general of the Department of Military Affairs to restore native prairie, support pollinator plantings, and stabilize a large section of stream bank along the Mississippi River within Camp Ripley.

(k) Conservation Cooperative for Working Lands

\$2,611,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Pheasants Forever Inc. to collaborate with Natural Resources Conservation Service, Board of Water and Soil Resources, and Minnesota Association of Soil and Water Conservation Districts to accelerate adoption of voluntary conservation practices on working lands in Minnesota by increasing technical assistance to farmers and landowners while also attracting federal matching funds.

(l) Quantifying Environmental Benefits of Peatland Restoration in Minnesota

\$754,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to quantify the capacity of restored peatlands to store and accumulate atmospheric carbon and prevent release of accumulated mercury into the surrounding environment. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(m) Renewing Access to an Iconic North Shore Vista

\$197,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Superior Hiking Trail Association to use national trail design best practices to renew trails and a campground along the Bean and Bear Lakes section of the Superior Hiking Trail that provides access to one of Minnesota's most iconic vistas.

(n) Addressing Erosion Along High Use River Loops

\$368,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Superior Hiking Trail Association to rehabilitate and renew popular river loops of the Superior Hiking Trail to withstand high visitor use and serve Minnesotans for years to come.

(o) Pollinator Habitat Creation at Minnesota Closed Landfills

\$1,508,000 the first year is from the trust fund to the commissioner of the Minnesota Pollution Control Agency to conduct a pilot project to create pollinator habitat at closed landfill sites in the closed landfill program. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(p) Enhancing Habitat Connectivity within the Urban Mississippi Flyway

\$190,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Minneapolis Park and Recreation Board to enhance and restore habitat in and between urban neighborhood parks and the Mississippi River to benefit animals, plants, and neighborhoods traditionally disconnected from nature and to raise awareness of the Mississippi River Flyway.

(q) Statewide Diversion of Furniture and Mattress Waste Pilots

\$2,833,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with EMERGE Community Development to work collaboratively with the University of Minnesota, Second Chance Recycling, and local governments to test and implement methods to expand mattress and furniture recycling statewide, including by researching value-add commodity markets for recycled materials, piloting mattress collection in greater Minnesota counties, piloting curbside furniture collection in the metropolitan area, and increasing facility capacity to recycle collected mattresses. Any revenue generated from selling products or assets developed or acquired with this

appropriation must be repaid to the trust fund unless a plan is approved for reinvestment of income in the project. This appropriation is subject to Minnesota Statutes, section 116P.10.

(r) Phelps Mill Wetland and Prairie Restoration

\$974,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Otter Tail County to plan, engineer, and restore wetlands and prairie within the newly expanded Phelps Mill County Park to improve habitat connectivity for wildlife and enhance recreational experiences for users. Up to \$322,000 of this appropriation may be used to plan, engineer, and construct a boardwalk, viewing platforms, and soft trails within the park. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

Subd. 9. **Land Acquisition, Habitat, and Recreation**

31,241,000

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(a) SNA Stewardship, Outreach, and Biodiversity Protection

\$1,919,000 the first year is from the trust fund to the commissioner of natural resources to restore and enhance exceptional habitat on scientific and natural areas (SNAs), increase public involvement and outreach, and strategically acquire lands that meet criteria for SNAs under Minnesota Statutes, section 86A.05, from willing sellers. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(b) Wannigan Regional Park Land Acquisition

\$727,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Frazee to acquire land for protecting and enhancing natural resources and for future development as Wannigan Regional Park, where the Heartland State, North Country National, and Otter Tail River Water Trails will meet. Initial site development or restoration work may be conducted with this appropriation.

(c) Local Parks, Trails, and Natural Areas Grant Programs

\$3,802,000 the first year is from the trust fund to the commissioner of natural resources to solicit and rank applications and fund competitive matching grants for local parks, trail connections, and natural and scenic areas under Minnesota Statutes, section 85.019. This appropriation is for local nature-based recreation, connections to regional and state natural areas, and recreation facilities and may not be used for athletic facilities such as sport fields, courts, and playgrounds.

(d) Outreach and Stewardship Through the Native Prairie Bank Program

\$620,000 the first year is from the trust fund to the commissioner of natural resources to enhance and monitor lands enrolled in the native prairie bank and to provide outreach and technical assistance to landowners, practitioners, and the public to increase awareness and stewardship of the state's remaining native prairie. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(e) Minnesota State Trails Development

\$4,952,000 the first year is from the trust fund to the commissioner of natural resources to expand recreational opportunities on Minnesota state trails by rehabilitating and enhancing existing state trails and replacing or repairing existing state trail bridges.

(f) Construction of East Park

\$700,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of St. Joseph to increase recreational opportunities and access at East Park along the Sauk River in St. Joseph through enhancements such as a canoe and kayak access, a floating dock, paved and mowed trails, and parking entrance improvements.

(g) Scandia Gateway Trail to William O'Brien State Park

\$2,689,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Scandia to engineer and construct a segment of the Gateway State Trail between the city of Scandia and William O'Brien State Park that will be maintained by the Department of Natural Resources. The segment to be constructed includes a pedestrian tunnel and trailhead parking area. This project must be designed and constructed in accordance with Department of Natural Resources state trail standards. Engineering and construction plans must be approved by the commissioner of natural resources before construction may commence. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(h) Grand Marais Mountain Bike Trail Rehabilitation - Phase II

\$200,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Superior Cycling Association to rehabilitate and modify existing mountain bike trails at Pincushion Mountain to increase the trail's environmental sustainability and provide better access to beginner and adaptive cyclists.

(i) Acquisition of State Parks and Trails Inholdings

\$5,425,000 the first year is from the trust fund to the commissioner of natural resources to acquire high-priority inholdings from willing sellers within the legislatively authorized boundaries of state parks, recreation areas, and trails to protect Minnesota's natural heritage, enhance outdoor recreation, and improve the efficiency of public land management. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(j) St. Louis River Re-Connect - Phase II

\$1,375,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Duluth to increase recreational opportunities and access to the Waabizheshikana hiking and water trails in West Duluth with trail and trailhead enhancements such as accessible canoe and kayak launches, picnic areas, and restrooms; restored habitat; stormwater improvements; directional signage, and trailside interpretation. This appropriation may also be used to partner with the St. Louis River Alliance to create an ambassadors program to engage the surrounding community and facilitate use of the trails.

(k) City of Biwabik Recreation

\$1,306,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Biwabik to reconstruct and renovate Biwabik Recreation Area's access road, parking area, and bathroom facilities.

(l) Silver Bay Multimodal Trailhead Project

\$1,970,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Silver Bay to develop a multimodal trailhead center to provide safe access to the Superior Hiking, Gitchi-Gami Bike, and C.J. Ramstad/North Shore trails; Black Beach Park; and other recreational destinations. Before any construction costs are incurred, the city must demonstrate that all funding to complete the project are secured.

(m) Above the Falls Regional Park Restoration Planning and Acquisition

\$1,376,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Minneapolis Park and Recreation Board to acquire land along the Mississippi River from willing sellers for habitat restoration, trail development, and low-intensity recreational facilities in Above the Falls Regional Park. This appropriation may also be used to prepare restoration plans for lands acquired. This appropriation may not be used to

purchase habitable residential structures. Before the acquisition, a phase 1 environmental assessment must be completed and the Minneapolis Park and Recreation Board must not accept any liability for previous contamination of lands acquired with this appropriation.

(n) Redhead Mountain Bike Park

\$1,666,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Chisholm as the fiscal agent for the Minnesota Discovery Center to enhance outdoor recreational opportunities by adding trails and amenities to the Redhead Mountain Bike Park in Chisholm. Amenities may include such things as pump tracks, skills courses, changing stations, shade shakes, and signage.

(o) Maplewood State Park Trail Segment of the Perham to Pelican Rapids Regional Trail

\$2,514,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Otter Tail County to partner with the Department of Natural Resources to construct the Maplewood State Park segment of the Perham to Pelican Rapids Regional Trail. This project must be designed and constructed in accordance with Department of Natural Resources state trail standards. Engineering and construction plans must be approved by the commissioner of natural resources before construction may commence.

Subd. 10. Administration, Emerging Issues, and Contract Agreement Reimbursement

3,126,000

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(a) LCCMR Administrative Budget

\$2,133,000 the first year is from the trust fund to the Legislative-Citizen Commission on Minnesota Resources for administration in fiscal years 2024 and 2025 as provided in Minnesota Statutes, section 116P.09, subdivision 5. This appropriation is available until June 30, 2025. Notwithstanding Minnesota Statutes, section 116P.11, paragraph (b), Minnesota Statutes, section 16A.281, applies to this appropriation.

(b) Emerging Issues

\$767,000 the first year is from the trust fund to the Legislative-Citizen Commission on Minnesota Resources to an emerging issues account authorized in Minnesota Statutes, section 116P.08, subdivision 4, paragraph (d).

(c) Contract Agreement Reimbursement

\$224,000 the first year is from the trust fund to the commissioner of natural resources, at the direction of the Legislative-Citizen Commission on Minnesota Resources, for expenses incurred in preparing and administering contracts, including for the agreements specified in this section.

(d) Legislative Coordinating Commission Legacy Website

\$2,000 the first year is from the trust fund to the Legislative Coordinating Commission for the website required in Minnesota Statutes, section 3.303, subdivision 10.

Subd. 11. Availability of Appropriations

Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the work plan approved by the Legislative-Citizen Commission on Minnesota Resources. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Costs that are directly related to and necessary for an appropriation, including financial services, human resources, information services, rent, and utilities, are eligible only if the costs can be clearly justified and individually documented specific to the appropriation's purpose and would not be generated by the recipient but for receipt of the appropriation. No broad allocations for costs in either dollars or percentages are allowed. Unless otherwise provided, the amounts in this section are available for three years beginning July 1, 2023, and ending June 30, 2026, when projects must be completed and final products delivered. For acquisition of real property, the appropriations in this section are available for an additional fiscal year if a binding contract for acquisition of the real property is entered into before the expiration date of the appropriation. If a project receives a federal award, the period of the appropriation is extended to equal the federal award period to a maximum trust fund appropriation length of six years.

Subd. 12. Data Availability Requirements Data

Data collected by the projects funded under this section must conform to guidelines and standards adopted by Minnesota IT Services. Spatial data must also conform to additional guidelines and standards designed to support data coordination and distribution that have been published by the Minnesota Geospatial Information Office. Descriptions of spatial data must be prepared as specified in the state's geographic metadata guideline and must be submitted to the Minnesota Geospatial Information Office. All data must be accessible and free to the public unless made private

under the Data Practices Act, Minnesota Statutes, chapter 13. To the extent practicable, summary data and results of projects funded under this section should be readily accessible on the Internet and identified as having received funding from the environment and natural resources trust fund.

Subd. 13. Project Requirements

(a) As a condition of accepting an appropriation under this section, an agency or entity receiving an appropriation or a party to an agreement from an appropriation must comply with paragraphs (b) to (l) and Minnesota Statutes, chapter 116P, and must submit a work plan and annual or semiannual progress reports in the form determined by the Legislative-Citizen Commission on Minnesota Resources for any project funded in whole or in part with funds from the appropriation. Modifications to the approved work plan and budget expenditures must be made through the amendment process established by the Legislative-Citizen Commission on Minnesota Resources.

(b) A recipient of money appropriated in this section that conducts a restoration using funds appropriated in this section must use native plant species according to the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines and include an appropriate diversity of native species selected to provide habitat for pollinators throughout the growing season as required under Minnesota Statutes, section 84.973.

(c) For all restorations conducted with money appropriated under this section, a recipient must prepare an ecological restoration and management plan that, to the degree practicable, is consistent with the highest-quality conservation and ecological goals for the restoration site. Consideration should be given to soil, geology, topography, and other relevant factors that would provide the best chance for long-term success and durability of the restoration project. The plan must include the proposed timetable for implementing the restoration, including site preparation, establishment of diverse plant species, maintenance, and additional enhancement to establish the restoration; identify long-term maintenance and management needs of the restoration and how the maintenance, management, and enhancement will be financed; and take advantage of the best-available science and include innovative techniques to achieve the best restoration.

(d) An entity receiving an appropriation in this section for restoration activities must provide an initial restoration evaluation at the completion of the appropriation and an evaluation three years after the completion of the expenditure. Restorations must be evaluated relative to the stated goals and standards in the restoration plan, current science, and, when applicable, the Board of Water and Soil Resources' native vegetation establishment and

enhancement guidelines. The evaluation must determine whether the restorations are meeting planned goals, identify any problems with implementing the restorations, and, if necessary, give recommendations on improving restorations. The evaluation must be focused on improving future restorations.

(e) All restoration and enhancement projects funded with money appropriated in this section must be on land permanently protected by a conservation easement or public ownership.

(f) A recipient of money from an appropriation under this section must give consideration to contracting with Conservation Corps Minnesota for contract restoration and enhancement services.

(g) All conservation easements acquired with money appropriated under this section must:

(1) be permanent;

(2) specify the parties to an easement in the easement;

(3) specify all provisions of an agreement that are permanent;

(4) be sent to the Legislative-Citizen Commission on Minnesota Resources in an electronic format at least ten business days before closing;

(5) include a long-term monitoring and enforcement plan and funding for monitoring and enforcing the easement agreement; and

(6) include requirements in the easement document to protect the quantity and quality of groundwater and surface water through specific activities such as keeping water on the landscape, reducing nutrient and contaminant loading, and not permitting artificial hydrological modifications.

(h) For any acquisition of lands or interest in lands, a recipient of money appropriated under this section must not agree to pay more than 100 percent of the appraised value for a parcel of land using this money to complete the purchase, in part or in whole, except that up to ten percent above the appraised value may be allowed to complete the purchase, in part or in whole, using this money if permission is received in advance of the purchase from the Legislative-Citizen Commission on Minnesota Resources.

(i) For any acquisition of land or interest in land, a recipient of money appropriated under this section must give priority to high-quality natural resources or conservation lands that provide natural buffers to water resources.

(j) For new lands acquired with money appropriated under this section, a recipient must prepare an ecological restoration and management plan in compliance with paragraph (c), including sufficient funding for implementation unless the work plan addresses why a portion of the money is not necessary to achieve a high-quality restoration.

(k) To ensure public accountability for using public funds, a recipient of money appropriated under this section must, within 60 days of the transaction, provide to the Legislative-Citizen Commission on Minnesota Resources documentation of the selection process used to identify parcels acquired and provide documentation of all related transaction costs, including but not limited to appraisals, legal fees, recording fees, commissions, other similar costs, and donations. This information must be provided for all parties involved in the transaction. The recipient must also report to the Legislative-Citizen Commission on Minnesota Resources any difference between the acquisition amount paid to the seller and the state-certified or state-reviewed appraisal, if a state-certified or state-reviewed appraisal was conducted.

(l) A recipient of an appropriation from the trust fund under this section must acknowledge financial support from the environment and natural resources trust fund in project publications, signage, and other public communications and outreach related to work completed using the appropriation. Acknowledgment may occur, as appropriate, through use of the trust fund logo or inclusion of language attributing support from the trust fund. Each direct recipient of money appropriated in this section, as well as each recipient of a grant awarded pursuant to this section, must satisfy all reporting and other requirements incumbent upon constitutionally dedicated funding recipients as provided in Minnesota Statutes, section 3.303, subdivision 10, and Minnesota Statutes, chapter 116P.

(m) A recipient of an appropriation from the trust fund under this section that is receiving funding to conduct children's services, as defined in Minnesota Statutes, section 299C.61, subdivision 7, must certify to the Legislative-Citizen Commission on Minnesota Resources, as part of the required work plan, that criminal background checks for background check crimes, as defined in Minnesota Statutes, section 299C.61, subdivision 2, are performed on all employees, contractors, and volunteers that have or may have access to a child to whom the recipient provides children's services using the appropriation.

Subd. 14. Payment Conditions and Capital Equipment Expenditures

(a) All agreements, grants, or contracts referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes,

section 16A.41, expenditures made on or after July 1, 2023, or the date the work plan is approved, whichever is later, are eligible for reimbursement unless otherwise provided in this section. Periodic payments must be made upon receiving documentation that the deliverable items articulated in the approved work plan have been achieved, including partial achievements as evidenced by approved progress reports. Reasonable amounts may be advanced to projects to accommodate cash-flow needs or match federal money. The advances must be approved as part of the work plan. No expenditures for capital equipment are allowed unless expressly authorized in the project work plan.

(b) Single-source contracts as specified in the approved work plan are allowed.

Subd. 15. Purchasing Recycled and Recyclable Materials

A political subdivision, public or private corporation, or other entity that receives an appropriation under this section must use the appropriation in compliance with Minnesota Statutes, section 16C.0725, regarding purchasing recycled, repairable, and durable materials, and Minnesota Statutes, section 16C.073, regarding purchasing and using paper stock and printing.

Subd. 16. Energy Conservation and Sustainable Building Guidelines

A recipient to whom an appropriation is made under this section for a capital improvement project must ensure that the project complies with the applicable energy conservation and sustainable building guidelines and standards contained in law, including Minnesota Statutes, sections 16B.325, 216C.19, and 216C.20, and rules adopted under those sections. The recipient may use the energy planning, advocacy, and State Energy Office units of the Department of Commerce to obtain information and technical assistance on energy conservation and alternative-energy development relating to planning and constructing the capital improvement project.

Subd. 17. Accessibility

Structural and nonstructural facilities must meet the design standards in the Americans with Disabilities Act (ADA) accessibility guidelines.

Subd. 18. Carryforward; Extensions

The availability of the appropriations for the following projects is extended to June 30, 2024:

(1) Laws 2018, chapter 214, article 4, section 2, subdivision 6, paragraph (a), Minnesota Invasive Terrestrial Plants and Pests Center - Phase 4;

(2) Laws 2018, chapter 214, article 4, section 2, subdivision 8, paragraph (e), Restoring Forests in Minnesota State Parks;

(3) Laws 2019, First Special Session chapter 4, article 2, section 2, subdivision 3, paragraph (d), Minnesota Trumpeter Swan Migration Ecology and Conservation;

(4) Laws 2019, First Special Session chapter 4, article 2, section 2, subdivision 8, paragraph (g), Agricultural Weed Control Using Autonomous Mowers;

(5) Laws 2019, First Special Session chapter 4, article 2, section 2, subdivision 10, paragraph (d), Grants Management System; and

(6) Laws 2021, First Special Session chapter 6, article 5, section 2, subdivision 10, Emerging Issues Account; Wastewater Renewable Energy Demonstration Grants.

Subd. 19. Repurpose

The unencumbered amount, estimated to be \$176,000, in Laws 2021, First Special Session chapter 6, article 6, section 2, subdivision 8, paragraph (f), Restoring Upland Forests for Birds, is for examining the impacts of neonicotinoid exposure on the reproduction and survival of Minnesota's game species, including deer and prairie chicken. This amount is in addition to the appropriation under article 1, section 3, subdivision 6, for these purposes and is available until June 30, 2027.

Sec. 3. Minnesota Statutes 2022, section 116P.05, subdivision 1, is amended to read:

Subdivision 1. **Membership.** (a) A Legislative-Citizen Commission on Minnesota Resources of ~~47~~ 19 members is created in the legislative branch, consisting of ~~the chairs of the house of representatives and senate committees on environment and natural resources finance or designees appointed for the terms of the chairs, four members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration, and four members of the house of representatives appointed by the speaker~~ ten legislative members and nine citizen members.

~~(b) At least two members from the senate and two members from the house of representatives must be from the minority caucus. Members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the commission.~~

(b) The legislative members of the commission consist of:

(1) three members of the house of representatives appointed by the speaker of the house, including the chair of the environment and natural resources finance committee or the chair's designee;

(2) three members of the senate appointed by the senate majority leader, including the chair of the environment and natural resources finance committee or the chair's designee;

(3) two members of the house of representatives appointed by the house minority leader; and

(4) two members of the senate appointed by the senate minority leader.

(c) ~~Seven citizens are~~ The citizen members of the commission, ~~five~~ consist of:

(1) four members appointed by the governor, ~~one;~~

(2) two members appointed by the ~~Senate Subcommittee on Committees of the Committee on Rules and Administration, and one~~ senate majority leader;

(3) two members appointed by the speaker of the house. ~~The; and~~

(4) one member appointed by the governor as recommended by the Tribal government representatives of the Indian Affairs Council.

~~(d) A citizen members are selected and recommended to the appointing authorities according to subdivision 1a and member~~ must:

(1) have experience or expertise in the science, policy, or practice of the protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources;

(2) have strong knowledge in the state's environment and natural resource issues around the state; ~~and~~

(3) have demonstrated ability to work in a collaborative environment; and

(4) not be a registered lobbyist.

~~(d)~~ (e) Members ~~shall~~ must develop procedures to elect a chair that rotates between legislative and citizen members each meeting. A citizen member, a senate member, and a house of representatives member shall serve as chairs. The citizen members, senate members, and house of representatives members must select their respective chairs. The chair ~~shall~~ must preside and convene meetings as often as necessary to conduct duties prescribed by this chapter.

~~(e)~~ (f) Appointed legislative members ~~shall~~ serve on the commission for two-year terms, beginning in January of each odd-numbered year and continuing through the end of December of the next even-numbered year. Appointed citizen members ~~shall~~ serve four-year terms, beginning in January of the first year and continuing through the end of December of the final year. Citizen and legislative members continue to serve until their successors are appointed.

~~(f)~~ (g) A citizen member may be removed by an appointing authority for cause. Vacancies occurring on the commission ~~shall do~~ not affect the authority of the remaining members of the commission to carry out their duties, and vacancies ~~shall~~ must be filled for the remainder of the term in the same manner under paragraphs (a) to (c).

~~(g)~~ (h) Legislative members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the commission. Citizen members are entitled to per diem and reimbursement for expenses incurred in the services of the commission, as provided in section 15.059, subdivision 3, except that a citizen member may be compensated at the rate of up to \$125 a day.

~~(h) The governor's appointments are subject to the advice and consent of the senate.~~

(i) A citizen member may serve no more than eight years, except as necessary to fill a vacancy. A citizen member may not serve more than ten years if serving additional time to fill a vacancy.

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

Sec. 4. Minnesota Statutes 2022, section 116P.05, subdivision 1a, is amended to read:

Subd. 1a. **Citizen selection committee.** (a) The governor ~~shall~~ must appoint a Trust Fund Citizen Selection Committee of five members who come from different regions of the state and who have knowledge and experience of state environment and natural resource issues to provide recommendations for appointments under subdivision 1, paragraph (c), clause (1).

(b) The duties of the Trust Fund Citizen Selection Committee ~~shall be~~ are to:

(1) identify citizen candidates to be members of the commission as part of the open appointments process under section 15.0597;

(2) request and review citizen candidate applications to be members of the commission; and

(3) interview the citizen candidates and recommend an adequate pool of candidates to be selected for commission membership by the governor; ~~the senate, and the house of representatives.~~

(c) Members serve three-year terms and are entitled to ~~travel expenses incurred to fulfill their duties under this subdivision as provided in section 15.059, subdivision 6~~ per diem and reimbursement for expenses incurred in the services of the committee, as provided in section 15.059, subdivision 3, except that a citizen selection committee member may be compensated at the rate of up to \$125 a day.

(d) A member appointed under this subdivision may not be a registered lobbyist.

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

Sec. 5. Minnesota Statutes 2022, section 116P.05, subdivision 2, is amended to read:

Subd. 2. **Duties.** (a) The commission ~~shall~~ must recommend an annual or biennial legislative bill for appropriations from the environment and natural resources trust fund and ~~shall~~ must adopt a strategic plan as provided in section 116P.08. Except as provided under section 116P.09, subdivision 6, paragraph (b), approval of the recommended legislative bill requires an affirmative vote of at least ~~42~~ 11 members of the commission.

(b) It is a condition of acceptance of the appropriations made from the Minnesota environment and natural resources trust fund, and oil overcharge money under section 4.071, subdivision 2, that the agency or entity receiving the appropriation must submit a work plan and annual or semiannual progress reports in the form determined by the Legislative-Citizen Commission on Minnesota Resources, and comply with applicable reporting requirements under section 116P.16. None of the money provided may be spent unless the commission has approved the pertinent work plan. Modifications to the approved work plan and budget expenditures ~~shall~~ must be made through the amendment process established by the commission. The commission ~~shall~~ must ensure that the expenditures and outcomes described in the work plan for appropriations funded by the environment and natural resources trust fund are met.

(c) The peer review procedures created under section 116P.08 must also be used to review, comment, and report to the commission on research proposals applying for an appropriation from the oil overcharge money under section 4.071, subdivision 2.

(d) The commission may adopt operating procedures to fulfill its duties under this chapter.

(e) As part of the operating procedures, the commission ~~shall~~ must:

(1) ensure that members' expectations are to participate in all meetings related to funding decision recommendations;

(2) recommend adequate funding for increased citizen outreach and communications for trust fund expenditure planning;

(3) allow administrative expenses as part of individual project expenditures based on need;

(4) provide for project outcome evaluation;

(5) keep the grant application, administration, and review process as simple as possible; and

(6) define and emphasize the leveraging of additional sources of money that project proposers should consider when making trust fund proposals.

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

Sec. 6. Minnesota Statutes 2022, section 116P.09, subdivision 6, is amended to read:

Subd. 6. **Conflict of interest.** (a) A commission member, a technical advisory committee member, a peer reviewer, or an employee of the commission may not participate in or vote on a decision of the commission, advisory committee, or peer review relating to an organization in which the member, peer reviewer, or employee has either a direct or indirect personal financial interest. While serving on the commission or technical advisory committee or as a peer reviewer or while an employee of the commission, a person ~~shall~~ must avoid any potential conflict of interest.

(b) A commission member may not vote on a motion regarding the final recommendations of the commission required under section 116P.05, subdivision 2, paragraph (a), if the motion relates to an organization in which the member has a direct personal financial interest. If a commission member is prohibited from voting under this paragraph, the number of affirmative votes required under section 116P.05, subdivision 2, paragraph (a), is reduced by the number of members ineligible to vote under this paragraph.

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

Sec. 7. Minnesota Statutes 2022, section 116P.11, is amended to read:

116P.11 AVAILABILITY OF FUNDS FOR DISBURSEMENT.

~~(a)~~ The amount annually available from the trust fund for the legislative bill developed by the commission is as defined in the Minnesota Constitution, article XI, section 14.

~~(b) Any appropriated funds not encumbered in the biennium in which they are appropriated cancel and must be credited to the principal of the trust fund.~~

Sec. 8. Minnesota Statutes 2022, section 116P.15, is amended to read:

116P.15 CAPITAL CONSTRUCTION AND LAND ACQUISITION; RESTRICTIONS.

Subdivision 1. **Scope.** A recipient of an appropriation from the trust fund or the Minnesota future resources fund who acquires an interest in real property with the appropriation must comply with ~~this section~~ subdivision 2. ~~For the purposes of this section, "interest in real property" includes, but is not limited to, an easement or fee title to property.~~ A recipient of an appropriation from the trust fund who uses any portion of the appropriation for a capital construction project with a total cost of \$10,000 or more must comply with subdivision 3.

Subd. 2. **Land acquisition restrictions; modification procedure.** (a) An easement, fee title, or other interest in real property acquired with an appropriation from the trust fund or the Minnesota future resources fund must be used in perpetuity or for the specific term of an easement interest for the purpose for which the appropriation was made. The ownership of the interest in real property transfers to the state if: (1) the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or work plan; or (2) restrictions are placed on the land that preclude its use for the intended purpose as specified in the appropriation.

(b) A recipient of funding who acquires an interest in real property subject to this section may not alter the intended use of the interest in real property or convey any interest in the real property acquired with the appropriation without the prior review and approval of the commission or its successor. The commission shall notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the trust fund or Minnesota future resources fund at least 15 business days before approval under this paragraph. The commission shall establish procedures to review requests from recipients to alter the use of or convey an interest in real property. These procedures shall allow for the replacement of the interest in real property with another interest in real property meeting the following criteria:

(1) the interest must be at least equal in fair market value, as certified by the commissioner of natural resources, to the interest being replaced; and

(2) the interest must be in a reasonably equivalent location, and have a reasonably equivalent useful conservation purpose compared to the interest being replaced, taking into consideration all effects from fragmentation of the whole habitat.

(c) A recipient of funding who acquires an interest in real property under paragraph (a) must separately record a notice of funding restrictions in the appropriate local government office where the conveyance of the interest in real property is filed. The notice of funding agreement must contain:

(1) a legal description of the interest in real property covered by the funding agreement;

(2) a reference to the underlying funding agreement;

(3) a reference to this section; and

(4) the following statement:

"This interest in real property shall be administered in accordance with the terms, conditions, and purposes of the grant agreement controlling the acquisition of the property. The interest in real property, or any portion of the interest in real property, shall not be sold, transferred, pledged, or otherwise disposed of or further encumbered without obtaining the prior written approval of the Legislative-Citizen Commission on Minnesota Resources or its successor. The ownership of the interest in real property transfers to the state if: (1) the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or work plan; or (2) restrictions are placed on the land that preclude its use for the intended purpose as specified in the appropriation."

Subd. 3. **Capital construction restrictions; modification procedure.** (a) A recipient of an appropriation from the trust fund who uses the appropriation to wholly or partially construct a building, trail, campground, or other capital asset may not alter the intended use of the capital asset or convey any interest in the capital asset for 25 years from the date the project is completed without the prior review and approval of the commission or its successor. The commission must notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the trust fund at least 15 business days before approval under this paragraph. The commission must establish procedures to review requests from recipients to alter the use of or convey an interest in a capital asset under this paragraph. These procedures must require that:

(1) the sale price must be at least fair market value; and

(2) the trust fund must be repaid a portion of the sale price equal to the percentage of the total funding provided by the fund for constructing the capital asset.

(b) The commission or its successor may waive the requirements under paragraph (a), clauses (1) and (2), by recommendation to the legislature if the transfer allows for a continued use of the asset in a manner consistent with the original appropriation purpose or with the purposes of the trust fund.

(c) If both a capital asset and the real property on which the asset is located were wholly or partially purchased with an appropriation from the trust fund and the commission approves a request to alter the use of or convey an interest in the real property under subdivision 2, a separate approval under this subdivision to alter the use of the capital asset is not required.

(d) A recipient of an appropriation from the trust fund who uses the appropriation to wholly or partially construct a building, trail, campground, or other capital asset must separately record a notice of funding restrictions in the appropriate local government office. The notice of funding restrictions must contain:

(1) a legal description of the interest in real property covered by the funding agreement;

(2) a reference to the underlying funding agreement;

(3) a reference to this subdivision; and

(4) the following statement:

"This interest in real property must be administered in accordance with the terms, conditions, and purposes of the grant agreement controlling the improvement of the property. The interest in real property, or any portion of the interest in real property, must not be altered from its intended use or be sold, transferred, pledged, or otherwise disposed of or further encumbered without obtaining the prior written approval of the Legislative-Citizen Commission on Minnesota Resources or its successor."

EFFECTIVE DATE. This section is effective July 1, 2025, and applies to money appropriated on or after that date.

Sec. 9. Minnesota Statutes 2022, section 116P.16, is amended to read:

116P.16 REAL PROPERTY INTERESTS; REPORT.

(a) By December 1 each year, a recipient of an appropriation from the trust fund, that is used for the acquisition of an interest in real property, including, but not limited to, an easement or fee title, or for the construction of a building, trail, campground, or other capital asset with a total cost of \$10,000 or more must submit annual reports on the status of the real property to the Legislative-Citizen Commission on Minnesota Resources or its successor in a

form determined by the commission. The responsibility for reporting under this section may be transferred by the recipient of the appropriation to another person who holds the interest in the real property. To complete the transfer of reporting responsibility, the recipient of the appropriation must:

- (1) inform the person to whom the responsibility is transferred of that person's reporting responsibility;
- (2) inform the person to whom the responsibility is transferred of the property restrictions under section 116P.15; and
- (3) provide written notice to the commission of the transfer of reporting responsibility, including contact information for the person to whom the responsibility is transferred.

(b) After the transfer, the person who holds the interest in the real property is responsible for reporting requirements under this section.

(c) The annual reporting requirements on the status of a building, trail, campground, or other capital asset with a total cost of \$10,000 or more and that was constructed with an appropriation from the trust fund expire 25 years after the date the final progress report under section 116P.05, subdivision 2, paragraph (b), is approved.

EFFECTIVE DATE. This section is effective July 1, 2025, and applies to money appropriated on or after that date.

Sec. 10. Minnesota Statutes 2022, section 116P.18, is amended to read:

116P.18 LANDS IN PUBLIC DOMAIN.

Money appropriated from the trust fund must not be used to purchase any land in fee title or a permanent conservation easement if the land in question is fully or partially owned by the state or a political subdivision of the state or was acquired fully or partially with state money, unless:

(1) the purchase creates additional direct benefit to the protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources; and

(2) the purchase is approved, prior to the acquisition, by an affirmative vote of at least ~~42~~ 11 members of the commission.

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

Sec. 11. [116P.21] ADDITIONAL CAPITAL CONSTRUCTION PROJECT REQUIREMENTS.

Subdivision 1. **Full funding.** If an appropriation from the trust fund for a capital construction project or project phase is not alone sufficient to complete the project or project phase and a commitment from sources other than the trust fund is required:

(1) the commitment must be in an amount that, when added to the appropriation from the trust fund, is sufficient to complete the project or project phase; and

(2) the agency administering the appropriation from the trust fund must not distribute the money until the commitment is determined to be sufficient. In determining the sufficiency of a commitment under this clause, the agency must apply the standards and principles applied by the commissioner of management and budget under section 16A.502.

Subd. 2. **Match.** A recipient of money appropriated from the trust fund for a capital construction project must provide a cash or in-kind match from nontrust fund sources of at least 50 percent of the total costs to complete the project or project phase.

Subd. 3. **Sustainable building guidelines.** The sustainable building guidelines established under sections 16B.325 and 216B.241, subdivision 9, apply to new buildings and major renovations funded from the trust fund. A recipient of money appropriated from the trust fund for a new building or major renovation must ensure that the project complies with the guidelines.

Subd. 4. **Applicability.** (a) Subdivisions 1, 2, and 3 do not apply to:

(1) a capital construction project with a total cost of less than \$10,000; or

(2) a land acquisition project.

(b) If land is acquired with trust fund money for the purpose of capital construction, the land acquisition is not exempted under paragraph (a), clause (2).

Subd. 5. **Other capital construction statutes.** The following statutes also apply to recipients of appropriations from the trust fund: sections 16B.32; 16B.326; 16B.335, subdivisions 3 and 4; 16C.054; 16C.16; 16C.28; 16C.285; 138.40; 138.665; 138.666; 177.41 to 177.44; and 471.345.

EFFECTIVE DATE. This section is effective July 1, 2025, and applies to money appropriated on or after that date.

Sec. 12. Laws 2022, chapter 94, section 2, subdivision 5, is amended to read:

Subd. 5. **Environmental Education**

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4,269,000

(a) Teacher Field School: Stewardship through Nature-Based Education

\$500,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Hamline University to create an immersive, research-backed field school for teachers to use nature-based education to benefit student well-being and academic outcomes while increasing stewardship habits.

(b) Increasing K-12 Student Learning to Develop Environmental Awareness, Appreciation, and Interest

\$1,602,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Osprey Wilds Environmental Learning Center to partner with Minnesota's five other accredited residential environmental learning centers to provide needs-based scholarships to ~~at least 25,000~~ K-12 students statewide for immersive multiday environmental learning experiences.

(c) Expanding Access to Wildlife Learning Bird by Bird

\$276,000 the second year is from the trust fund to the commissioner of natural resources to engage young people from diverse communities in wildlife conservation through bird-watching in schools, outdoor leadership training, and participating in neighborhood bird walks.

(d) Engaging a Diverse Public in Environmental Stewardship

\$300,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Great River Greening to increase participation in natural resources restoration efforts through volunteer, internship, and youth engagement activities that target diverse audiences more accurately reflecting local demographic and socioeconomic conditions in Minnesota.

(e) Bugs Below Zero: Engaging Citizens in Winter Research

\$198,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to raise awareness about the winter life of bugs, inspire learning about stream food webs, and engage citizen scientists in research and environmental stewardship.

(f) ESTEP: Earth Science Teacher Education Project

\$495,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Minnesota Science Teachers Association to provide professional development for Minnesota science teachers in environmental and earth science to strengthen environmental education in schools.

(g) YES! Students Take Action to Complete Eco Projects

\$199,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Prairie Woods Environmental Learning Center, in partnership with Ney Nature Center and Laurentian Environmental Center, to empower Minnesota youth to connect with natural resource experts, identify ecological challenges, and take action to complete innovative projects in their communities.

(h) Increasing Diversity in Environmental Careers

\$500,000 the second year is from the trust fund to the commissioner of natural resources, in cooperation with Conservation Corps Minnesota and Iowa, to encourage a diversity of students to pursue careers in the environment and natural resources through internships, mentorships, and fellowships with the Department of Natural Resources, the Board of Water and Soil Resources, and the Pollution Control Agency.

(i) Diversity and Access to Wildlife-Related Opportunities

\$199,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to broaden the state's conservation constituency by researching diverse communities' values about nature and wildlife experiences and identifying barriers to engagement.

Sec. 13. Laws 2022, chapter 94, section 2, subdivision 8, is amended to read:

Subd. 8. Methods to Protect, Restore, and Enhance Land, Water, and Habitat

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11,294,000

(a) Minnesota's Volunteer Rare Plant Conservation Corps

\$859,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for the Minnesota Landscape Arboretum to partner with the Department of Natural Resources and the Minnesota Native Plant Society to establish and train a volunteer corps to survey, monitor, and bank seed from Minnesota's rare plant populations and enhance the effectiveness and efficiencies of conservation efforts.

(b) Conservation Corps Veterans Service Corps Program

\$1,339,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Conservation Corps Minnesota to create a Veterans Service Corps program to accelerate natural resource restorations in Minnesota while providing workforce development opportunities for the state's veterans.

(c) Creating Seed Sources of Early-Blooming Plants for Pollinators

\$200,000 the second year is from the trust fund to the commissioner of natural resources to establish new populations of early-season flowers by hand-harvesting and propagating species that are currently lacking in prairie restorations and that are essential to pollinator health. This appropriation is available until June 30, 2026, by which time the project must be completed and final products delivered.

(d) Hastings Lake Rebecca Park Area

\$1,000,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Hastings to develop an ecological-based master plan for Lake Rebecca Park and to enhance habitat quality and construct passive recreational facilities consistent with the master plan. No funds for implementation may be spent until the master plan is complete.

(e) Pollinator Plantings and the Redistribution of Soil Toxins

\$610,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to map urban and suburban soil toxins of concern, such as heavy metals and microplastics, and to test whether pollinator plantings can redistribute these toxins in the soil of yards, parks, and community gardens and reduce exposure to humans and wildlife.

(f) PFAS Fungal-Wood Chip Filtering System

\$189,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to identify, develop, and field-test various types of waste wood chips and fungi to sequester and degrade PFAS leachate from contaminated waste sites. This appropriation is subject to Minnesota Statutes, section 116P.10.

(g) Phytoremediation for Extracting Deicing Salt

\$451,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to protect lands and waters from contamination by collaborating with the Department of Transportation to develop methods for using native plants to remediate roadside deicing salt.

(h) Mustinka River Fish and Wildlife Habitat Corridor Rehabilitation

\$2,692,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Bois de Sioux Watershed District to permanently rehabilitate a straightened reach of the Mustinka River to a naturally functioning stream channel and floodplain corridor for water, fish, and wildlife benefits.

(i) Bohemian Flats Savanna Restoration

\$286,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Minneapolis Park and Recreation Board to restore an area of compacted urban turf within Bohemian Flats Park and adjacent to the Mississippi River to an oak savanna ecosystem.

(j) Watershed and Forest Restoration: What a Match!

\$3,318,000 the second year is from the trust fund to the Board of Water and Soil Resources, in cooperation with soil and water conservation districts, the Mille Lacs Band of Ojibwe, and the Department of Natural Resources, to acquire interests in land and to accelerate tree planting on ~~privately owned~~, protected lands for water-quality protection and carbon sequestration. Notwithstanding

subdivision 14, paragraph (e), this appropriation may be spent to reforest lands protected through long-term contracts as provided in the approved work plan.

(k) River Habitat Restoration and Recreation in Melrose

\$350,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Melrose to conduct habitat restoration and create fishing, canoeing, and camping opportunities along a segment of the Sauk River within the city of Melrose and to provide public education about stream restoration, fish habitat, and the importance of natural areas.

Sec. 14. Laws 2022, chapter 94, section 2, subdivision 9, is amended to read:

Subd. 9. **Habitat and Recreation**

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26,179,000

(a) Mesabi Trail: Wahlsten Road (CR 26) ~~to~~ toward Tower

\$1,307,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the St. Louis and Lake Counties Regional Railroad Authority to acquire easements, engineer, and construct a segment of the Mesabi Trail beginning at the intersection of Wahlsten Road (CR 26) and Benson Road in Embarrass and extending ~~to~~ toward Tower.

(b) Environmental Learning Classroom with Trails

\$82,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Mountain Iron-Buhl Public Schools to build an outdoor classroom pavilion, accessible trails, and a footbridge within the Mountain Iron-Buhl School Forest to conduct environmental education that cultivates a lasting conservation ethic.

(c) Local Parks, Trails, and Natural Areas Grant Programs

\$3,560,000 the second year is from the trust fund to the commissioner of natural resources to solicit, rank, and fund competitive matching grants for local parks, trail connections, and natural and scenic areas under Minnesota Statutes, section 85.019. This appropriation is for local nature-based recreation, connections to regional and state natural areas, and recreation facilities and may not be used for athletic facilities such as sport fields, courts, and playgrounds.

(d) St. Louis River Re-Connect

\$500,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Duluth to expand recreational access along the St. Louis River and estuary by implementing the St. Louis River National Water Trail outreach plan, designing and constructing upgrades and extensions to the Waabizheshikana Trail, and installing interpretive features that describe the cultural and ecological significance of the area.

(e) Native Prairie Stewardship and Prairie Bank Easement Acquisition

\$1,353,000 the second year is from the trust fund to the commissioner of natural resources to provide technical stewardship assistance to private landowners, restore and enhance native prairie protected by easements in the native prairie bank, and acquire easements for the native prairie bank in accordance with Minnesota Statutes, section 84.96, including preparing initial baseline property assessments. Up to \$60,000 of this appropriation may be deposited in the natural resources conservation easement stewardship account created under Minnesota Statutes, section 84.69, proportional to the number of easements acquired.

(f) Minnesota State Parks and State Trails Maintenance and Development

\$1,600,000 the second year is from the trust fund to the commissioner of natural resources for maintenance and development at state parks, recreation areas, and trails to protect Minnesota's natural heritage, enhance outdoor recreation, and improve the efficiency of public land management.

(g) Minnesota State Trails Development

\$7,387,000 the second year is from the trust fund to the commissioner of natural resources to expand recreational opportunities on Minnesota state trails by rehabilitating and enhancing existing state trails and replacing or repairing existing state trail bridges.

(h) SNA Habitat Restoration and Public Engagement

\$5,000,000 the second year is from the trust fund to the commissioner of natural resources for the scientific and natural areas (SNA) program to restore and enhance exceptional habitat on SNAs and increase public involvement and outreach.

(i) The Missing Link: Gull Lake Trail, Fairview Township

\$1,394,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Fairview Township to complete the Gull Lake Trail by engineering and constructing the trail's final segment through Fairview Township in the Brainerd Lakes area.

(j) Silver Bay Multimodal Trailhead Project

\$1,000,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Silver Bay to develop a multimodal trailhead center to provide safe access to the Superior, Gitchi-Gami, and C.J. Ramstad/North Shore trails; Black Beach Park; and other recreational destinations.

(k) Brookston Campground, Boat Launch, and Outdoor Recreational Facility

\$453,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Brookston to build a campground, boat launch, and outdoor recreation area on the banks of the St. Louis River in northeastern Minnesota. Before any trust fund dollars are spent, the city must demonstrate that all funds to complete the project are secured and a fiscal agent must be approved in the work plan.

(l) Silver Lake Trail Connection

\$727,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Virginia to design, engineer, and construct a multiuse trail that will connect Silver Lake Trail to a new Miners Entertainment and Convention Center and provide lighting on Bailey Lake Trail.

(m) Floodwood Campground Improvement Project

\$816,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Floodwood to upgrade the Floodwood Campground and connecting trails to provide high-quality nature and recreation experience for people of all ages.

(n) Ranier Safe Harbor/Transient Dock - Phase 2

\$1,000,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Ranier to construct a safe harbor and transient dock to accommodate watercraft of many sizes to improve public access for boat recreation on Rainy Lake. Before trust fund dollars are spent, a fiscal agent must be approved in the work plan. Before

any trust fund dollars are spent, the city must demonstrate that all funds to complete the project are secured. Any revenue generated from selling products or assets developed or acquired with this appropriation must be repaid to the trust fund unless a plan is approved for reinvestment of income in the project as provided under Minnesota Statutes, section 116P.10.

Sec. 15. **INITIAL CITIZEN APPOINTMENTS AND FIRST MEETING.**

(a) Initial citizen appointments to the Legislative-Citizen Commission on Minnesota Resources as amended in this act must be made by February 1, 2026. The first meeting of the revised Legislative-Citizen Commission on Minnesota Resources must be convened by the chair or a designee of the Legislative Coordinating Commission by June 15, 2026. The Legislative-Citizen Commission on Minnesota Resources must select cochairs from its membership at its first meeting.

(b) Citizen members of the Legislative-Citizen Commission on Minnesota Resources must initially be appointed according to the following schedule of terms:

(1) two citizen members appointed by the governor for a term ending the first Monday in January 2028;

(2) three citizen members appointed by the governor, including the member from a federally recognized Tribe, for a term ending the first Monday in January 2030;

(3) one citizen member appointed by the senate majority leader for a term ending the first Monday in January 2028;

(4) one citizen member appointed by the senate majority leader for a term ending the first Monday in January 2030;

(5) one citizen member appointed by the speaker of the house for a term ending the first Monday in January 2028; and

(6) one citizen member appointed by the speaker of the house for a term ending the first Monday in January 2030.

(c) Notwithstanding the law in effect at the time of their appointment, the terms of all incumbent citizen members appointed before the effective date of this act are terminated effective January 1, 2026. An incumbent citizen member whose appointment is terminated by this paragraph may apply for reappointment as provided in this act.

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

Sec. 16. **APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation or transfer in this article is enacted more than once during the 2023 regular session, the appropriation or transfer must be given effect once.

Sec. 17. **EFFECTIVE DATE.**

Unless otherwise provided, this article is effective the day following final enactment.

ARTICLE 3
POLLUTION CONTROL

Section 1. Minnesota Statutes 2022, section 16A.151, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** (a) If a state official litigates or settles a matter on behalf of specific injured persons or entities, this section does not prohibit distribution of money to the specific injured persons or entities on whose behalf the litigation or settlement efforts were initiated. If money recovered on behalf of injured persons or entities

cannot reasonably be distributed to those persons or entities because they cannot readily be located or identified or because the cost of distributing the money would outweigh the benefit to the persons or entities, the money must be paid into the general fund.

(b) Money recovered on behalf of a fund in the state treasury other than the general fund may be deposited in that fund.

(c) This section does not prohibit a state official from distributing money to a person or entity other than the state in litigation or potential litigation in which the state is a defendant or potential defendant.

(d) State agencies may accept funds as directed by a federal court for any restitution or monetary penalty under United States Code, title 18, section 3663(a)(3), or United States Code, title 18, section 3663A(a)(3). Funds received must be deposited in a special revenue account and are appropriated to the commissioner of the agency for the purpose as directed by the federal court.

(e) Tobacco settlement revenues as defined in section 16A.98, subdivision 1, paragraph (t), may be deposited as provided in section 16A.98, subdivision 12.

(f) Any money received by the state resulting from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state, or a court order in litigation brought by the attorney general of the state, on behalf of the state or a state agency, related to alleged violations of consumer fraud laws in the marketing, sale, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids, must be deposited in the settlement account established in the opiate epidemic response fund under section 256.043, subdivision 1. This paragraph does not apply to attorney fees and costs awarded to the state or the Attorney General's Office, to contract attorneys hired by the state or Attorney General's Office, or to other state agency attorneys.

(g) Notwithstanding paragraph (f), if money is received from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state or a court order in litigation brought by the attorney general of the state on behalf of the state or a state agency against a consulting firm working for an opioid manufacturer or opioid wholesale drug distributor, the commissioner shall deposit any money received into the settlement account established within the opiate epidemic response fund under section 256.042, subdivision 1. Notwithstanding section 256.043, subdivision 3a, paragraph (a), any amount deposited into the settlement account in accordance with this paragraph shall be appropriated to the commissioner of human services to award as grants as specified by the opiate epidemic response advisory council in accordance with section 256.043, subdivision 3a, paragraph (d).

(h) If the Minnesota Pollution Control Agency, through litigation or settlement of a matter that could have resulted in litigation, recovers \$250,000 or more in a civil penalty from violations of a permit issued by the agency, then 40 percent of the money recovered must be distributed to the community health board, as defined in section 145A.02, where the permitted facility is located. Within 30 days of a final court order in the litigation or the effective date of the settlement agreement, the commissioner of the Minnesota Pollution Control Agency must notify the applicable community health board that the litigation has concluded or a settlement has been reached. The commissioner must collect the money and transfer it to the applicable community health board. The community health board must meet directly with the residents potentially affected by the pollution that was the subject of the litigation or settlement to identify the residents' concerns and incorporate those concerns into a project that benefits the residents. The project must be implemented by the community health board and funded as directed in this paragraph. The community health board may recover the reasonable costs it incurs to administer this paragraph from the funds transferred to the board under this paragraph. This paragraph directs the transfer and use of money only and does not create a right of intervention in the litigation or settlement of the enforcement action for any person or entity. A supplemental environmental project funded as part of a settlement agreement is not part of a

civil penalty and must not be included in calculating the amount of funds required to be distributed to a community health board under this paragraph. For the purposes of this paragraph, "supplemental environmental project" means a project that benefits the environment or public health that a regulated facility agrees to undertake, though not legally required to do so, as part of a settlement with respect to an enforcement action taken by the Minnesota Pollution Control Agency to resolve noncompliance.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all litigation actions or settlements from which the Minnesota Pollution Control Agency recovers \$250,000 or more on or after that date.

Sec. 2. Minnesota Statutes 2022, section 115.01, is amended by adding a subdivision to read:

Subd. 8a. Microplastics. "Microplastics" means particles of plastic less than 500 micrometers in size.

Sec. 3. Minnesota Statutes 2022, section 115.01, is amended by adding a subdivision to read:

Subd. 8b. Nanoplastics. "Nanoplastics" means plastic particles less than or equal to 100 nanometers in size.

Sec. 4. Minnesota Statutes 2022, section 115.01, is amended by adding a subdivision to read:

Subd. 10a. Plastic. "Plastic" means a synthetic material made from linking monomers through a chemical reaction to create a polymer chain that can be molded or extruded at high heat into various solid forms that retain their defined shapes during their life cycle and after disposal. Plastic does not mean natural polymers that have not been chemically modified.

Sec. 5. Minnesota Statutes 2022, section 115.03, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) The ~~agency commissioner~~ is ~~hereby~~ given and charged with the following powers and duties:

~~(a)~~ (1) to administer and enforce all laws relating to the pollution of any of the waters of the state;

~~(b)~~ (2) to investigate the extent, character, and effect of the pollution of the waters of this state and to gather data and information necessary or desirable in the administration or enforcement of pollution laws, and to make such classification of the waters of the state as it may deem advisable;

~~(c)~~ (3) to establish and alter such reasonable pollution standards for any waters of the state in relation to the public use to which they are or may be put as it shall deem necessary for the purposes of this chapter and, with respect to the pollution of waters of the state, chapter 116;

~~(d)~~ (4) to encourage waste treatment, including advanced waste treatment, instead of stream low-flow augmentation for dilution purposes to control and prevent pollution;

~~(e)~~ (5) to adopt, issue, reissue, modify, deny, or revoke, enter into or enforce reasonable orders, permits, variances, standards, rules, schedules of compliance, and stipulation agreements, under such conditions as it may prescribe, in order to prevent, control or abate water pollution, or for the installation or operation of disposal systems or parts thereof, or for other equipment and facilities:

~~(4)~~ (i) requiring the discontinuance of the discharge of sewage, industrial waste or other wastes into any waters of the state resulting in pollution in excess of the applicable pollution standard established under this chapter;

~~(2)~~ (ii) prohibiting or directing the abatement of any discharge of sewage, industrial waste, or other wastes, into any waters of the state or the deposit thereof or the discharge into any municipal disposal system where the same is likely to get into any waters of the state in violation of this chapter and, with respect to the pollution of waters of the state, chapter 116, or standards or rules promulgated or permits issued pursuant thereto, and specifying the schedule of compliance within which such prohibition or abatement must be accomplished;

~~(3)~~ (iii) prohibiting the storage of any liquid or solid substance or other pollutant in a manner which does not reasonably assure proper retention against entry into any waters of the state that would be likely to pollute any waters of the state;

~~(4)~~ (iv) requiring the construction, installation, maintenance, and operation by any person of any disposal system or any part thereof, or other equipment and facilities, or the reconstruction, alteration, or enlargement of its existing disposal system or any part thereof, or the adoption of other remedial measures to prevent, control or abate any discharge or deposit of sewage, industrial waste or other wastes by any person;

~~(5)~~ (v) establishing, and from time to time revising, standards of performance for new sources taking into consideration, among other things, classes, types, sizes, and categories of sources, processes, pollution control technology, cost of achieving such effluent reduction, and any nonwater quality environmental impact and energy requirements. Said standards of performance for new sources shall encompass those standards for the control of the discharge of pollutants which reflect the greatest degree of effluent reduction which the agency determines to be achievable through application of the best available demonstrated control technology, processes, operating methods, or other alternatives, including, where practicable, a standard permitting no discharge of pollutants. New sources shall encompass buildings, structures, facilities, or installations from which there is or may be the discharge of pollutants, the construction of which is commenced after the publication by the agency of proposed rules prescribing a standard of performance which will be applicable to such source. Notwithstanding any other provision of the law of this state, any point source the construction of which is commenced after May 20, 1973, and which is so constructed as to meet all applicable standards of performance for new sources shall, consistent with and subject to the provisions of section 306(d) of the Amendments of 1972 to the Federal Water Pollution Control Act, not be subject to any more stringent standard of performance for new sources during a ten-year period beginning on the date of completion of such construction or during the period of depreciation or amortization of such facility for the purposes of section 167 or 169, or both, of the Federal Internal Revenue Code of 1954, whichever period ends first. Construction shall encompass any placement, assembly, or installation of facilities or equipment, including contractual obligations to purchase such facilities or equipment, at the premises where such equipment will be used, including preparation work at such premises;

~~(6)~~ (vi) establishing and revising pretreatment standards to prevent or abate the discharge of any pollutant into any publicly owned disposal system, which pollutant interferes with, passes through, or otherwise is incompatible with such disposal system;

~~(7)~~ (vii) requiring the owner or operator of any disposal system or any point source to establish and maintain such records, make such reports, install, use, and maintain such monitoring equipment or methods, including where appropriate biological monitoring methods, sample such effluents in accordance with such methods, at such locations, at such intervals, and in such a manner as the agency shall prescribe, and providing such other information as the agency may reasonably require;

~~(8)~~ (viii) notwithstanding any other provision of this chapter, and with respect to the pollution of waters of the state, chapter 116, requiring the achievement of more stringent limitations than otherwise imposed by effluent limitations in order to meet any applicable water quality standard by establishing new effluent limitations, based upon section 115.01, subdivision 13, clause (b), including alternative effluent control strategies for any point source or group of point sources to insure the integrity of water quality classifications, whenever the agency determines that discharges of pollutants from such point source or sources, with the application of effluent limitations required to

comply with any standard of best available technology, would interfere with the attainment or maintenance of the water quality classification in a specific portion of the waters of the state. Prior to establishment of any such effluent limitation, the agency shall hold a public hearing to determine the relationship of the economic and social costs of achieving such limitation or limitations, including any economic or social dislocation in the affected community or communities, to the social and economic benefits to be obtained and to determine whether or not such effluent limitation can be implemented with available technology or other alternative control strategies. If a person affected by such limitation demonstrates at such hearing that, whether or not such technology or other alternative control strategies are available, there is no reasonable relationship between the economic and social costs and the benefits to be obtained, such limitation shall not become effective and shall be adjusted as it applies to such person;

~~(9)~~ (ix) modifying, in its discretion, any requirement or limitation based upon best available technology with respect to any point source for which a permit application is filed after July 1, 1977, upon a showing by the owner or operator of such point source satisfactory to the agency that such modified requirements will represent the maximum use of technology within the economic capability of the owner or operator and will result in reasonable further progress toward the elimination of the discharge of pollutants; and

~~(10)~~ (x) requiring that applicants for wastewater discharge permits evaluate in their applications the potential reuses of the discharged wastewater;

~~(6)~~ (6) to require to be submitted and to approve plans and specifications for disposal systems or point sources, or any part thereof and to inspect the construction thereof for compliance with the approved plans and specifications thereof;

~~(7)~~ (7) to prescribe and alter rules, not inconsistent with law, for the conduct of the agency and other matters within the scope of the powers granted to and imposed upon it by this chapter and, with respect to pollution of waters of the state, in chapter 116, provided that every rule affecting any other department or agency of the state or any person other than a member or employee of the agency shall be filed with the secretary of state;

~~(8)~~ (8) to conduct such investigations, issue such notices, public and otherwise, and hold such hearings as are necessary or which it may deem advisable for the discharge of its duties under this chapter and, with respect to the pollution of waters of the state, under chapter 116, including, but not limited to, the issuance of permits, and to authorize any member, employee, or agent appointed by it to conduct such investigations or, issue such notices and hold such hearings;

~~(9)~~ (9) for the purpose of water pollution control planning by the state and pursuant to the Federal Water Pollution Control Act, as amended, to establish and revise planning areas, adopt plans and programs and continuing planning processes, including, but not limited to, basin plans and areawide waste treatment management plans, and to provide for the implementation of any such plans by means of, including, but not limited to, standards, plan elements, procedures for revision, intergovernmental cooperation, residual treatment process waste controls, and needs inventory and ranking for construction of disposal systems;

~~(10)~~ (10) to train water pollution control personnel, and charge such training fees therefor as are necessary to cover the agency's costs. All such fees received ~~shall~~ must be paid into the state treasury and credited to the Pollution Control Agency training account;

(11) to provide chloride reduction training and charge training fees as necessary to cover the agency's costs. All training fees received must be paid into the state treasury and credited to the Pollution Control Agency training account;

~~(12)~~ (12) to impose as additional conditions in permits to publicly owned disposal systems appropriate measures to insure compliance by industrial and other users with any pretreatment standard, including, but not limited to, those related to toxic pollutants, and any system of user charges ratably as is hereby required under state law or said Federal Water Pollution Control Act, as amended, or any regulations or guidelines promulgated thereunder;

(+) (13) to set a period not to exceed five years for the duration of any national pollutant discharge elimination system permit or not to exceed ten years for any permit issued as a state disposal system permit only;

(+) (14) to require each governmental subdivision identified as a permittee for a wastewater treatment works to evaluate in every odd-numbered year the condition of its existing system and identify future capital improvements that will be needed to attain or maintain compliance with a national pollutant discharge elimination system or state disposal system permit; and

(+) (15) to train subsurface sewage treatment system personnel, including persons who design, construct, install, inspect, service, and operate subsurface sewage treatment systems, and charge fees as necessary to pay the agency's costs. All fees received must be paid into the state treasury and credited to the agency's training account. Money in the account is appropriated to the agency to pay expenses related to training.

(b) The information required in paragraph (a), clause (+) (14), must be submitted in every odd-numbered year to the commissioner on a form provided by the commissioner. The commissioner shall provide technical assistance if requested by the governmental subdivision.

(c) The powers and duties given the agency in this subdivision also apply to permits issued under chapter 114C.

Sec. 6. Minnesota Statutes 2022, section 115.03, is amended by adding a subdivision to read:

Subd. 12. **Biofuel plants.** A national pollutant discharge elimination system or state disposal system permit issued by the agency to an ethanol plant, as defined in section 41A.09, subdivision 2a; a biodiesel plant; or an advanced biofuel plant must, as a condition of the permit, require the monitoring of wastewater for the presence of neonicotinoid pesticides and perfluoroalkyl or polyfluoroalkyl substances. The permittee's monitoring system must be capable of providing a permanent record of monitoring results which the permittee must make available upon request of the commissioner or any person. The commissioner must periodically inspect a permittee's monitoring system to verify accuracy.

Sec. 7. Minnesota Statutes 2022, section 115.061, is amended to read:

115.061 DUTY TO NOTIFY; AVOIDING WATER POLLUTION.

(a) Except as provided in paragraph (b), it is the duty of every person to notify the agency immediately of the discharge, accidental or otherwise, of any substance or material under its control which, if not recovered, may cause pollution of waters of the state, and the responsible person shall recover as rapidly and as thoroughly as possible such substance or material and take immediately such other action as may be reasonably possible to minimize or abate pollution of waters of the state caused thereby.

(b) Notification is not required under paragraph (a) for a discharge of five gallons or less of petroleum, as defined in section 115C.02, subdivision 10. This paragraph does not affect the other requirements of paragraph (a).

(c) Promptly after notifying the agency of a discharge under paragraph (a), a publicly owned treatment works or a publicly or privately owned domestic sewer system owner must provide notice to the potentially impacted public and to any downstream drinking water facility that may be impacted by the discharge. Notice to the public and to any drinking water facility must be made using the most efficient communications system available to the facility owner such as in person, telephone call, radio, social media, web page, or another expedited form. In addition, signage must be posted at all impacted public use areas within the same jurisdiction or notification must be provided to the entity that has jurisdiction over any impacted public use areas. A notice under this paragraph must include the date and time of the discharge, a description of the material released, a warning of the potential public health risk, and the permittee's contact information.

(d) The agency must provide guidance that includes but is not limited to methods and protocols for providing timely notice under this section.

Sec. 8. Minnesota Statutes 2022, section 115A.03, is amended by adding a subdivision to read:

Subd. 37a. **Waste treated seed.** "Waste treated seed" means seed that is treated, as defined in section 21.81, subdivision 28, and that is withdrawn from sale or that the end user considers unusable or otherwise a waste.

Sec. 9. Minnesota Statutes 2022, section 115A.1415, is amended to read:

115A.1415 ARCHITECTURAL PAINT; PRODUCT STEWARDSHIP PROGRAM; STEWARDSHIP PLAN.

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

(1) "architectural paint" means interior and exterior architectural coatings sold in containers of five gallons or less. Architectural paint does not include industrial coatings, original equipment coatings, or specialty coatings;

(2) "brand" means a name, symbol, word, or mark that identifies architectural paint, rather than its components, and attributes the paint to the owner or licensee of the brand as the producer;

(3) "discarded paint" means architectural paint that is no longer used for its manufactured purpose;

(4) "producer" means a person that:

(i) has legal ownership of the brand, brand name, or cobrand of architectural paint sold in the state;

(ii) imports architectural paint branded by a producer that meets item (i) when the producer has no physical presence in the United States;

(iii) if items (i) and (ii) do not apply, makes unbranded architectural paint that is sold in the state; or

(iv) sells architectural paint at wholesale or retail, does not have legal ownership of the brand, and elects to fulfill the responsibilities of the producer for the architectural paint by certifying that election in writing to the commissioner;

(5) "recycling" means the process of collecting and preparing recyclable materials and reusing the materials in their original form or using them in manufacturing processes that do not cause the destruction of recyclable materials in a manner that precludes further use;

(6) "retailer" means any person who offers architectural paint for sale at retail in the state;

(7) "reuse" means donating or selling collected architectural paint back into the market for its original intended use, when the architectural paint retains its original purpose and performance characteristics;

(8) "sale" or "sell" means transfer of title of architectural paint for consideration, including a remote sale conducted through a sales outlet, catalog, website, or similar electronic means. Sale or sell includes a lease through which architectural paint is provided to a consumer by a producer, wholesaler, or retailer;

(9) "stewardship assessment" means the amount added to the purchase price of architectural paint sold in the state ~~that is necessary to cover the cost of collecting, transporting, and processing postconsumer architectural paint by the producer or stewardship organization pursuant to a product stewardship program~~ to implement a product stewardship program according to an approved stewardship plan;

(10) "stewardship organization" means an organization appointed by one or more producers to act as an agent on behalf of the producer to design, submit, and administer a product stewardship program under this section; and

(11) "stewardship plan" means a detailed plan describing the manner in which a product stewardship program under subdivision 2 will be implemented.

Subd. 2. **Product stewardship program.** For architectural paint sold in the state, producers must, individually or through a stewardship organization, implement and finance a statewide product stewardship program that manages the architectural paint by reducing the paint's waste generation, promoting its reuse and recycling, and providing for negotiation and execution of agreements to collect, transport, and process the architectural paint for end-of-life recycling and reuse.

Subd. 3. **Participation required to sell.** (a) ~~On and after July 1, 2014, or three months after program plan approval, whichever is sooner,~~ No producer, wholesaler, or retailer may sell or offer for sale in the state architectural paint unless the paint's producer participates in an approved stewardship plan, either individually or through a stewardship organization.

(b) Each producer must operate a product stewardship program approved by the agency commissioner or enter into an agreement with a stewardship organization to operate, on the producer's behalf, a product stewardship program approved by the agency commissioner.

Subd. 4. **Stewardship plan required.** (a) ~~On or before March 1, 2014, and~~ Before offering architectural paint for sale in the state, a producer must submit a stewardship plan to the agency commissioner and receive approval of the plan or must submit documentation to the agency commissioner that demonstrates the producer has entered into an agreement with a stewardship organization to be an active participant in an approved product stewardship program as described in subdivision 2. A stewardship plan must include all elements required under subdivision 5.

(b) ~~An~~ A proposed amendment to the plan, if determined necessary by the commissioner, must be submitted to the commissioner for review and approval or rejection every five years.

(c) ~~It is the responsibility of~~ The entities responsible for each stewardship plan ~~to~~ must notify the agency commissioner within 30 days of any significant proposed changes or modifications to the plan or its implementation. Within 30 days of the notification, a written proposed plan revision amendment must be submitted to the agency commissioner for review and approval or rejection.

Subd. 5. **Plan content.** A stewardship plan must contain:

(1) certification that the product stewardship program will accept all discarded paint regardless of which producer produced the architectural paint and its individual components;

(2) contact information for the individual and the entity submitting the stewardship plan, a list of all producers participating in the product stewardship program, and the brands covered by the product stewardship program;

(3) a description of the methods by which the discarded paint will be collected in all areas in the state without relying on end-of-life fees, including an explanation of how the collection system will be convenient and adequate to serve the needs of small businesses and residents in both urban and rural areas on an ongoing basis and a discussion of how the existing household hazardous waste infrastructure will be considered when selecting collection sites;

(4) a description of how the adequacy of the collection program will be monitored and maintained;

(5) the names and locations of collectors, transporters, and recyclers that will manage discarded paint;

(6) a description of how the discarded paint and the paint's components will be safely and securely transported, tracked, and handled from collection through final recycling and processing;

(7) a description of the method that will be used to reuse, deconstruct, or recycle the discarded paint to ensure that the paint's components, to the extent feasible, are transformed or remanufactured into finished products for use;

(8) a description of the promotion and outreach activities that will be used to encourage participation in the collection and recycling programs and how the activities' effectiveness will be evaluated and the program modified, if necessary;

(9) the proposed stewardship assessment. ~~The producer or stewardship organization shall propose a uniform stewardship assessment for any architectural paint sold in the state. The proposed stewardship assessment shall be reviewed by an independent auditor to ensure that the assessment does not exceed the costs of the product stewardship program and the independent auditor shall recommend an amount for the stewardship assessment. The agency must approve the stewardship assessment established according to subdivision 5a;~~

(10) evidence of adequate insurance and financial assurance that may be required for collection, handling, and disposal operations;

(11) five-year performance goals, including an estimate of the percentage of discarded paint that will be collected, reused, and recycled during each of the first five years of the stewardship plan. The performance goals must include a specific goal for the amount of discarded paint that will be collected and recycled and reused during each year of the plan. The performance goals must be based on:

- (i) the most recent collection data available for the state;
- (ii) the estimated amount of architectural paint disposed of annually;
- (iii) the weight of the architectural paint that is expected to be available for collection annually; and
- (iv) actual collection data from other existing stewardship programs.

The stewardship plan must state the methodology used to determine these goals; and

(12) a discussion of the status of end markets for collected architectural paint and what, if any, additional end markets are needed to improve the functioning of the program.

Subd. 5a. **Stewardship assessment.** The producer or stewardship organization must propose a uniform stewardship assessment for any architectural paint sold in the state that covers but does not exceed the costs of developing the stewardship plan, operating and administering the program in accordance with the stewardship plan and the requirements of this section, and maintaining a financial reserve. A stewardship organization or producer must not maintain a financial reserve in excess of 75 percent of the organization's annual operating expenses. The producer or stewardship organization must retain an independent auditor to review the proposed stewardship assessment to ensure that the assessment meets the requirements of this section. The independent auditor must recommend an amount for the stewardship assessment. If the financial reserve exceeds 75 percent of the producer or stewardship organization's annual operating expenses, the producer or stewardship organization must submit a proposed plan amendment according to subdivision 4, paragraph (c), to comply with this subdivision. The commissioner must review and approve or reject the stewardship assessment according to subdivision 7.

Subd. 6. **Consultation required.** Each stewardship organization or individual producer submitting a stewardship plan or plan amendment must consult with stakeholders including retailers, contractors, collectors, recyclers, local government, and customers during the development of the plan or plan amendment.

Subd. 7. **Agency Commissioner review and approval.** (a) Within 90 days after ~~receipt of~~ receiving a proposed stewardship plan, the ~~agency shall~~ commissioner must determine whether the plan complies with ~~subdivision 4~~ this section. If the ~~agency commissioner~~ commissioner approves a plan, the ~~agency shall~~ commissioner must notify the applicant of the plan approval in writing. If the ~~agency commissioner~~ commissioner rejects a plan, the ~~agency shall~~ commissioner must notify the applicant in writing of the reasons for rejecting the plan.

(b) An applicant whose plan is rejected by the ~~agency commissioner~~ commissioner must submit a revised stewardship plan to the ~~agency commissioner~~ commissioner within 60 days after receiving notice of rejection. A stewardship organization may submit a revised stewardship plan to the commissioner on not more than two consecutive occasions. If, after the second consecutive submission, the commissioner determines that the revised stewardship plan still does not meet the requirements of this section, the commissioner must modify the stewardship plan as necessary to meet the requirements of this section and approve the stewardship plan.

~~(b)~~ (c) Any proposed ~~changes~~ amendment to a stewardship plan must be reviewed and approved or rejected by the ~~agency commissioner~~ commissioner in writing according to this subdivision.

Subd. 8. **Plan availability.** All ~~draft~~ proposed stewardship plans and amendments and approved stewardship plans ~~shall~~ and amendments must be placed on the agency's website for at least 30 days and made available at the agency's headquarters for public review and comment.

Subd. 9. **Conduct authorized.** A producer or stewardship organization that organizes collection, transport, and processing of architectural paint under this section is immune from liability for the conduct under state laws relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade or commerce only to the extent that the conduct is necessary to plan and implement the producer's or organization's chosen organized collection or recycling system.

Subd. 10. **Producer responsibilities.** (a) On and after the date of implementation of a product stewardship program according to this section, a producer of architectural paint must add the stewardship assessment, as established under subdivision 5, ~~clause (9)~~ 5a, to the cost of architectural paint sold to retailers and distributors in the state by the producer.

(b) Producers of architectural paint or the stewardship organization ~~shall~~ must provide consumers with educational materials regarding the stewardship assessment and product stewardship program. The materials must include, but are not limited to, information regarding available end-of-life management options for architectural paint offered through the product stewardship program and information that notifies consumers that a charge for the operation of the product stewardship program is included in the purchase price of architectural paint sold in the state.

Subd. 11. **Retailer responsibilities.** (a) ~~On and after July 1, 2014, or three months after program plan approval, whichever is sooner,~~ No architectural paint may be sold in the state unless the paint's producer is participating in an approved stewardship plan.

(b) On and after the implementation date of a product stewardship program according to this section, each retailer or distributor, as applicable, must ensure that the full amount of the stewardship assessment added to the cost of architectural paint by producers under subdivision 10 is included in the purchase price of all architectural paint sold in the state.

(c) Any retailer may participate, on a voluntary basis, as a designated collection point pursuant to a product stewardship program under this section and in accordance with applicable law.

(d) No retailer or distributor shall be found to be in violation of this subdivision if, on the date the architectural paint was ordered from the producer or its agent, the producer was listed as compliant on the agency's website according to subdivision 14.

Subd. 12. **Stewardship reports.** ~~Beginning October 1, 2015, By April 1 each year,~~ producers of architectural paint sold in the state must individually or through a stewardship organization submit an annual report to the ~~agency~~ commissioner describing the product stewardship program for the preceding calendar year. At a minimum, the report must contain:

- (1) a description of the methods used to collect, transport, and process architectural paint in all regions of the state;
- (2) the weight of all architectural paint collected in all regions of the state and a comparison to the performance goals and recycling rates established in the stewardship plan;
- (3) the amount of unwanted architectural paint collected in the state by method of disposition, including reuse, recycling, and other methods of processing;
- (4) samples of educational materials provided to consumers and an evaluation of the effectiveness of the materials and the methods used to disseminate the materials; and
- (5) an independent financial audit.

Subd. 13. **Data classification.** Trade secret and sales information, as defined under section 13.37, submitted to the ~~agency~~ commissioner under this section are private or nonpublic data under section 13.37.

Subd. 14. **Agency Commissioner responsibilities.** ~~The agency shall~~ commissioner must provide, on ~~its~~ the ~~agency's~~ website, a list of all compliant producers and brands participating in stewardship plans that the ~~agency~~ commissioner has approved and a list of all producers and brands the ~~agency~~ commissioner has identified as noncompliant with this section.

Subd. 15. **Local government responsibilities.** (a) A city, county, or other public agency may choose to participate voluntarily in a product stewardship program.

(b) Cities, counties, and other public agencies are encouraged to work with producers and stewardship organizations to assist in meeting product stewardship program reuse and recycling obligations, by providing education and outreach or using other strategies.

(c) A city, county, or other public agency that participates in a product stewardship program must report for the first year of the program to the ~~agency~~ commissioner using the reporting form provided by the ~~agency~~ commissioner on the cost savings as a result of participation and must describe how the savings were used.

Subd. 16. **Administrative fee.** (a) The stewardship organization or individual producer submitting a stewardship plan ~~shall~~ must pay an annual administrative fee to the commissioner. The ~~agency~~ commissioner may establish a variable fee based on relevant factors, including, but not limited to, the portion of architectural paint sold in the state by members of the organization compared to the total amount of architectural paint sold in the state by all organizations submitting a stewardship plan.

(b) ~~Prior to July 1, 2014, and~~ Before July 1 ~~annually thereafter each year~~, the ~~agency shall~~ commissioner must identify the costs ~~at the agency~~ incurs under this section. The ~~agency shall~~ commissioner must set the fee at an amount that, when paid by every stewardship organization or individual producer that submits a stewardship plan, is adequate to reimburse the agency's full costs of administering this section. The total amount of annual fees collected under this subdivision must not exceed the amount necessary to reimburse costs incurred by the agency to administer this section.

(c) A stewardship organization or individual producer subject to this subdivision must pay the ~~agency's~~ commissioner's administrative fee under paragraph (a) on or before July 1, ~~2014, and annually thereafter each year~~. Each year after the initial payment, the annual administrative fee may not exceed five percent of the aggregate stewardship assessment added to the cost of all architectural paint sold by producers in the state for the preceding calendar year.

(d) All fees received under this section ~~shall~~ must be deposited in the state treasury and credited to a product stewardship account in the special revenue fund. ~~For fiscal years 2014, 2015, 2016, and 2017,~~ The amount collected under this section is annually appropriated to the ~~agency~~ commissioner to implement and enforce this section.

Subd. 17. **Duty to provide information.** Upon request of the commissioner for purposes of determining compliance with this section, a person must furnish to the commissioner any information that the person has or may reasonably obtain.

Sec. 10. Minnesota Statutes 2022, section 115A.565, subdivision 1, is amended to read:

Subdivision 1. **Grant program established.** The commissioner must make competitive grants to political subdivisions or federally recognized Tribes ~~to establish curbside recycling or composting, increase for waste reduction, reuse, recycling or, and composting, reduce the amount of recyclable materials entering disposal facilities, or reduce the costs associated with hauling waste by locating collection sites as close as possible to the site where the waste is generated~~ of source-separated compostable materials or yard waste. To be eligible for grants under this section, a political subdivision or federally recognized Tribe must be located outside the seven-county metropolitan area and a city must have a population of less than 45,000.

Sec. 11. Minnesota Statutes 2022, section 115A.565, subdivision 3, is amended to read:

Subd. 3. **Priorities; eligible projects.** (a) If applications for grants exceed the available appropriations, grants must be made for projects that, in the commissioner's judgment, provide the highest return in public benefits.

(b) To be eligible to receive a grant, a project must:

- (1) be locally administered;
- (2) have an educational component and measurable outcomes;
- (3) request \$250,000 or less;
- (4) demonstrate local direct and indirect matching support of at least a quarter amount of the grant request; ~~and~~
- (5) include at least one of the following elements:
 - ~~(i) transition to residential recycling through curbside or centrally located collection sites;~~
 - ~~(ii) development of local recycling systems to support curbside recycling; or~~

~~(iii) development or expansion of local recycling systems to support recycling bulk materials, including, but not limited to, electronic waste.~~

(i) waste reduction;

(ii) reuse;

(iii) recycling; or

(iv) composting of source-separated compostable materials or yard waste; and

(6) demonstrate that the project will reduce waste generation through waste reduction or reuse or that the project will increase the amount of recyclable materials or source-separated compostable materials diverted from a disposal facility.

Sec. 12. **[115A.566] ZERO-WASTE GRANT PROGRAM.**

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

(b) "Compost" means a product that:

(1) is manufactured through the controlled aerobic, biological decomposition of biodegradable materials; and

(2) has undergone mesophilic and thermophilic temperatures, which significantly reduces the viability of pathogens and weed seeds and stabilizes the carbon such that it is beneficial to plant growth.

(c) "Composting" means the controlled microbial degradation of organic waste to yield a humus-like product.

(d) "Electronics" means any product that is powered by electricity but does not include industrial machinery or lead-acid batteries.

(e) "Eligible entity" means:

(1) a small business, as defined in section 645.445;

(2) an organization that is exempt from taxes under section 501(c)(3) of the Internal Revenue Code; or

(3) a Minnesota city, county, public school district, town, or Tribal government.

(f) "Embodied energy" means energy that was used to create a product or material.

(g) "Environmental justice area" means one or more census tracts in Minnesota:

(1) in which, based on the most recent data published by the United States Census Bureau:

(i) 40 percent or more of the area's total population is nonwhite;

(ii) 35 percent or more of households in the area have an income that is at or below 200 percent of the federal poverty level; or

(iii) 40 percent or more of the population over the age of five has limited English proficiency; or

(2) located in Indian Country, as defined in United States Code, title 18, section 1151.

(h) "Life-cycle impact" means the environmental impacts of products, processes, or services from raw materials through production, usage, and disposal.

(i) "Living wage" means the minimum income necessary to allow a person working 40 hours per week to afford the cost of housing, food, and other material necessities.

(j) "Refurbished" means a product that was used, deemed defective, recycled, or returned to the manufacturer or a third party, then tested and repaired by the manufacturer or a third party before being sold again.

(k) "Responsible end market" means a materials market in which recycling materials or disposing of contaminants is conducted in a way that benefits the environment and minimizes risks to public health and worker health and safety.

(l) "Reuse" means the repair, repurposing, or multiple use of products and materials in a way that extends the useful life of products and materials and decreases the demand for new production. Reuse is not recycling and does not alter an object's physical form by extracting base materials for processing into a new product.

(m) "Rural area" means an area outside the boundaries of a city whose population is 50,000 or more and outside an area contiguous to the city that has a population density greater than 100 persons per square mile.

(n) "Zero waste" means conserving all resources by means of responsible production, consumption, reuse, and recovery of products, packaging, and materials without burning or otherwise destroying embodied energy, with no discharges to land, water, or air that threaten the environment or human health.

Subd. 2. Grant program. The commissioner must establish a competitive grant program to award grants to eligible entities to promote projects described in subdivisions 5 to 8 that are consistent with zero-waste practices.

Subd. 3. Grant application process. (a) The commissioner must develop administrative procedures governing the application and grant award process.

(b) The commissioner must award grants to eligible entities under this section through a competitive grant process. In a request for proposals, the commissioner must:

(1) specify the maximum grant amount; and

(2) establish the minimum percentage of total project funds that an applicant must contribute to the project. Recycling projects described in subdivisions 5, 7, and 8 must demonstrate use of responsible end markets.

(c) The commissioner must develop, in consultation with the agency's Environmental Justice Advisory Group, a streamlined and accessible application process.

(d) To apply for a grant under this section, an eligible entity must submit a written application to the commissioner on a form prescribed by the commissioner.

(e) The application must include specific source reduction, recycling, or composting targets or estimate reductions in life-cycle impacts to be achieved by the project.

(f) A project awarded a grant under this section must be completed within three years of the award.

(g) A recycling project awarded a grant under this section must not include energy recovery or energy generation by any means, including but not limited to combustion, incineration, pyrolysis, gasification, solvolysis, thermal desorption, or waste to fuel, or landfill disposal of discarded material or discarded product component materials, including the use of materials as landfill cover.

Subd. 4. **Grant award process; priorities.** In awarding grants under this section, the commissioner must:

(1) award at least 60 percent of available money to eligible entities whose projects are located in environmental justice areas and at least 30 percent of available funds to eligible entities whose projects are located in rural areas; and

(2) give priority to eligible entities whose projects:

(i) achieve source reduction;

(ii) develop reuse systems;

(iii) support existing or create new jobs that pay a living wage, with additional priority given to projects that create jobs for individuals with barriers to employment, as determined by the commissioner;

(iv) minimize any negative environmental consequences of the proposed project;

(v) demonstrate a need for additional investment in infrastructure and projects to achieve source reduction, recycling, or composting targets set by the local unit of government responsible for waste and recycling programs in the project area;

(vi) encourage further investment in source reduction, recycling, or composting projects; or

(vii) incorporate multistakeholder involvement, including nonprofit, commercial, and public sector partners.

Subd. 5. **Electronics grants.** (a) The commissioner may award grants under this subdivision to source reduction and recycling projects that address electronics. Grants may be used to fund recycling technology or infrastructure, research and development projects, and electronics repair or refurbishment.

(b) No grant may be awarded under this subdivision:

(1) for an electronic waste buy-back program that pays consumers for used electronics in the form of credits that may be used to purchase additional electronics; or

(2) to recyclers who are not certified by an organization accredited by the American National Standards Institute National Accreditation Board as having achieved the e-Stewards Standard for Responsible Recycling and Reuse of Electronic Equipment.

Subd. 6. **Source reduction and reuse grants.** The commissioner may award grants under this subdivision to projects that promote source reduction or reuse. Grants may be used:

(1) to redesign products in ways that reduce their life-cycle impacts while not increasing the toxicity of those impacts, including reducing the amount of packaging; or

(2) for education and outreach activities that encourage consumers to change their product purchasing, use, or disposal behaviors in ways that promote source reduction or reuse.

Subd. 7. Market development grants. (a) The commissioner may award grants under this subdivision to projects that promote and strengthen markets for reuse, recycling, and composting, including projects that increase demand for sorted recyclable commodities, refurbished goods, or compost.

(b) Projects seeking grants under this subdivision must target materials that are disproportionately disposed of in landfills or incinerated and must reduce the volume, weight, or toxicity of waste and waste by-products.

(c) Projects seeking grants under this subdivision to expand recycling markets must target easily or commonly recycled materials.

(d) Projects seeking grants under this subdivision must not conflict with other laws or requirements identified by the commissioner.

Subd. 8. Recycling and composting infrastructure grants. (a) Grants awarded under this subdivision may be used for facilities, machinery, equipment, and other physical infrastructure or supplies required to collect or process materials for recycling and composting.

(b) Grants awarded under this subdivision must result in increased capacity to process residential and commercial source-separated organics, yard waste, and recyclable materials. Grants awarded to increase the capacity of composting infrastructure must generate a usable product that has demonstrable environmental benefits.

(c) No grant may be awarded under this subdivision to support composting material derived from mixed municipal solid waste.

Subd. 9. Reporting. By January 15, 2025, and each January 15 through 2027, the commissioner must submit a written report to the chairs and ranking minority members of the legislative committees having jurisdiction over economic development and environment that describes the use of grant money under this section. The report must include, at a minimum:

(1) a list of grant recipients, grant amounts, and project descriptions; and

(2) a narrative of progress made toward grant project goals.

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

Sec. 13. [115A.993] PROHIBITED DISPOSAL METHODS.

A person must not dispose of waste treated seed in a manner inconsistent with the product label, where applicable, or by:

(1) burial near a drinking water source or any creek, stream, river, lake, or other surface water;

(2) composting; or

(3) incinerating within a home or other dwelling.

Sec. 14. Minnesota Statutes 2022, section 115B.17, subdivision 14, is amended to read:

Subd. 14. Requests for review, investigation, and oversight. (a) The commissioner may, upon request, assist a person in determining whether real property has been the site of a release or threatened release of a hazardous substance, pollutant, or contaminant. The commissioner may also assist in, or supervise, the development and

implementation of reasonable and necessary response actions. Assistance may include review of agency records and files, and review and approval of a requester's investigation plans and reports and response action plans and implementation.

(b) Except as otherwise provided in this paragraph, the person requesting assistance under this subdivision shall pay the agency for the agency's cost, as determined by the commissioner, of providing assistance. A state agency, political subdivision, or other public entity is not required to pay for the agency's cost to review agency records and files. ~~Money received by the agency for assistance under this section~~ The first \$350,000 received annually by the agency for assistance under this subdivision from persons who are not otherwise responsible under sections 115B.01 to 115B.18 must be deposited in the remediation fund and is exempt from section 16A.1285. Money received after the first \$350,000 must be deposited in the state treasury and credited to an account in the special revenue fund. Money in the account is annually appropriated to the commissioner for the purposes of administering this subdivision.

(c) When a person investigates a release or threatened release in accordance with an investigation plan approved by the commissioner under this subdivision, the investigation does not associate that person with the release or threatened release for the purpose of section 115B.03, subdivision 3, paragraph (a), clause (4).

Sec. 15. Minnesota Statutes 2022, section 115B.171, subdivision 3, is amended to read:

Subd. 3. **Test reporting.** (a) By ~~January~~ March 15 each year, the commissioner of the Pollution Control Agency must report to each community in the east metropolitan area a summary of the results of the testing for private wells in the community. The report must include information on the number of wells tested and trends of PFC contamination in private wells in the community. Reports to communities under this section must also be published on the Pollution Control Agency's website.

(b) By ~~January~~ March 15 each year, the commissioner of the Pollution Control Agency must report to the legislature, as provided in section 3.195, on the testing for private wells conducted in the east metropolitan area, including copies of the community reports required in paragraph (a), the number of requests for well testing in each community, and the total amount spent for testing private wells in each community.

Sec. 16. Minnesota Statutes 2022, section 115B.52, subdivision 4, is amended to read:

Subd. 4. **Reporting.** The commissioner of the Pollution Control Agency and the commissioner of natural resources must jointly submit:

(1) by April 1, 2019, an implementation plan detailing how the commissioners will:

(i) determine how the priorities in the settlement will be met and how the spending will move from the first priority to the second priority and the second priority to the third priority outlined in the settlement; and

(ii) evaluate and determine what projects receive funding;

(2) by ~~February 1 and August 1~~ October 1 each year, a ~~biannual~~ report to the chairs and ranking minority members of the legislative policy and finance committees with jurisdiction over environment and natural resources on expenditures from the water quality and sustainability account during the previous ~~six months~~ fiscal year; and

(3) by ~~August~~ October 1, 2019 2023, and each year thereafter, a report to the legislature on expenditures from the water quality and sustainability account during the previous fiscal year and a spending plan for anticipated expenditures from the account during the current fiscal year.

Sec. 17. Minnesota Statutes 2022, section 116.02, is amended to read:

116.02 POLLUTION CONTROL AGENCY; CREATION AND POWERS.

Subdivision 1. **Creation.** A pollution control agency, designated as the Minnesota Pollution Control Agency, ~~is hereby created~~ consists of the commissioner and eight members appointed by the governor, by and with the advice and consent of the senate.

Subd. 2a. **Terms, compensation, removal, vacancies.** The membership terms, compensation, removal of members, and filling of vacancies on the agency is as provided in section 15.0575.

Subd. 3a. **Membership.** (a) The membership of the Pollution Control Agency must be broadly representative of the skills and experience necessary to effectuate the policy of sections 116.01 to 116.075, except that no member other than the commissioner may be an officer or employee of the state or federal government.

(b) The membership of the Pollution Control Agency must reflect the diversity of the state of Minnesota in terms of race, gender, and geography.

(c) Only two members at one time may be officials or employees of a municipality or any governmental subdivision, but neither may be a member ex-officio or otherwise on the management board of a municipal sanitary sewage disposal system.

(d) Membership must include:

(1) at least one enrolled member of one of the 11 federally recognized Tribes in the state;

(2) at least three members who live in environmental justice communities and identify as American Indian or Alaska Natives, Black or African American, Hispanic or Latino, Asian, Pacific Islander, members of a community of color, or low-income. An environmental justice community means a community with significant representation of communities of color, low-income communities, or Tribal and Indigenous communities that experience, or are at risk of experiencing, higher instances of or more adverse human health or environmental effects;

(3) at least one farmer of livestock or crops, or both, with fewer than 200 head of livestock or 500 acres of cropland, or both; and

(4) at least one member of a labor union.

Subd. 4a. **Chair.** The commissioner serves as chair of the agency. The agency elects other officers as the agency deems necessary.

Subd. 5. **Agency successor to commission.** The Minnesota Pollution Control Agency is the successor of the Water Pollution Control Commission, and all powers and duties now vested in or imposed upon said commission by chapter 115, or any act amendatory thereof or supplementary thereto, are hereby transferred to, imposed upon, and vested in the commissioner of the Minnesota Pollution Control Agency.

Subd. 6a. **Required decisions.** (a) The agency must make final decisions on the following matters:

(1) a petition for preparing an environmental assessment worksheet, if the project proposer or a person commenting on the proposal requests that the decision be made by the agency and the agency requests that it make the decision under subdivision 8a;

(2) the need for an environmental impact statement following preparation of an environmental assessment worksheet under applicable rules, if:

(i) the agency has received a request for an environmental impact statement;

(ii) the project proposer or a person commenting on the proposal requests that the declaration be made by the agency and the agency requests that it make the decision under subdivision 8a; or

(iii) the commissioner is recommending preparation of an environmental impact statement;

(3) the scope and adequacy of environmental impact statements;

(4) issuing, reissuing, modifying, or revoking a permit;

(5) final adoption or amendment of agency rules for which a public hearing is required under section 14.25 or for which the commissioner decides to proceed directly to a public hearing under section 14.14, subdivision 1;

(6) approving or denying an application for a variance from an agency rule; and

(7) whether to reopen, rescind, or reverse a decision of the agency.

(b) In reviewing projects, the agency must consider whether there has been free prior and informed consent via government-to-government consultation with Tribal Nations and the way a project will impact the ability of communities to exercise rights guaranteed by treaties.

Subd. 7a. Additional decisions. The commissioner may request that the agency make additional decisions or provide advice to the commissioner.

Subd. 8a. Other actions. (a) Any other action not specifically within the authority of the commissioner must be made by the agency if:

(1) before the commissioner's final decision on the action, one or more members of the agency notify the commissioner of their request that the decision be made by the agency; or

(2) any person submits a petition to the commissioner requesting that the decision be made by the agency and the commissioner grants the petition.

(b) If the commissioner denies a petition submitted under paragraph (a), clause (2), the commissioner must advise the agency and the petitioner of the reasons for the denial.

Subd. 9a. Providing information. (a) The commissioner must inform interested persons as appropriate in public notices, and other public documents, of their right to request that the agency make decisions in specific matters according to subdivision 6a and the right of agency members to request that decisions be made by the agency according to subdivision 8a.

(b) The commissioner must regularly inform the agency of activities that have broad policy implications or potential environmental significance and of activities in which the public has exhibited substantial interest.

Subd. 11. Changing decisions. (a) The agency must not reopen, rescind, or reverse a decision of the agency except upon:

(1) the affirmative vote of two-thirds of the agency; or

(2) a finding that there was an irregularity in a hearing related to the decision, an error of law, or a newly discovered material issue of fact.

(b) The requirements in paragraph (a) are minimum requirements and do not limit the agency's authority under sections 14.06 and 116.07, subdivision 3, to adopt rules:

(1) applying the requirement in paragraph (a), clause (1) or (2), to certain decisions of the agency; or

(2) establishing additional or more stringent requirements for reopening, rescinding, or reversing decisions of the agency.

Subd. 12. **Conflict of interest.** A public member of the Pollution Control Agency must not participate in the discussion or decision on a matter in which the member or an immediate family member has a financial interest.

Sec. 18. Minnesota Statutes 2022, section 116.03, subdivision 1, is amended to read:

Subdivision 1. **Office.** (a) The Office of Commissioner of the Pollution Control Agency is created and is under the supervision and control of the commissioner, who is appointed by the governor under the provisions of section 15.06.

(b) The commissioner may appoint a deputy commissioner and assistant commissioners who ~~shall be~~ are in the unclassified service.

(c) The commissioner shall make all decisions on behalf of the agency that are not required to be made by the agency under section 116.02.

Sec. 19. Minnesota Statutes 2022, section 116.03, subdivision 2a, is amended to read:

Subd. 2a. **Mission; efficiency.** It is part of the agency's mission that within the agency's resources, the commissioner and the members of the agency 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 agency as efficiently as possible;

(3) coordinate the agency'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) ~~utilize~~ use constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;

(6) 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) recommend to the legislature appropriate changes in law necessary to carry out the mission and improve the performance of the agency.

Sec. 20. Minnesota Statutes 2022, section 116.06, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** The definitions given in this section shall obtain for the purposes of sections 116.01 to ~~116.075~~ 116.076 except as otherwise expressly provided or indicated by the context.

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

Sec. 21. Minnesota Statutes 2022, section 116.06, is amended by adding a subdivision to read:

Subd. 6a. **Commissioner.** "Commissioner" means the commissioner of the Pollution Control Agency.

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

Sec. 22. Minnesota Statutes 2022, section 116.06, is amended by adding a subdivision to read:

Subd. 10a. **Environmental justice.** "Environmental justice" means that:

(1) communities of color, Indigenous communities, and low-income communities have a healthy environment and are treated fairly when environmental statutes, rules, and policies are developed, adopted, implemented, and enforced; and

(2) in all decisions that have the potential to affect the environment of an environmental justice area or the public health of its residents, due consideration is given to the history of the area's and its residents' cumulative exposure to pollutants and to any current socioeconomic conditions that increase the physical sensitivity of those residents to additional exposure to pollutants.

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

Sec. 23. Minnesota Statutes 2022, section 116.06, is amended by adding a subdivision to read:

Subd. 10b. **Environmental justice area.** "Environmental justice area" means one or more census tracts in Minnesota:

(1) in which, based on the most recent data published by the United States Census Bureau:

(i) 40 percent or more of the population is nonwhite;

(ii) 35 percent or more of the households have an income at or below 200 percent of the federal poverty level; or

(iii) 40 percent or more of the population over the age of five has limited English proficiency; or

(2) located within Indian Country, as defined in United States Code, title 18, section 1151.

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

Sec. 24. **[116.062] AIR TOXICS EMISSIONS REPORTING.**

(a) The commissioner must require owners and operators of a facility issued an air quality permit by the agency, except a facility issued an Option B registration permit under Minnesota Rules, part 7007.1120, to annually report the facility's air toxics emissions to the agency, including a facility not required as a condition of its air quality permit to keep records of air toxics emissions. The commissioner must determine the method to be used by a facility to directly measure or estimate air toxics emissions. The commissioner must amend permits and complete rulemaking, and may enter into enforceable agreements with facility owners and operators, in order to make the reporting requirements under this section enforceable.

(b) For the purposes of this section, "air toxics" means chemical compounds or compound classes that are emitted into the air by a permitted facility and that are:

(1) hazardous air pollutants listed under the federal Clean Air Act, United States Code, title 42, section 7412, as amended;

(2) chemicals reported as released into the atmosphere by a facility located in the state for the Toxic Release Inventory under the federal Emergency Planning and Community Right-to-Know Act, United States Code, title 42, section 11023, as amended;

(3) chemicals for which the Department of Health has developed health-based values or risk assessment advice;

(4) chemicals for which the risk to human health has been assessed by either the federal Environmental Protection Agency's Integrated Risk Information System or its Provisional Peer-Reviewed Toxicity Values; or

(5) chemicals reported by facilities in the agency's most recent triennial emissions inventory.

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

Sec. 25. **[116.063] ODOR MANAGEMENT.**

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

(1) "commissioner" means the commissioner of the Pollution Control Agency;

(2) "objectionable odor" means air pollution consisting of an odor that, considering its characteristics, intensity, frequency, and duration:

(i) is or can reasonably be expected to be injurious to public health or welfare; or

(ii) unreasonably interferes with the enjoyment of life or the use of property of persons exposed to the odor; and

(3) "odor complaint" means a notification received and recorded by the commissioner or by a political subdivision from an identifiable person that describes the nature, duration, and location of an odor.

Subd. 2. **Odor control.** (a) While responding to an odor complaint or during an inspection of a facility, the commissioner may determine the facility is emitting an objectionable odor.

(b) A facility must implement odor control measures if determined by the commissioner to be emitting an objectionable odor.

Subd. 3. **Objectionable odor; management plan.** (a) If the commissioner determines that an odor emitted from a facility is an objectionable odor, the commissioner must notify the owner or operator of the facility and require the owner or operator to develop an odor-management plan designed to mitigate odor emissions. The plan must be approved by a licensed engineer before it is submitted to the commissioner for review.

(b) The owner or operator of the facility must submit the odor-management plan required under paragraph (a) to the commissioner for review within 90 days of receiving notification from the commissioner. The commissioner may grant an extension for submitting the odor-management plan for up to an additional 90 days for good cause.

(c) The commissioner must provide guidance to the owner or operator in developing an odor-management plan.

(d) An odor-management plan must contain, at a minimum, for each odor source contributing to odor emissions:

(1) a description of plant operations and materials that generate odors;

(2) proposed changes in equipment, operations, or materials that are designed to mitigate odor emissions;

(3) the estimated effectiveness of the plan in reducing odor emissions;

(4) the estimated cost of implementing the plan; and

(5) a schedule of plan implementation activities.

(e) The commissioner may accept, reject, or modify an odor-management plan submitted under this subdivision.

(f) If the revised odor-management plan is not acceptable to the commissioner or is implemented but fails to reduce the facility's odor emissions to a level where the odor is no longer an objectionable odor, the commissioner may:

(1) require the facility owner to submit a revised odor-management plan within 90 days;

(2) impose penalties under section 115.071; or

(3) modify the facility's air emission permit under section 116.07, subdivision 4a, paragraph (d).

Subd. 4. Exemptions. This section does not apply to:

(1) on-farm animal and agricultural operations;

(2) motor vehicles and transportation facilities;

(3) municipal wastewater treatment plants;

(4) single-family dwellings not used for commercial purposes;

(5) materials odorized for safety purposes;

(6) painting and coating operations that are not required to be permitted;

(7) restaurants; and

(8) temporary activities and operations.

Subd. 5. Rulemaking required. (a) The commissioner must adopt rules to implement this section, and section 14.125 does not apply.

(b) The commissioner must comply with chapter 14 and must complete the statement of need and reasonableness according to chapter 14 and section 116.07, subdivision 2, paragraph (f).

(c) The rules must include:

(1) an odor standard or standards for air pollution that may qualify as objectionable odor under subdivision 1, clause (2);

(2) a process for determining if an odor is objectionable;

(3) a process for investigating and addressing odor complaints;

(4) guidance for developing odor-management plans; and

(5) procedures and criteria for determining the success or failure of an odor-management plan.

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

Sec. 26. [116.065] CUMULATIVE IMPACTS ANALYSIS; PERMIT DECISIONS IN ENVIRONMENTAL JUSTICE AREAS.

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

(b) "Commissioner" means the commissioner of the Minnesota Pollution Control Agency.

(c) "Compelling public interest" means a factor or condition that is necessary to serve an essential environmental, health, or safety need of residents of an environmental justice area and that cannot reasonably be met by alternative available means.

(d) "Cumulative impacts" means the impacts of aggregated levels of past and current air, water, and land pollution in a defined geographic area to which current residents are exposed.

(e) "Environmental justice" means:

(1) communities of color, Indigenous communities, and low-income communities have a healthy environment and are treated fairly when environmental statutes, rules, and policies are developed, adopted, implemented, and enforced; and

(2) in all decisions that have the potential to affect the environment of an environmental justice area or the public health of its residents, due consideration is given to the history of the area's and its residents' cumulative exposure to pollutants and to any current socioeconomic conditions that could increase harm to those residents from additional exposure to pollutants.

(f) "Environmental justice area" means one or more census tracts in Minnesota:

(1) in which, based on the most recent data published by the United States Census Bureau:

(i) 40 percent or more of the population is nonwhite;

(ii) 35 percent or more of the households have an income at or below 200 percent of the federal poverty level; or

(iii) 40 percent or more of the population over the age of five has limited English proficiency; or

(2) located within Indian Country, as defined in United States Code, title 18, section 1151.

(g) "Environmental stressors" means factors that may make residents of an environmental justice area susceptible to harm from exposure to pollutants. Environmental stressors include:

(1) environmental effects on health from exposure to past and current pollutants in the environmental justice area, including any biomonitoring information from residents; and

(2) social and environmental factors, including but not limited to poverty, substandard housing, food insecurity, elevated rates of disease, and poor access to health insurance and medical care.

Subd. 2. Applicability. This section applies to applications for the following types of new construction permits, permits required for facility expansions, and reissuances of existing permits for which the commissioner has determined under subdivision 3 that issuance of the permit as proposed is likely to impact the environment or the health of residents in an environmental justice area:

(1) a major source air permit, as defined in Minnesota Rules, part 7007.0200; and

(2) a state air permit required under Minnesota Rules, part 7007.0250, subparts 2 to 6.

Subd. 3. **Cumulative impacts analysis; determination of need.** (a) The commissioner is responsible for determining whether a proposed permit action will impact the environment or health of the residents of an environmental justice area.

(b) A permit application must indicate whether the permit action sought is likely to impact the environment or the health of residents of an environmental justice area and must include the data used by the applicant to make the determination.

(c) In making a determination whether a cumulative analysis is required, the commissioner must:

(1) review the permit application and the applicant's assessment of the need to conduct a cumulative analysis;

(2) assess whether the proposed permit exceeds any of the benchmarks for conducting a cumulative impact analysis established in rules adopted under subdivision 6;

(3) review any comments and material evidence submitted by members of the public regarding the necessity for a cumulative impact analysis; and

(4) review any other information the commissioner deems relevant.

Subd. 4. **Public meeting requirements.** (a) A permit applicant or permit holder required to conduct a cumulative impacts analysis under subdivision 2 must hold at least two public meetings in the environmental justice area impacted by the facility before the commissioner issues or denies a permit. The first public meeting must be held before conducting a cumulative impacts analysis, and the second must be held after conducting the analysis.

(b) The permit applicant or permit holder must:

(1) publish notice containing the date, time, and location of the public meetings and a brief description of the permit or project in a newspaper of general circulation in the environmental justice area at least 30 days before the meetings;

(2) post physical signage in the environmental justice area impacted, as directed by the commissioner; and

(3) provide the commissioner with notice of the public meeting and a copy of the cumulative impacts analysis at least 45 days before the second public meeting.

(c) The commissioner must post the notice and cumulative impacts analysis on the agency website at least 30 days before the second public meeting.

(d) The permit applicant or permit holder must:

(1) provide an opportunity for robust public and Tribal engagement at the public meetings;

(2) accept written and oral comments, as directed by the commissioner, from any interested party; and

(3) provide an electronic copy of all written comments and a transcript of all oral comments to the agency within 30 days of the public meetings.

(e) If the permit applicant or permit holder is applying for more than one permit that may affect the same environmental justice area, the permit applicant or permit holder may request that the commissioner require that the facility hold two public meetings that address all of the permits sought. The commissioner may approve or deny the request.

(f) The commissioner may incorporate conditions in a permit for a facility located in or affecting an environmental justice area to hold multiple in-person meetings with residents of the environmental justice area affected by the facility to share information and discuss community concerns.

Subd. 5. Environmental justice area; permit decisions. (a) In determining whether to issue or deny a permit, the commissioner must consider the cumulative impacts analysis conducted, the testimony presented, and comments submitted in public meetings held under subdivision 4. The permit may be issued no earlier than 30 days following the last public meeting.

(b) The commissioner must deny an application for a permit subject to this section for a facility in an environmental justice area if the cumulative impacts analysis determines that issuing the permit, in combination with the environmental stressors present in the environmental justice area, would contribute to adverse cumulative environmental stressors in the environmental justice area, unless:

(1) the commissioner enters into a community benefit agreement with the facility owner or operator, in consultation with community-based organizations representing the interests of residents of the environmental justice area; and

(2) there is a compelling public interest to issue the permit, as determined by the commissioner, based on criteria established in rules adopted under subdivision 6.

(c) If the commissioner determines that a compelling public interest exists and the applicant enters into a community benefit agreement with the commissioner, the agency may grant a permit that imposes conditions on the construction and operation of the facility to protect public health and the environment.

(d) Issuance of a permit under this section must include a requirement that the facility provide information to the community describing the health risks that the facility poses.

(e) A community benefit agreement must be signed on or before the date a new or reissued permit is issued in an environmental justice area.

(f) The commissioner must publish and maintain on the agency website a list of environmental justice areas in the state.

(g) The agency must maintain an updated database of the identified stressors in specific census tracts and make this database accessible to the public.

Subd. 6. Rulemaking. (a) The commissioner must adopt rules under chapter 14 to implement and govern the cumulative impacts analysis and issuance or denial of permits for facilities that impact environmental justice areas as provided in this section. Notwithstanding section 14.125, the agency must publish notice of intent to adopt rules within 36 months of the effective date of this act, or the authority for the rules expires.

(b) During the rulemaking process, the Pollution Control Agency must engage in robust public engagement, including public meetings, and Tribal consultation.

(c) Rules adopted under this section must:

(1) establish benchmarks to assist the commissioner's determination regarding the need for a cumulative impacts analysis;

(2) establish the required content of a cumulative impacts analysis, including sources of public information that an applicant can access regarding environmental stressors that are present in an environmental justice area;

(3) define conditions, criteria, or circumstances that qualify as a compelling public interest, which:

(i) must include, with respect to economic considerations, only those that directly and substantially benefit residents of the environmental justice area;

(ii) must include noneconomic considerations that directly benefit the residents of the environmental justice area; and

(iii) must take into account public comments made at public meetings held under subdivision 4;

(4) establish the content of a community benefit agreement and procedures for entering into community benefit agreements, which must include:

(i) meaningful consultation with members of the public and community-based organizations or coalitions representing the interests of residents within the environmental justice area;

(ii) at least one public meeting held within the environmental justice area; and

(iii) a formal petition showing support from 50 community members that is signed after a public meeting; and

(5) establish a petition process and form submitted to the agency by environmental justice area residents to support the need for a cumulative impact analysis, including criteria defining potential adverse cumulative impacts on the environment or health of the residents.

(d) The agency must provide translation services and translated materials upon request during rulemaking meetings.

(e) The agency must provide public notice on the agency website at least 30 days before public meetings held on the rulemaking. The notice must include the date, time, and location of the meeting. The agency must use multiple communication methods to inform residents of environmental justice areas in the public meetings held for the rulemaking.

Sec. 27. Minnesota Statutes 2022, section 116.07, is amended by adding a subdivision to read:

Subd. 4m. Nonexpiring state individual permits; public informational meeting. (a) For each facility issued a nonexpiring state individual air quality permit by the agency, the agency must hold a separate public informational meeting at regular intervals to allow the public to make comments or inquiries regarding any aspect of the permit, including but not limited to permit conditions, testing results, the facility's operations, and permit compliance. The public informational meeting must be held at a location near the permitted facility and convenient to the public. Individuals employed at the facility who are responsible for the facility meeting the conditions of the permit and agency officials must be present at the public informational meeting. For nonexpiring state individual air quality permits issued or reissued after December 31, 2018, a public informational meeting must be held under this subdivision no later than five years after the permit is issued or reissued and every five years thereafter. For nonexpiring state individual air quality permits issued on or before December 31, 2018, a public informational meeting must be held under this subdivision no later than December 31, 2024, and every five years thereafter.

(b) For the purposes of this section, "state individual air quality permit" means an air quality permit that:

(1) is issued to an individual facility that is required to obtain a permit under Minnesota Rules, part 7007.0250, subparts 2 to 6; and

(2) is not a general permit issued under Minnesota Rules, part 7007.1100.

(c) As required under subdivision 4d, the agency's direct and indirect reasonable costs of conducting the activities under this subdivision must be recovered through air quality permit fees.

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

Sec. 28. Minnesota Statutes 2022, section 116.07, is amended by adding a subdivision to read:

Subd. 4n. **Permit review denial.** If the commissioner determines that a person's request for the agency to review an existing permit is not warranted, the commissioner must state the reasons for the determination in writing within 15 days of the determination.

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

Sec. 29. Minnesota Statutes 2022, section 116.07, is amended by adding a subdivision to read:

Subd. 4o. **Aboveground storage tanks; fees.** (a) The commissioner must collect permit fees for aboveground storage tank facilities in amounts not greater than necessary to cover the reasonable costs of developing, reviewing, and acting upon applications for agency permits and implementing and enforcing the conditions of the permits. The fee schedule must reflect reasonable and routine direct and indirect costs associated with permitting, implementation, enforcement, and other activities necessary to operate the aboveground storage tank program.

(b) Each fiscal year, the commissioner must adjust the fees as necessary to maintain an annual income that covers the legislative appropriation needed to administer the aboveground storage tank program according to paragraph (a). The commissioner must adjust fees according to the criteria established under paragraph (c) and as required under paragraph (d). Fees established under this subdivision are exempt from section 16A.1285.

(c) The commissioner must adopt rules that specify criteria for establishing:

(1) an annual fee from permitted aboveground storage tank facilities; and

(2) a permit application fee for aboveground storage tank facility permit applications.

(d) The commissioner must annually increase the fees under this subdivision by the percentage, if any, by which the Consumer Price Index for the most recent calendar year ending before the beginning of the year the fee is collected exceeds the Consumer Price Index for calendar year 2022. For purposes of this paragraph, the Consumer Price Index for any calendar year is the average of the Consumer Price Index for all urban consumers published by the United States Department of Labor as of the close of the 12-month period ending on August 31 of each calendar year. The revision of the Consumer Price Index that is most consistent with the Consumer Price Index for calendar year 2022 must be used.

(e) Fees collected under this subdivision must be deposited in the state treasury and credited to the environmental fund and must be used for the purposes specified in paragraph (a).

(f) This paragraph expires when the commissioner adopts the initial rules required under paragraph (c). Until the commissioner adopts the initial rules under paragraph (c):

(1) the annual fee for major aboveground storage tank facilities is equal to the quotient of dividing the legislative appropriation under paragraph (b) by the number of major aboveground storage tank facilities; and

(2) there is no permit application fee for aboveground storage tank facilities.

Sec. 30. Minnesota Statutes 2022, section 116.07, subdivision 6, is amended to read:

Subd. 6. **Pollution Control Agency; exercise of powers.** In exercising all its powers the Pollution Control Agency ~~shall give due consideration to~~ must:

(1) consider the establishment, maintenance, operation and expansion of business, commerce, trade, industry, traffic, and other economic factors and other material matters affecting the feasibility and practicability of any proposed action, including, but not limited to, the burden on a municipality of any tax which may result therefrom, and shall must take or provide for such action as may be reasonable, feasible, and practical under the circumstances; and

(2) to the extent reasonable, feasible, and practical under the circumstances:

(i) ensure that actions or programs that have a direct, indirect, or cumulative impact on environmental justice areas incorporate community-focused practices and procedures in agency processes, including communication, outreach, engagement, and education to enhance meaningful, timely, and transparent community access;

(ii) collaborate with other state agencies to identify, develop, and implement means to eliminate and reverse environmental and health inequities and disparities;

(iii) promote the utility and availability of environmental data and analysis for environmental justice areas, other agencies, federally recognized Tribal governments, and the public;

(iv) encourage coordination and collaboration with residents of environmental justice areas to address environmental and health inequities and disparities; and

(v) ensure environmental justice values are represented to the agency from a commissioner-appointed environmental justice advisory committee that is composed of diverse members and that is developed and operated in a manner open to the public and in accordance with the duties described in the bylaws and charter adopted and maintained by the commissioner.

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

Sec. 31. Minnesota Statutes 2022, section 116.07, is amended by adding a subdivision to read:

Subd. 7f. **Financial assurance.** (a) Before the commissioner issues or renews a permit for a feedlot with a capacity of 1,000 or more animal units, the permit applicant must submit to the commissioner proof of financial assurance that satisfies the requirements under this subdivision. Financial assurance must be of an amount sufficient to pay the closure costs determined under paragraph (c) for the feedlot and manure storage area, with all terms and conditions of the financial assurance instrument approved by the commissioner. The commissioner, in evaluating financial assurance, may consult individuals with documented experience in the analysis. The applicant must pay all costs incurred by the commissioner to obtain the analysis.

(b) A permittee must maintain sufficient financial assurance for the duration of the permit and demonstrate to the commissioner's satisfaction that:

(1) money will be available and made payable to the commissioner if the commissioner determines the permittee is not in full compliance with the closure requirements established by the commissioner in rule for feedlots and manure storage areas;

(2) the financial assurance instrument is fully valid, binding, and enforceable under state and federal law;

(3) the financial assurance instrument is not dischargeable through bankruptcy; and

(4) the financial assurance provider will give the commissioner at least 120 days' notice before canceling the financial assurance instrument.

(c) The permit applicant must submit to the commissioner a documented estimate of costs required to implement the closure requirements established by the commissioner in rule for feedlots and manure storage areas. Cost estimates must incorporate current dollar values at the time of the estimate and any additional costs required by the commissioner to oversee and hire a third party to implement the closure requirements. The applicant must not incorporate the estimated salvage or market value of manure, animals, structures, equipment, land, or other assets. The commissioner must evaluate and may modify the applicant's cost estimates and may consult individuals with documented experience in feedlot or manure storage area closure or remediation. The applicant must pay all costs incurred by the commissioner to obtain the consultation.

Sec. 32. Minnesota Statutes 2022, section 116.07, is amended by adding a subdivision to read:

Subd. 7g. **Abandoned manure storage areas.** At least annually, the commissioner must compile a list of abandoned manure storage areas in the state. A list compiled under this subdivision is not a feedlot inventory for purposes of subdivision 7b. For purposes of this subdivision, "abandoned manure storage areas" means solid and liquid manure storage areas that have been previously registered with the state as a feedlot with a manure storage area and have:

(1) permanently ceased operation and are subject to, but not in compliance with, the closure requirements established by the commissioner in rule for feedlots and manure storage areas; or

(2) been unused for at least three years.

Sec. 33. **[116.076] ENVIRONMENTAL JUSTICE AREAS; BOUNDARIES; MAPS.**

(a) No later than December 1, 2023, the commissioner must determine the boundaries of all environmental justice areas in Minnesota. The determination of the geographic boundaries of an environmental justice area may be appealed by filing a petition that contains evidence to support amending the commissioner's determination. The petition must be signed by at least 50 residents of census tracts within or adjacent to the environmental justice area, as determined by the commissioner. The commissioner may, after reviewing the petition, amend the boundaries of an environmental justice area.

(b) The commissioner must post updated maps of each environmental justice area in the state on the agency website.

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

Sec. 34. **[116.196] GREEN INFRASTRUCTURE GRANT PROGRAM.**

Subdivision 1. **Establishment of program.** The commissioner must establish a green infrastructure grant program to provide grants for green infrastructure projects.

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

(b) "Commissioner" means the commissioner of the Pollution Control Agency.

(c) "Green infrastructure" has the meaning given in United States Code, title 33, section 1362, as amended through December 31, 2019, and also includes trails, bridges, roads, and recreational amenities designed to mitigate stormwater impacts.

(d) "Political subdivision" means a county, home rule charter or statutory city, town, or other political subdivision of the state.

(e) "Project" means a green infrastructure project or stormwater infrastructure project to be owned and administered by a political subdivision.

(f) "Stormwater infrastructure" means a project that does one or more of the following:

(1) increases stormwater capacity or stormwater storage;

(2) addresses environmental damage caused by weather extremes;

(3) prevents localized flooding;

(4) creates stormwater systems that can manage flows from heavy rains;

(5) addresses public safety concerns caused by undersized stormwater systems; or

(6) ensures continuation of critical services during severe weather.

Subd. 3. **Eligibility.** A political subdivision is eligible to apply for and receive a grant under this section.

Subd. 4. **Application.** An application by a political subdivision for a grant under this section must be made at the time and in the form and manner prescribed by the commissioner.

Subd. 5. **Eligible project.** A grant may be used to acquire land or an interest in land, predesign, design, renovate, construct, furnish, and equip a project.

Subd. 6. **Grants.** To be eligible for a grant under this section, a political subdivision must timely submit an application to the commissioner and pass a resolution in support of the project. The commissioner may give priority to a political subdivision that provides a local match of funds for the project.

Sec. 35. **[116.943] PRODUCTS CONTAINING PFAS.**

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

(b) "Adult mattress" means a mattress other than a crib mattress or toddler mattress.

(c) "Air care product" means a chemically formulated consumer product labeled to indicate that the purpose of the product is to enhance or condition the indoor environment by eliminating odors or freshening the air.

(d) "Automotive maintenance product" means a chemically formulated consumer product labeled to indicate that the purpose of the product is to maintain the appearance of a motor vehicle, including products for washing, waxing, polishing, cleaning, or treating the exterior or interior surfaces of motor vehicles. Automotive maintenance product does not include automotive paint or paint repair products.

(e) "Carpet or rug" means a fabric marketed or intended for use as a floor covering.

(f) "Cleaning product" means a finished product used primarily for domestic, commercial, or institutional cleaning purposes, including but not limited to an air care product, an automotive maintenance product, a general cleaning product, or a polish or floor maintenance product.

(g) "Commissioner" means the commissioner of the Pollution Control Agency.

(h) "Cookware" means durable houseware items used to prepare, dispense, or store food, foodstuffs, or beverages. Cookware includes but is not limited to pots, pans, skillets, grills, baking sheets, baking molds, trays, bowls, and cooking utensils.

(i) "Cosmetic" means articles, excluding soap:

(1) intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body or any part thereof for the purpose of cleansing, beautifying, promoting attractiveness, or altering the appearance; and

(2) intended for use as a component of any such article.

(j) "Currently unavoidable use" means a use of PFAS that the commissioner has determined by rule under this section to be essential for health, safety, or the functioning of society and for which alternatives are not reasonably available.

(k) "Fabric treatment" means a substance applied to fabric to give the fabric one or more characteristics, including but not limited to stain resistance or water resistance.

(l) "Intentionally added" means PFAS deliberately added during the manufacture of a product where the continued presence of PFAS is desired in the final product or one of the product's components to perform a specific function.

(m) "Juvenile product" means a product designed or marketed for use by infants and children under 12 years of age:

(1) including but not limited to a baby or toddler foam pillow; bassinet; bedside sleeper; booster seat; changing pad; child restraint system for use in motor vehicles and aircraft; co-sleeper; crib mattress; highchair; highchair pad; infant bouncer; infant carrier; infant seat; infant sleep positioner; infant swing; infant travel bed; infant walker; nap cot; nursing pad; nursing pillow; play mat; playpen; play yard; polyurethane foam mat, pad, or pillow; portable foam nap mat; portable infant sleeper; portable hook-on chair; soft-sided portable crib; stroller; and toddler mattress; and

(2) not including a children's electronic product such as a personal computer, audio and video equipment, calculator, wireless phone, game console, handheld device incorporating a video screen, or any associated peripheral such as a mouse, keyboard, power supply unit, or power cord; a medical device; or an adult mattress.

(n) "Manufacturer" means the person that creates or produces a product or whose brand name is affixed to the product. In the case of a product imported into the United States, manufacturer includes the importer or first domestic distributor of the product if the person that manufactured or assembled the product or whose brand name is affixed to the product does not have a presence in the United States.

(o) "Medical device" has the meaning given "device" under United States Code, title 21, section 321, subsection (h).

(p) "Perfluoroalkyl and polyfluoroalkyl substances" or "PFAS" means a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom.

(q) "Product" means an item manufactured, assembled, packaged, or otherwise prepared for sale to consumers, including but not limited to its product components, sold or distributed for personal, residential, commercial, or industrial use, including for use in making other products.

(r) "Product component" means an identifiable component of a product, regardless of whether the manufacturer of the product is the manufacturer of the component.

(s) "Ski wax" means a lubricant applied to the bottom of snow runners, including but not limited to skis and snowboards, to improve their grip or glide properties. Ski wax includes related tuning products.

(t) "Textile" means an item made in whole or part from a natural or synthetic fiber, yarn, or fabric. Textile includes but is not limited to leather, cotton, silk, jute, hemp, wool, viscose, nylon, and polyester.

(u) "Textile furnishings" means textile goods of a type customarily used in households and businesses, including but not limited to draperies, floor coverings, furnishings, bedding, towels, and tablecloths.

(v) "Upholstered furniture" means an article of furniture that is designed to be used for sitting, resting, or reclining and that is wholly or partly stuffed or filled with any filling material.

Subd. 2. **Information required.** (a) On or before January 1, 2026, a manufacturer of a product sold, offered for sale, or distributed in the state that contains intentionally added PFAS must submit to the commissioner information that includes:

(1) a brief description of the product, including a universal product code (UPC), stock keeping unit (SKU), or other numeric code assigned to the product;

(2) the purpose for which PFAS are used in the product, including in any product components;

(3) the amount of each PFAS, identified by its chemical abstracts service registry number, in the product, reported as an exact quantity determined using commercially available analytical methods or as falling within a range approved for reporting purposes by the commissioner;

(4) the name and address of the manufacturer and the name, address, and phone number of a contact person for the manufacturer; and

(5) any additional information requested by the commissioner as necessary to implement the requirements of this section.

(b) With the approval of the commissioner, a manufacturer may supply the information required in paragraph (a) for a category or type of product rather than for each individual product.

(c) A manufacturer must submit the information required under this subdivision whenever a new product is sold, offered for sale, or distributed in the state and update and revise the information whenever there is significant change in the information or when requested to do so by the commissioner.

(d) A person may not sell, offer for sale, or distribute for sale in the state a product containing intentionally added PFAS if the manufacturer has failed to provide the information required under this subdivision and the person has received notification under subdivision 4.

Subd. 3. Information requirement waivers; extensions. (a) The commissioner may waive all or part of the information requirement under subdivision 2 if the commissioner determines that substantially equivalent information is already publicly available.

(b) The commissioner may enter into an agreement with one or more other states or political subdivisions of a state to collect information and may accept information to a shared system as meeting the information requirement under subdivision 2.

(c) The commissioner may extend the deadline for submission by a manufacturer of the information required under subdivision 2 if the commissioner determines that more time is needed by the manufacturer to comply with the submission requirement.

(d) The commissioner may grant a waiver under this subdivision to a manufacturer or a group of manufacturers for multiple products or a product category.

Subd. 4. Testing required and certificate of compliance. (a) If the commissioner has reason to believe that a product contains intentionally added PFAS and the product is being offered for sale in the state, the commissioner may direct the manufacturer of the product to, within 30 days, provide the commissioner with testing results that demonstrate the amount of each of the PFAS, identified by its chemical abstracts service registry number, in the product, reported as an exact quantity determined using commercially available analytical methods or as falling within a range approved for reporting purposes by the commissioner.

(b) If testing demonstrates that the product does not contain intentionally added PFAS, the manufacturer must provide the commissioner a certificate attesting that the product does not contain intentionally added PFAS, including testing results and any other relevant information.

(c) If testing demonstrates that the product contains intentionally added PFAS, the manufacturer must provide the commissioner with the testing results and the information required under subdivision 2.

(d) A manufacturer must notify persons who sell or offer for sale a product prohibited under subdivision 2 or 5 that the sale of that product is prohibited in this state and provide the commissioner with a list of the names and addresses of those notified.

(e) The commissioner may notify persons who sell or offer for sale a product prohibited under subdivision 2 or 5 that the sale of that product is prohibited in this state.

Subd. 5. Prohibitions. (a) Beginning January 1, 2025, a person may not sell, offer for sale, or distribute for sale in this state the following products if the product contains intentionally added PFAS:

(1) carpets or rugs;

(2) cleaning products;

(3) cookware;

(4) cosmetics;

(5) dental floss;

(6) fabric treatments;

(7) juvenile products;

(8) menstruation products;

(9) textile furnishings;

(10) ski wax; or

(11) upholstered furniture.

(b) The commissioner may by rule identify products by category or use that may not be sold, offered for sale, or distributed for sale in this state if they contain intentionally added PFAS and designate effective dates. Effective dates must begin no earlier than January 1, 2025, and no later than January 2, 2032. The commissioner must prioritize the prohibition of the sale of product categories that, in the commissioner's judgment, are most likely to contaminate or harm the state's environment and natural resources if they contain intentionally added PFAS. The commissioner may exempt products by rule when the use of PFAS is a currently unavoidable use as determined by the commissioner.

(c) Beginning January 1, 2032, a person may not sell, offer for sale, or distribute for sale in this state any product that contains intentionally added PFAS, unless the commissioner has determined by rule that the use of PFAS in the product is a currently unavoidable use. The commissioner may specify specific products or product categories for which the commissioner has determined the use of PFAS is a currently unavoidable use.

Subd. 6. **Fees.** The commissioner may establish by rule a fee payable by a manufacturer to the commissioner upon submission of the information required under subdivision 2 to cover the agency's reasonable costs to implement this section. Fees collected under this subdivision must be deposited in an account in the environmental fund.

Subd. 7. **Enforcement.** (a) The commissioner may enforce this section under sections 115.071 and 116.072. The commissioner may coordinate with the commissioners of commerce and health in enforcing this section.

(b) When requested by the commissioner, a person must furnish to the commissioner any information that the person may have or may reasonably obtain that is relevant to show compliance with this section.

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

(1) a product for which federal law governs the presence of PFAS in the product in a manner that preempts state authority;

(2) a product regulated under section 325F.072 or 325F.075; or

(3) the sale or resale of a used product.

Subd. 9. **Rules.** The commissioner may adopt rules necessary to implement this section. Section 14.125 does not apply to the commissioner's rulemaking authority under this section.

Sec. 36. Minnesota Statutes 2022, section 116C.03, subdivision 2a, is amended to read:

Subd. 2a. **Public members.** The membership terms, compensation, removal, and filling of vacancies of public members of the board shall be as provided in section 15.0575, except that a public member may be compensated at the rate of up to \$125 a day.

Sec. 37. Minnesota Statutes 2022, section 325E.046, is amended to read:

325E.046 STANDARDS FOR LABELING PLASTIC BAGS, FOOD OR BEVERAGE PRODUCTS, AND PACKAGING.

Subdivision 1. **"Biodegradable" label.** A manufacturer, distributor, or wholesaler may not sell or offer for sale and any other person may not knowingly sell or offer for sale in this state a plastic bag covered product labeled "biodegradable," "degradable," "decomposable," or any form of those terms, or in any way imply that the bag covered product will chemically decompose into innocuous elements in a reasonably short period of time in a landfill, composting, or other terrestrial environment unless a scientifically based standard for biodegradability is developed and the bags are certified as meeting the standard. break down, fragment, degrade, biodegrade, or decompose in a landfill or other environment, unless an ASTM standard specification is adopted for the term claimed and the product is certified as meeting the specification in compliance with the provisions of subdivision 2a.

Subd. 2. **"Compostable" label.** (a) A manufacturer, distributor, or wholesaler may not sell or offer for sale and any other person may not knowingly sell or offer for sale in this state a plastic bag covered product labeled "compostable" unless, at the time of sale or offer for sale, the bag covered product:

(1) meets the ASTM Standard Specification for Compostable Labeling of Plastics Designed to be Aerobically Composted in Municipal or Industrial Facilities (D6400).—Each bag must be labeled to reflect that it meets the standard. For purposes of this subdivision, "ASTM" has the meaning given in section 296A.01, subdivision 6. or its successor or the ASTM Standard Specification for Labeling of End Items that Incorporate Plastics and Polymers as Coatings or Additives with Paper and Other Substrates Designed to be Aerobically Composted in Municipal or Industrial Facilities (D6868) or its successor, and the covered product is labeled to reflect that it meets the specification;

(2) is comprised of only wood without any coatings or additives; or

(3) is comprised of only paper without any coatings or additives.

(b) A covered product labeled "compostable" and meeting the criteria under paragraph (a) must be clearly and prominently labeled on the product, or on the product's smallest unit of sale, to reflect that it is intended for an industrial or commercial compost facility. The label required under this paragraph must be in a legible text size and font.

Subd. 2a. **Certification of products.** Beginning January 1, 2026, a manufacturer, distributor, or wholesaler may not sell or offer for sale and any other person may not knowingly sell or offer for sale in this state a covered product labeled as "biodegradable" or "compostable" unless the covered product is certified as meeting the requirements of subdivision 1 or 2, as applicable, by an entity that:

(1) is a nonprofit corporation;

(2) as its primary focus of operation, promotes the production, use, and appropriate end of life for materials and products that are designed to fully biodegrade in specific biologically active environments such as industrial composting; and

(3) is technically capable of and willing to perform analysis necessary to determine a product's compliance with subdivision 1 or 2, as applicable.

Subd. 3. **Enforcement; civil penalty; injunctive relief.** (a) A manufacturer, distributor, or wholesaler person who violates subdivision 1 or 2 this section is subject to a civil or administrative penalty of \$100 for each prepackaged saleable unit sold or offered for sale up to a maximum of \$5,000 and may be enjoined from those violations.

(b) The attorney general may bring an action in the name of the state in a court of competent jurisdiction for recovery of civil penalties or for injunctive relief as provided in this subdivision. The attorney general may accept an assurance of discontinuance of acts in violation of ~~subdivision 1 or 2~~ this section in the manner provided in section 8.31, subdivision 2b.

(c) The commissioner of the Pollution Control Agency may enforce this section under sections 115.071 and 116.072. The commissioner may coordinate with the commissioners of commerce and health in enforcing this section.

(d) When requested by the commissioner of the Pollution Control Agency, a person selling or offering for sale a covered product labeled as "compostable" must furnish to the commissioner any information that the person may have or may reasonably obtain that is relevant to show compliance with this section.

Subd. 4. **Definitions.** For purposes of this section, the following terms have the meanings given:

(1) "ASTM" has the meaning given in section 296A.01, subdivision 6;

(2) "covered product" means a bag, food or beverage product, or packaging;

(3) "food or beverage product" means a product that is used to wrap, package, contain, serve, store, prepare, or consume a food or beverage, such as plates, bowls, cups, lids, trays, straws, utensils, and hinged or lidded containers; and

(4) "packaging" has the meaning given in section 115A.03, subdivision 22b.

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

Sec. 38. **[325E.3892] LEAD AND CADMIUM IN CONSUMER PRODUCTS; PROHIBITION.**

Subdivision 1. **Definitions.** For purposes of this section, "covered product" means any of the following products or product components:

(1) jewelry;

(2) toys;

(3) cosmetics and personal care products;

(4) puzzles, board games, card games, and similar games;

(5) play sets and play structures;

(6) outdoor games;

(7) school supplies;

(8) pots and pans;

(9) cups, bowls, and other food containers;

(10) craft supplies and jewelry-making supplies;

(11) chalk, crayons, paints, and other art supplies;

(12) fidget spinners;

(13) costumes, costume accessories, and children's and seasonal party supplies;

(14) keys, key chains, and key rings; and

(15) clothing, footwear, headwear, and accessories.

Subd. 2. **Prohibition.** (a) A person must not import, manufacture, sell, hold for sale, or distribute or offer for use in this state any covered product containing:

(1) lead at more than 0.009 percent by total weight (90 parts per million); or

(2) cadmium at more than 0.0075 percent by total weight (75 parts per million).

(b) This section does not apply to covered products containing lead or cadmium, or both, when regulation is preempted by federal law.

Subd. 3. **Enforcement.** (a) The commissioners of the Pollution Control Agency, commerce, and health may coordinate to enforce this section. The commissioner of the Pollution Control Agency or commerce may, with the attorney general, enforce any federal restrictions on the sale of products containing lead or cadmium, or both, as allowed under federal law. The commissioner of the Pollution Control Agency may enforce this section under sections 115.071 and 116.072. The commissioner of commerce may enforce this section under sections 45.027, subdivisions 1 to 6; 325F.10 to 325F.12; and 325F.14 to 325F.16. The attorney general may enforce this section under section 8.31.

(b) When requested by the commissioner of the Pollution Control Agency, the commissioner of commerce, or the attorney general, a person must furnish to the commissioner or attorney general any information that the person may have or may reasonably obtain that is relevant to show compliance with this section.

Sec. 39. Minnesota Statutes 2022, section 325F.072, subdivision 1, is amended to read:

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

(b) "Class B firefighting foam" means foam designed ~~for flammable liquid fires~~ to prevent or extinguish a fire in flammable liquids, combustible liquids, petroleum greases, tars, oils, oil-based paints, solvents, lacquers, alcohols, and flammable gases.

(c) "PFAS chemicals" or "perfluoroalkyl and polyfluoroalkyl substances" means, ~~for the purposes of firefighting agents,~~ a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom ~~and designed to be fully functional in class B firefighting foam formulations.~~

(d) "Political subdivision" means a county, city, town, or a metropolitan airports commission organized and existing under sections 473.601 to 473.679.

(e) "State agency" means an agency as defined in section 16B.01, subdivision 2.

(f) "Testing" means calibration testing, conformance testing, and fixed system testing.

Sec. 40. Minnesota Statutes 2022, section 325F.072, subdivision 3, is amended to read:

Subd. 3. **Prohibition of testing and training.** (a) ~~Beginning July 1, 2020,~~ No person, political subdivision, or state agency shall ~~discharge class B firefighting foam that contains intentionally added~~ manufacture or knowingly sell, offer for sale, distribute for sale, or distribute for use in this state, and no person shall use in this state, class B firefighting foam containing PFAS chemicals.

~~(1) for testing purposes, unless the testing facility has implemented appropriate containment, treatment, and disposal measures to prevent releases of foam to the environment; or~~

~~(2) for training purposes, unless otherwise required by law, and with the condition that the training event has implemented appropriate containment, treatment, and disposal measures to prevent releases of foam to the environment. For training purposes, class B foam that contains intentionally added PFAS chemicals shall not be used.~~

~~(b) This section does not restrict:~~

~~(1) the manufacture, sale, or distribution of class B firefighting foam that contains intentionally added PFAS chemicals; or~~

~~(2) the discharge or other use of class B firefighting foams that contain intentionally added PFAS chemicals in emergency firefighting or fire prevention operations.~~

~~(b) This subdivision does not apply to the manufacture, sale, distribution, or use of class B firefighting foam for which the inclusion of PFAS chemicals is required by federal law, including but not limited to Code of Federal Regulations, title 14, section 139.317. If a federal requirement to include PFAS chemicals in class B firefighting foam is revoked after January 1, 2024, class B firefighting foam subject to the revoked requirements is no longer exempt under this paragraph effective one year after the day of revocation.~~

~~(c) This subdivision does not apply to the manufacture, sale, distribution, or use of class B firefighting foam for purposes of use at an airport, as defined under section 360.013, subdivision 39, until the state fire marshal makes a determination that:~~

~~(1) the Federal Aviation Administration has provided policy guidance on the transition to fluorine-free firefighting foam;~~

~~(2) a fluorine-free firefighting foam product is included in the Federal Aviation Administration's Qualified Product Database; and~~

~~(3) a firefighting foam product included in the database under clause (2) is commercially available in quantities sufficient to reliably meet the requirements under Code of Federal Regulations, title 14, part 139.~~

~~(d) Until the state fire marshal makes a determination under paragraph (c), the operator of an airport using class B firefighting foam containing PFAS chemicals must, on or before December 31 each calendar year, submit a report to the state fire marshal regarding the status of the airport's conversion to class B firefighting foam products without intentionally added PFAS, the disposal of class B firefighting foam products with intentionally added PFAS, and an assessment of the factors listed in paragraph (c) as applied to the airport.~~

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 41. Minnesota Statutes 2022, section 325F.072, is amended by adding a subdivision to read:

Subd. 3a. **Discharge for testing and training.** A person, political subdivision, or state agency exempted from the prohibitions under subdivision 3 may not discharge class B firefighting foam that contains intentionally added PFAS chemicals for:

(1) testing purposes, unless the testing facility has implemented appropriate containment, treatment, and disposal measures to prevent releases of foam to the environment; or

(2) training purposes, unless otherwise required by law, and with the condition that the training event has implemented appropriate containment, treatment, and disposal measures to prevent releases of foam to the environment.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 42. **TREATED SEED WASTE DISPOSAL RULEMAKING.**

The commissioner of the Pollution Control Agency, in consultation with the commissioner of agriculture and the University of Minnesota, must adopt rules under Minnesota Statutes, chapter 14, providing for the safe and lawful disposal of waste treated seed. The rules must clearly identify the regulatory jurisdiction of state agencies and local governments with regard to such seed. Additional Department of Agriculture staff will not be hired until rulemaking is completed.

Sec. 43. **AIR TOXICS EMISSIONS; RULEMAKING.**

Subdivision 1. **Definitions.** For the purposes of this section:

(1) "agency" means the Minnesota Pollution Control Agency;

(2) "air toxics" has the meaning given in Minnesota Statutes, section 116.062;

(3) "commissioner" means the commissioner of the Minnesota Pollution Control Agency;

(4) "continuous emission monitoring system" has the meaning given in Minnesota Rules, part 7017.1002, subpart 4;

(5) "environmental justice area" means one or more census tracts in Minnesota:

(i) in which, based on the most recent data published by the United States Census Bureau:

(A) 40 percent or more of the population is nonwhite;

(B) 35 percent or more of the households have an income at or below 200 percent of the federal poverty level; or

(C) 40 percent or more of the population over the age of five has limited English proficiency; or

(ii) located within Indian Country, as defined in United States Code, title 18, section 1151;

(6) "performance test" has the meaning given in Minnesota Rules, part 7017.2005, subpart 4; and

(7) "volatile organic compound" has the meaning given in Minnesota Rules, part 7005.0100, subpart 45.

Subd. 2. **Rulemaking required.** The commissioner shall adopt rules under Minnesota Statutes, chapter 14, to implement and govern regulation of facilities that emit air toxics. Notwithstanding Minnesota Statutes, section 14.125, the agency must publish notice of intent to adopt rules within 36 months of the effective date of this act, or the authority for the rules expires.

Subd. 3. **Content of rules.** (a) The rules required under subdivision 2 must address, at a minimum:

(1) specific air toxics to be regulated, including, at a minimum, those defined in subdivision 1;

(2) types of facilities to be regulated, including, at a minimum, facilities that have been issued an air quality permit by the commissioner, other than an Option B registration permit under Minnesota Rules, part 7007.1120, and that:

(i) emit air toxics, whether the emissions are limited in a permit or not; or

(ii) purchase or use material containing volatile organic compounds;

(3) performance tests conducted by facilities to measure the volume of air toxics emissions and testing methods, procedures, protocols, and frequency;

(4) required monitoring of air emissions, including using continuous emission monitoring systems for certain facilities, and monitoring of production inputs or other production parameters;

(5) requirements for reporting information to the agency to assist the agency in determining the amount of the facility's air toxics emissions and the facility's compliance with emission limits in the facility's permit;

(6) record keeping related to air toxics emissions; and

(7) frequency of facility inspections and inspection activities that provide information about air toxics emissions.

(b) In developing the rules, the commissioner must establish testing, monitoring, reporting, record-keeping, and inspection requirements for facilities that reflect:

(1) the different risks to human health and the environment posed by the specific air toxics and amounts emitted by a facility, such that facilities posing greater risks are required to provide more frequent evidence of permit compliance, including but not limited to performance tests, agency inspections, and reporting;

(2) the facility's record of compliance with air toxics emission limits and other permit conditions; and

(3) any exposure of residents of an environmental justice area to the facility's air toxics emissions.

Subd. 4. **Modifying permits.** Within three years after adopting the rules required in subdivision 2, the commissioner must amend existing air quality permits, including but not limited to federal permits, individual state total facility permits, and capped emission permits, as necessary to conform with the rules.

Subd. 5. **Rulemaking cost.** The commissioner must collect the agency's costs to develop the rulemaking required under this section and to conduct regulatory activities, including but not limited to monitoring, inspection, and data collection and maintenance, required as a result of the rulemaking through the annual fee paid by owners or operators of facilities required to obtain air quality permits from the agency, as required under Minnesota Statutes, section 116.07, subdivision 4d, paragraph (b).

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

Sec. 44. **POSITION ESTABLISHED; POLLUTION CONTROL AGENCY.**

The commissioner of the Pollution Control Agency must establish a new full-time equivalent position of community liaison, funded through air quality permit fees, as specified in Minnesota Statutes, section 116.07, subdivision 4d, to conduct the administrative tasks necessary to successfully implement the nonexpiring permit public meeting requirements under Minnesota Statutes, section 116.07, subdivision 4m, and other regulatory activities requiring interaction between the agency and residents in communities exposed to air pollutants emitted by facilities permitted by the agency.

Sec. 45. **COMMUNITY AIR-MONITORING SYSTEMS; PILOT GRANT PROGRAM.**

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

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

(c) "Commissioner" means the commissioner of the Minnesota Pollution Control Agency.

(d) "Community air-monitoring system" means a system of devices monitoring ambient air quality at many locations within a small geographic area that is subject to air pollution from a variety of stationary and mobile sources in order to obtain frequent measurements of pollution levels, to detect differences in exposure to pollution over distances no larger than a city block, and to identify areas where pollution levels are inordinately elevated.

(e) "Environmental justice area" means one or more census tracts in Minnesota:

(1) in which, based on the most recent data published by the United States Census Bureau:

(i) 40 percent or more of the population is nonwhite;

(ii) 35 percent or more of the households have an income at or below 200 percent of the federal poverty level; or

(iii) 40 percent or more of the population over the age of five has limited English proficiency; or

(2) located within Indian Country, as defined in United State Code, title 18, section 1151.

(f) "Nonprofit organization" means an organization that is exempt from taxation under section 501(c)(3) of the Internal Revenue Code.

Subd. 2. **Establishing program.** A pilot grant program for community air-monitoring systems is established in the agency to measure air pollution levels at many locations within an environmental justice area in Minneapolis.

Subd. 3. **Eligible applicants.** Grants under this section may be awarded to applicants consisting of a partnership between a nonprofit organization located in or working with residents located in an environmental justice area in which the community air-monitoring system is to be deployed and an entity that has experience deploying, operating, and interpreting data from air-monitoring systems.

Subd. 4. **Eligible projects.** Grants may be awarded under this section to applicants whose proposals:

(1) use a variety of air-monitoring technologies approved for use by the commissioner, including but not limited to stationary monitors, sensor-based handheld devices, and mobile devices that can be attached to vehicles or drones to measure air pollution levels;

(2) obtain data at fixed locations and from handheld monitoring devices that are carried by residents of the community on designated walking routes in the targeted community and that can provide high-frequency measurements;

(3) use the monitoring data to generate maps of pollution levels throughout the monitored area; and

(4) provide monitoring data to the agency to help inform:

(i) agency decisions, including placement of the agency's stationary air monitors and the development of programs to reduce air emissions that impact environmental justice areas; and

(ii) decisions by other governmental bodies regarding transportation or land use planning.

Subd. 5. Eligible expenditures. Grants may be used only for:

(1) planning the configuration and deployment of the community air-monitoring system;

(2) purchasing and installing air-monitoring devices as part of the community air-monitoring system;

(3) training and paying persons to operate stationary, handheld, and mobile devices to measure air pollution;

(4) developing data and mapping systems to analyze, organize, and present the air-monitoring data collected; and

(5) writing a final report on the project, as required under subdivision 9.

Subd. 6. Application and grant award process. An eligible applicant must submit an application to the commissioner on a form prescribed by the commissioner. The commissioner must develop administrative procedures governing the application and grant award process. The commissioner must act as fiscal agent for the grant program and is responsible for receiving and reviewing grant applications and awarding grants under this section.

Subd. 7. Grant awards; priorities. In awarding grants under this section, the commissioner must give priority to proposed projects that:

(1) take place in areas with high rates of illness associated with exposure to air pollution, including asthma, chronic obstructive pulmonary disease, heart disease, chronic bronchitis, and cancer;

(2) promote public access to and transparency of air-monitoring data developed through the project; and

(3) conduct outreach activities to promote community awareness of and engagement with the project.

Subd. 8. Report to agency. No later than 90 days after a project ends, a grantee must submit a written report to the commissioner describing the project's findings and results and any recommendations for agency actions, programs, or activities to reduce levels of air pollution measured by the community air-monitoring system. The grantee must also submit to the commissioner all air-monitoring data developed by the project.

Subd. 9. Report to legislature. No later than March 15, 2025, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over environment policy and finance on the results of the grant program, including:

(1) any changes in the agency's air-monitoring network that will occur as a result of data developed under the program;

(2) any actions the agency has taken or proposes to take to reduce levels of pollution that impact the environmental justice areas that received grants under the program; and

(3) any recommendations for legislation, including whether the program should be extended or expanded.

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

Sec. 46. **PETROLEUM TANK RELEASE CLEANUP; REPORT.**

The commissioner of the Pollution Control Agency must perform the duties under clauses (1) to (5) with respect to the petroleum tank release cleanup program governed by Minnesota Statutes, chapter 115C, and must, no later than January 15, 2025, report the results to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over environment policy and finance. The report must include any recommendations for legislation. The commissioner must:

(1) explicitly define the conditions that must be present in order for the commissioner to classify a site as posing a low potential risk to public health and the environment and ensure that all agency staff use the definition in assessing potential risks. In determining the conditions that indicate that a site poses a low risk, the commissioner must consider relevant site conditions, including but not limited to the nature of groundwater flow, soil type, and proximity of features at or near the site that could potentially become contaminated;

(2) develop guidelines to incorporate consideration of potential future uses of a contaminated property into all agency staff decisions regarding site remediation;

(3) develop scientifically based and measurable technical standards that allow the quality of the agency's performance in remediating petroleum-contaminated properties to be evaluated and conduct such evaluations periodically;

(4) in collaboration with the Petroleum Tank Release Compensation Board and the commissioner of commerce, examine whether and how to establish technical qualifications for consultants hired to remediate petroleum-contaminated properties as a strategy to improve the quality of remediation work and how agencies can share information on consultant performance; and

(5) in collaboration with the commissioner of commerce, make consultants who remediate petroleum-contaminated sites more accountable for the quality of their work by:

(i) requiring a thorough evaluation of the past performance of a contractor being considered for hire;

(ii) developing a formal system of measures and procedures by which to evaluate the work; and

(iii) sharing evaluations with the commissioner of commerce and with responsible parties.

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

Sec. 47. **POLLUTION CONTROL AGENCY PUBLIC MEMBERS; INITIAL APPOINTMENTS AND TERMS.**

The governor must appoint public members of the Pollution Control Agency under Minnesota Statutes, section 116.02, by August 1, 2023. The governor must designate two of the members first appointed to serve a term of one year, two members to serve a term of two years, two members to serve a term of three years, and two members to serve a term of four years.

Sec. 48. **FEEDLOT FINANCIAL ASSURANCE REQUIREMENTS COMPLIANCE SCHEDULE.**

The commissioner of the Pollution Control Agency may phase in the new financial assurance requirements under Minnesota Statutes, section 116.07, subdivision 7f, during the next reissuance of the national pollutant discharge elimination system general permit for concentrated animal feeding operations, MNG440000. The commissioner must establish a schedule for permittees to come into compliance with the requirements. The schedule must require 250 permittees per year to comply, beginning with the operations with the largest number of animal units.

Sec. 49. **MANURE STORAGE AREA REPORTS REQUIRED.**

Subdivision 1. **Reports.** (a) No later than December 15, 2023, the commissioner of the Pollution Control Agency must develop a list based on registration data for each county of potentially abandoned manure storage areas.

(b) No later than January 15, 2025, each delegated county must report to the commissioner of the Pollution Control Agency a list of abandoned manure storage areas located in the county. The report must be submitted by the county feedlot officer.

(c) No later than January 15, 2025, the Pollution Control Agency regional feedlot staff must compile a list of abandoned manure storage areas located in counties under their regulatory jurisdiction that do not have delegation agreements with the agency.

(d) No later than February 15, 2025, the commissioner of the Pollution Control Agency must submit a compilation report and list of abandoned manure storage areas to the legislative committees with jurisdiction over agriculture and environment. The report must include recommendations for remediation. The commissioner must seek advice from the Minnesota Association of County Feedlot Officers and livestock associations for recommendations, including existing and any proposed options for remediation.

(e) For purposes of this section, "abandoned manure storage areas" has the meaning given in Minnesota Statutes, section 116.07, subdivision 7g.

(f) Reports and lists required under this section are not feedlot inventories for purposes of Minnesota Statutes, section 116.07, subdivision 7b.

Subd. 2. **Delegated counties.** (a) Except as provided in paragraph (b), during the 2023 and 2024 delegation years, the commissioner of the Pollution Control Agency must not penalize a delegated county for a performance issue or shortcoming attributable to the county's reassignment of county feedlot officer resources necessary to comply with the additional requirements imposed upon the county under subdivision 1.

(b) The commissioner may penalize a county during the 2023 or 2024 delegation year for a performance issue or shortcoming attributable to the county's reassignment of county feedlot officer resources only if the specific penalty is approved by a majority of the board of the Minnesota Association of County Feedlot Officers.

Sec. 50. **PFAS MANUFACTURERS FEE WORK GROUP.**

The commissioner of the Pollution Control Agency, in cooperation with the commissioners of revenue and management and budget, must establish a work group to review options for collecting a fee from manufacturers of PFAS in the state. By February 15, 2024, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources with recommendations.

Sec. 51. **TEMPORARY EXEMPTION FOR TERMINALS AND OIL REFINERIES.**

Subdivision 1. **Temporary exemption.** Minnesota Statutes, section 325F.072, subdivision 3, does not apply to the manufacture, sale, distribution, or use of class B firefighting foam for the purposes of use at a terminal or oil refinery until January 1, 2026.

Subd. 2. **Extension; waiver.** (a) A person who operates a terminal or oil refinery may apply to the state fire marshal for a waiver to extend the exemption under subdivision 1 beyond January 1, 2026, as provided in this subdivision.

(b) The state fire marshal may grant a waiver to extend the exemption under subdivision 1 for a specific use if the applicant provides all of the following:

(1) clear and convincing evidence that there is no commercially available replacement that does not contain intentionally added PFAS chemicals and that is capable of suppressing fire for that specific use;

(2) information on the amount of firefighting foam containing intentionally added PFAS chemicals stored, used, or released on-site on an annual basis;

(3) a detailed plan, with timelines, for the operator of the terminal or oil refinery to transition to firefighting foam that does not contain intentionally added PFAS chemicals for that specific use; and

(4) a plan for meeting the requirements under subdivision 3.

(c) The state fire marshal must ensure there is an opportunity for public comment during the waiver process. The state fire marshal must consider both information provided by the applicant and information provided through public comment when making a decision on whether to grant a waiver. The term of a waiver must not exceed two years. The state fire marshal must not grant a waiver for a specific use if any other terminal or oil refinery is known to have transitioned to commercially available class B firefighting foam that does not contain intentionally added PFAS chemicals for that specific use. All waivers must expire by January 1, 2028. A person that anticipates applying for a waiver for a terminal or oil refinery must submit a notice of intent to the state fire marshal by January 1, 2025, in order to be considered for a waiver beyond January 1, 2026. The state fire marshal must notify the waiver applicant of a decision within six months of the waiver submission date.

(d) The state fire marshal must provide an applicant for a waiver under this subdivision an opportunity to:

(1) correct deficiencies when applying for a waiver; and

(2) provide evidence to dispute a determination that another terminal or oil refinery is known to have transitioned to commercially available class B firefighting foam that does not contain intentionally added PFAS chemicals for that specific use, including evidence that the specific use is different.

Subd. 3. **Use requirements.** (a) A person that uses class B firefighting foam containing intentionally added PFAS chemicals under this section must:

(1) implement tactics that have been demonstrated to prevent release directly to the environment, such as to unsealed ground, soakage pits, waterways, or uncontrolled drains;

(2) attempt to fully contain all firefighting foams with PFAS on-site using demonstrated practices designed to contain all PFAS releases;

(3) implement containment measures such as bunds and ponds that are controlled, are impervious to PFAS chemicals, and do not allow fire water, wastewater, runoff, and other wastes to be released to the environment, such as to soils, groundwater, waterways, or stormwater; and

(4) dispose of all fire water, wastewater, runoff, impacted soils, and other wastes in a way that prevents releases to the environment.

(b) A terminal or oil refinery that has received a waiver under this section may provide and use class B firefighting foam containing intentionally added PFAS chemicals in the form of mutual aid to another terminal or oil refinery at the request of authorities only if the other terminal or oil refinery also has a waiver.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 52. **FIREFIGHTER TURNOUT GEAR; REPORT.**

(a) The commissioner of the Pollution Control Agency, in cooperation with the commissioner of health, must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources regarding perfluoroalkyl and polyfluoroalkyl substances (PFAS) in turnout gear by January 15, 2024. The report must include:

(1) current turnout gear requirements and options for eliminating or reducing PFAS in turnout gear;

(2) current turnout gear disposal methods and recommendations for future disposal to prevent PFAS contamination; and

(3) recommendations and protocols for PFAS biomonitoring in firefighters, including a process for allowing firefighters to voluntarily register for biomonitoring.

(b) For the purposes of this section, "turnout gear" is the personal protective equipment (PPE) used by firefighters.

Sec. 53. **PFAS WATER QUALITY STANDARDS.**

(a) The commissioner of the Pollution Control Agency must adopt rules establishing water quality standards for:

(1) perfluorooctanoic acid (PFOA);

(2) perfluorooctane sulfonic acid (PFOS);

(3) perfluorononanoic acid (PFNA);

(4) hexafluoropropylene oxide dimer acid (HFPO-DA, commonly known as GenX chemicals);

(5) perfluorohexane sulfonic acid (PFHxS); and

(6) perfluorobutane sulfonic acid (PFBS).

(b) The commissioner must adopt the rules establishing the water quality standards required under this section by July 1, 2026, and Minnesota Statutes, section 14.125, does not apply.

Sec. 54. **HEALTH RISK LIMIT; PERFLUOROCTANE SULFONATE.**

By July 1, 2025, the commissioner of health must amend the health risk limit for perfluorooctane sulfonate (PFOS) in Minnesota Rules, part 4717.7860, subpart 15, so that the health risk limit does not exceed 0.015 parts per billion. In amending the health risk limit for PFOS, the commissioner must comply with Minnesota Statutes, section 144.0751, requiring a reasonable margin of safety to adequately protect the health of infants, children, and adults.

Sec. 55. **PATH TO ZERO WASTE; REPORT.**

(a) By July 15, 2025, the commissioner of the Pollution Control Agency must conduct a study and prepare a report that includes a pathway to achieve zero waste and submit the report to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over environmental policy and finance and energy policy.

(b) The commissioner must seek outside technical support from certified zero-waste experts to conduct the study and prepare the report. The report must abide by the internationally peer-reviewed definition of zero waste and the zero-waste hierarchy as codified by the Zero Waste International Alliance, and include:

(1) an overview of how municipal solid waste is currently managed;

(2) a summary of infrastructure, programs, and resources needed to reach zero waste over a 2021 baseline by 2045 or sooner;

(3) an analysis that outlines the impact of different strategies to achieve zero waste;

(4) strategic policy initiatives that will be required to manage waste at the top of the zero-waste hierarchy, as the state strives to achieve zero waste;

(5) a discussion of the feasibility, assumptions, and projected time frame for achieving zero waste if proposed policies are implemented and necessary investments are made, including the projected need for land disposal capacity based on the estimated growth in waste generation and the practicable ability of existing technologies to reduce waste to avoid disposal;

(6) recommendations for reducing the environmental and human health impacts of waste disposal during the transition to zero waste, especially across environmental justice areas;

(7) a life cycle analysis comparing incineration and landfilling ash, direct use of landfilling, and zero-waste implementation. This analysis must include, at a minimum, the impacts of greenhouse gas emissions; toxic chemical pollutants, including cancer and noncancer effects; particulate matter emissions; and smog formation from emissions of nitrogen oxides and volatile organic compounds and their impacts on asthma and respiratory health. The analysis must present the results so that the global warming and other health and environmental impacts can be evaluated side-by-side using the same units, such as a monetized social and environmental harm indicator. A separate environmental justice analysis must be conducted, analyzing the demographics around any existing and proposed waste disposal facilities. Using the best available data, the report must evaluate the costs of each option and the impacts on local job support; and

(8) the role of nonburn alternatives in the destruction of problem materials such as invasive species, pharmaceuticals, and perfluoroalkyl and polyfluoroalkyl substances.

(c) The commissioner must obtain input from counties and cities inside and outside the seven-county metropolitan area, recycling and composting facilities, waste haulers, environmental organizations, Tribal representatives, and other interested parties in preparing the report. The development of the report must include

stakeholder input from diverse communities located in environmental justice areas that contain a waste facility. The commissioner must provide for an open public comment period of at least 60 days on the draft report. Written public comments and any commissioner responses must be included in the final report.

Sec. 56. **REPORT REQUIRED; RECYCLING AND REUSING SOLAR PHOTOVOLTAIC MODULES AND INSTALLATION COMPONENTS.**

(a) The commissioner of the Pollution Control Agency, in consultation with the commissioners of commerce and employment and economic development, must coordinate preparation of a report on developing a statewide system to reuse and recycle solar photovoltaic modules and installation components in the state.

(b) The report must include options for a system to collect, reuse, and recycle solar photovoltaic modules and installation components at end of life. Any system option included in the report must be convenient and accessible throughout the state, recover 100 percent of discarded components, and maximize value and materials recovery. Any system option developed must include analysis of:

(1) the reuse and recycling values of solar photovoltaic modules, installation components, and recovered materials;

(2) system infrastructure and technology needs;

(3) how to maximize in-state employment and economic development;

(4) net costs for the program; and

(5) potential benefits and negative impacts of the plan on environmental justice and Tribal communities.

(c) The report must include a survey of solar photovoltaic modules and installation components that are currently coming out of service and those projected to come out of service in the future in Minnesota. The report must include a description of how solar photovoltaic modules and installation components are currently being managed at end of life and how they would likely be managed in the future without the proposed reuse and recycling system.

(d) After completing the report, the commissioner must convene a working group to advise on developing policy recommendations for a statewide system to manage solar photovoltaic modules and installation components. The working group must include, but is not limited to:

(1) the commissioners of commerce and employment and economic development or their designees;

(2) representatives of the solar industry and electric utilities;

(3) representatives of state, local, and Tribal governments; and

(4) other relevant stakeholders.

(e) By January 15, 2025, the commissioner must submit the report and the policy recommendations developed under this section to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources policy and finance and energy policy and finance.

Sec. 57. **REVISOR INSTRUCTION.**

The revisor of statutes must change the term "master plan" or similar term to "plan" wherever the term appears in Minnesota Statutes, sections 473.803 to 473.8441. The revisor may make grammatical changes related to the term change.

Sec. 58. **REPEALER.**

Minnesota Statutes 2022, sections 115.44, subdivision 9; 116.011; 325E.389; and 325E.3891, are repealed.

ARTICLE 4
NATURAL RESOURCES

Section 1. Minnesota Statutes 2022, section 16A.152, subdivision 2, is amended to read:

Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund revenues and expenditures, the commissioner of management and budget determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of management and budget must allocate money to the following accounts and purposes in priority order:

(1) the cash flow account established in subdivision 1 until that account reaches \$350,000,000;

(2) the budget reserve account established in subdivision 1a until that account reaches \$2,377,399,000;

(3) the amount necessary to increase the aid payment schedule for school district aids and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest tenth of a percent without exceeding the amount available and with any remaining funds deposited in the budget reserve;

(4) the amount necessary to restore all or a portion of the net aid reductions under section 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75, subdivision 5, by the same amount;

(5) the amount necessary to increase the Minnesota 21st century fund by not more than the difference between \$5,000,000 and the sum of the amounts credited and canceled to it in the previous 12 months under Laws 2020, chapter 71, article 1, section 11, until the sum of all transfers under this section and all amounts credited or canceled under Laws 2020, chapter 71, article 1, section 11, equals \$20,000,000; ~~and~~

(6) the amount necessary to compensate the permanent school fund for lands in the Lowland Conifer Carbon Reserve as required under section 88.85, subdivision 9; and

~~(7)~~ (7) for a forecast in November only, the amount remaining after the transfer under clause (5) must be used to reduce the percentage of accelerated June liability sales tax payments required under section 289A.20, subdivision 4, paragraph (b), until the percentage equals zero, rounded to the nearest tenth of a percent. By March 15 following the November forecast, the commissioner must provide the commissioner of revenue with the percentage of accelerated June liability owed based on the reduction required by this clause. By April 15 each year, the commissioner of revenue must certify the percentage of June liability owed by vendors based on the reduction required by this clause.

(b) The amounts necessary to meet the requirements of this section are appropriated from the general fund within two weeks after the forecast is released or, in the case of transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations schedules otherwise established in statute.

(c) The commissioner of management and budget shall certify the total dollar amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education. The commissioner of education shall increase the aid payment percentage and reduce the property tax shift percentage by these amounts and apply those reductions to the current fiscal year and thereafter.

Sec. 2. Minnesota Statutes 2022, section 84.02, is amended by adding a subdivision to read:

Subd. 6c. **Restored prairie.** "Restored prairie" means a restoration that uses at least 25 representative and biologically diverse native prairie plant species and that occurs on land that was previously cropped or used as pasture.

Sec. 3. Minnesota Statutes 2022, section 84.0274, subdivision 6, is amended to read:

Subd. 6. **State's responsibilities.** When the state proposes to purchase land for natural resources purposes, the commissioner of natural resources and, where applicable, the commissioner of administration shall have the following responsibilities:

(1) the responsibility to deal fairly and openly with the landowner in the purchase of property;

(2) the responsibility to refrain from discussing price with the landowner before an appraisal has been made. In addition, the same person shall not both appraise and negotiate for purchase of a tract of land. This paragraph does not apply to the state when discussing with a landowner the trout stream easement payment determined under section 84.0272, subdivision 2, the native prairie bank easement payment determined under section 84.96, subdivision 5, or the Camp Ripley's Army compatible use buffer easement payment determined under section 84.0277, subdivision 2;

(3) the responsibility to use private fee appraisers to lower the state's acquisition costs to the greatest extent practicable; and

(4) the responsibility to acquire land in as expeditious a manner as possible. No option shall be made for a period of greater than two months if no survey is required or for nine months if a survey is required, unless the landowner, in writing, expressly requests a longer period of time. ~~Provided that, if county board approval of the transaction is required pursuant to section 97A.145, no time limits shall apply.~~ If the state elects not to purchase property upon which it has an option, it shall pay the landowner \$500 after the expiration of the option period. If the state elects to purchase the property, unless the landowner elects otherwise, payment to the landowner shall be made no later than 90 days following the state's election to purchase the property provided that the title is marketable and the owner acts expeditiously to complete the transaction.

Sec. 4. Minnesota Statutes 2022, section 84.0276, is amended to read:

84.0276 LAND TRANSFERS BY A FEDERAL AGENCY.

Before the commissioner of natural resources accepts agricultural land or a farm homestead transferred in fee by a federal agency, the commissioner must consult with the Board of Water and Soil Resources for a determination of marginal land, tillable farmland, and farm homestead. ~~The commissioner must comply with the acquisition procedure under section 97A.145, subdivision 2, if the agricultural land or farm homestead was in an agricultural preserve as provided in section 40A.10.~~

Sec. 5. Minnesota Statutes 2022, section 84.415, subdivision 3, is amended to read:

Subd. 3. **Application, form.** The application for license or permit ~~shall be in quadruplicate, and shall~~ must include with each copy a legal description of the lands or waters affected, a metes and bounds description of the required right-of-way, a map showing said features, and a detailed design of any structures necessary, or in lieu thereof shall be in such other form, and include such other descriptions, maps or designs, as the commissioner may require. The commissioner may at any time order such changes or modifications respecting construction or maintenance of structures or other conditions of the license or permit as the commissioner deems necessary to protect the public health and safety.

Sec. 6. Minnesota Statutes 2022, section 84.415, subdivision 6, is amended to read:

Subd. 6. **Supplemental application fee and monitoring fee.** (a) In addition to the application fee and utility crossing fees specified in Minnesota Rules, the commissioner of natural resources shall assess the applicant for a utility license the following fees:

~~(1) a to cover reasonable costs for reviewing an application and preparing a license, supplemental application fee~~ of fees as follows:

~~(i) \$1,750 for a public water crossing license and a supplemental application fee of \$3,000 for a public lands crossing license, to cover reasonable costs for reviewing the application and preparing the license for electric power lines, cables, or conduits of 100 kilovolts or more and for main pipelines for gas, liquids, or solids in suspension;~~

~~(ii) \$1,000 for a public water crossing license and \$1,000 for a public lands crossing license for applications to which item (i) does not apply; and~~

~~(iii) for all applications, an additional \$500 for each water crossing or land crossing in excess of two crossings; and~~

(2) a monitoring fee to cover the projected reasonable costs for monitoring the construction of the utility line and preparing special terms and conditions of the license to ensure proper construction. The commissioner must give the applicant an estimate of the monitoring fee before the applicant submits the fee.

(b) The applicant shall pay fees under this subdivision to the commissioner of natural resources. The commissioner shall not issue the license until the applicant has paid all fees in full.

(c) Upon completion of construction of the improvement for which the license or permit was issued, the commissioner shall refund the unobligated balance from the monitoring fee revenue. The commissioner shall not return the application fees, even if the application is withdrawn or denied.

~~(d) If the fees collected under paragraph (a), clause (1), are not sufficient to cover the costs of reviewing the applications and preparing the licenses, the commissioner shall improve efficiencies and otherwise reduce department costs and activities to ensure the revenues raised under paragraph (a), clause (1), are sufficient, and that no other funds are necessary to carry out the requirements.~~

(d) For purposes of this subdivision:

(1) "water crossing" means each location where the proposed utility will cross a public water between banks or shores; and

(2) "land crossing" means each quarter-quarter section or government lot where the proposed utility will cross public land.

Sec. 7. Minnesota Statutes 2022, section 84.415, subdivision 7, is amended to read:

Subd. 7. **Application fee exemption.** (a) A utility license for crossing public lands or public waters is exempt from all application fees specified ~~in this section and~~ in rules adopted under this section.

(b) This subdivision does not apply to electric power lines, cables, or conduits 100 kilovolts or greater or to main pipelines for gas, liquids, or solids in suspension.

Sec. 8. Minnesota Statutes 2022, section 84.415, is amended by adding a subdivision to read:

Subd. 9. **Fees for renewing license.** At the end of the license period, if both parties wish to renew a license, the commissioner must assess the applicant for all fees in this section as if the renewal is an application for a new license.

Sec. 9. Minnesota Statutes 2022, section 84.788, subdivision 5, is amended to read:

Subd. 5. **Report of ownership transfers; fee.** (a) Application for transfer of ownership of an off-highway motorcycle registered under this section must be made to the commissioner within 15 days of the date of transfer.

(b) An application for transfer must be executed by the ~~registered~~ current owner and the purchaser using a bill of sale that includes the vehicle serial number.

(c) The purchaser is subject to the penalties imposed by section 84.774 if the purchaser fails to apply for transfer of ownership as provided under this subdivision.

Sec. 10. Minnesota Statutes 2022, section 84.82, subdivision 2, is amended to read:

Subd. 2. **Application, issuance, issuing fee.** (a) Application for registration or reregistration shall be made to the commissioner or an authorized deputy registrar of motor vehicles in a format prescribed by the commissioner and shall state the legal name and address of every owner of the snowmobile.

(b) A person who purchases a snowmobile from a retail dealer shall make application for registration to the dealer at the point of sale. The dealer shall issue a dealer temporary 21-day registration permit to each purchaser who applies to the dealer for registration. The temporary permit must contain the dealer's identification number and phone number. Each retail dealer shall submit completed registration and fees to the deputy registrar at least once a week. No fee may be charged by a dealer to a purchaser for providing the temporary permit.

(c) Upon receipt of the application and the appropriate fee, the commissioner or deputy registrar shall issue to the applicant, or provide to the dealer, an assigned registration number or a commissioner or deputy registrar temporary 21-day permit. The registration number must be printed on a registration decal issued by the commissioner or a deputy registrar. Once issued, the registration number decal must be affixed to the snowmobile in a clearly visible and permanent manner for enforcement purposes as the commissioner of natural resources shall prescribe according to subdivision 3b. A dealer subject to paragraph (b) shall provide the registration materials or temporary permit to the purchaser within the temporary 21-day permit period. The registration is not valid unless signed by at least one owner.

(d) Each deputy registrar of motor vehicles acting pursuant to section 168.33 shall also be a deputy registrar of snowmobiles. The commissioner of natural resources in agreement with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to ensure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with these accounting and procedural requirements.

(e) In addition to other fees prescribed by law, an issuing fee of \$4.50 is charged for each snowmobile registration renewal, duplicate or replacement registration card, and replacement decal, and an issuing fee of \$7 is charged for each snowmobile registration and registration transfer issued by:

(1) a registrar or a deputy registrar and must be deposited in the manner provided in section 168.33, subdivision 2; or

(2) the commissioner and must be deposited in the state treasury and credited to the snowmobile trails and enforcement account in the natural resources fund.

Sec. 11. Minnesota Statutes 2022, section 84.82, is amended by adding a subdivision to read:

Subd. 3b. Display of registration decal. (a) A person must not operate or transport a snowmobile in the state or allow another to operate the person's snowmobile in the state unless the snowmobile has its unexpired registration decal affixed to each side of the snowmobile and the decals are legible.

(b) The registration decal must be affixed:

(1) for snowmobiles made after June 30, 1972, in the areas provided by the manufacturer under section 84.821, subdivision 2; and

(2) for all other snowmobiles, on each side of the cowling on the upper half of the snowmobile.

(c) When any previously affixed registration decal is destroyed or lost, a duplicate must be affixed in the same manner as provided in paragraph (b).

Sec. 12. Minnesota Statutes 2022, section 84.821, subdivision 2, is amended to read:

Subd. 2. Area for registration number. All snowmobiles made after June 30, 1972, and sold in Minnesota, shall be designed and made to provide an area on which to affix the registration ~~number~~ decal. ~~This area shall be at a location and of dimensions prescribed by rule of the commissioner.~~ A clear area must be provided on each side of the cowling with a minimum size of 3-1/2 square inches and at least 12 inches from the ground when the machine is resting on a hard surface.

Sec. 13. Minnesota Statutes 2022, section 84.84, is amended to read:

84.84 TRANSFER OR TERMINATION OF SNOWMOBILE OWNERSHIP.

(a) Within 15 days after the transfer of ownership, or any part thereof, other than a security interest, or the destruction or abandonment of any snowmobile, written notice of the transfer or destruction or abandonment shall be given to the commissioner in such form as the commissioner shall prescribe.

(b) An application for transfer must be executed by the ~~registered~~ current owner and the purchaser using a bill of sale that includes the vehicle serial number.

(c) The purchaser is subject to the penalties imposed by section 84.88 if the purchaser fails to apply for transfer of ownership as provided under this subdivision. Every owner or part owner of a snowmobile shall, upon failure to give notice of destruction or abandonment, be subject to the penalties imposed by section 84.88.

Sec. 14. Minnesota Statutes 2022, section 84.86, subdivision 1, is amended to read:

Subdivision 1. **Required rules, fees, and reports.** (a) With a view of achieving maximum use of snowmobiles consistent with protection of the environment the commissioner of natural resources shall adopt rules in the manner provided by chapter 14, for the following purposes:

- (1) registration of snowmobiles ~~and display of registration numbers;~~
- (2) use of snowmobiles insofar as game and fish resources are affected;
- (3) use of snowmobiles on public lands and waters, or on grant-in-aid trails;
- (4) uniform signs to be used by the state, counties, and cities, which are necessary or desirable to control, direct, or regulate the operation and use of snowmobiles;
- (5) specifications relating to snowmobile mufflers; and

(6) a comprehensive snowmobile information and safety education and training program, ~~including that includes~~ but is not limited to ~~the preparation and dissemination of~~ preparing and disseminating snowmobile information and safety advice to the public, ~~the training of~~ snowmobile operators, and ~~the issuance of~~ issuing snowmobile safety certificates to snowmobile operators who successfully complete the snowmobile safety education and training course.

(b) For the purpose of administering ~~such~~ the program under paragraph (a), clause (6), and to defray expenses of training and certifying snowmobile operators, the commissioner shall collect a fee from each person who receives the youth or adult training. The commissioner shall collect a fee, to include a \$1 issuing fee for licensing agents, for issuing a duplicate snowmobile safety certificate. The commissioner shall establish both fees in a manner that neither significantly overrecovers nor underrecovers costs, including overhead costs, involved in providing the services. The fees are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply. The fees may be established by the commissioner notwithstanding section 16A.1283. The fees, except for the issuing fee for licensing agents under this subdivision, shall be deposited in the snowmobile trails and enforcement account in the natural resources fund and the amount thereof, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, and issuing fees collected by the commissioner, is appropriated annually to the Enforcement Division of the Department of Natural Resources ~~for the administration of such~~ administering the programs. In addition to the fee established by the commissioner, instructors may charge each person any fee paid by the instructor for the person's online training course and up to the established fee amount for class materials and expenses. The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the program established under ~~this paragraph (a), clause (6)~~. School districts may cooperate with the commissioner and volunteer instructors to provide space for the classroom portion of the training. The commissioner shall consult with the commissioner of public safety in regard to training program subject matter and performance testing that leads to the certification of snowmobile operators.

~~(7)~~ (c) The operator of any snowmobile involved in an accident resulting in injury requiring medical attention or hospitalization to or death of any person or total damage to an extent of \$500 or more, shall forward a written report of the accident to the commissioner on ~~such a~~ such a form as prescribed by the commissioner ~~shall prescribe~~. If the operator is killed or is unable to file a report due to incapacitation, any peace officer investigating the accident shall file the accident report within ten business days.

Sec. 15. Minnesota Statutes 2022, section 84.87, subdivision 1, is amended to read:

Subdivision 1. **Operation on streets and highways.** (a) No person shall operate a snowmobile upon the roadway, shoulder, or inside bank or slope of any trunk, county state-aid, or county highway in this state and, in the case of a divided trunk or county highway, on the right-of-way between the opposing lanes of traffic, except as provided in sections 84.81 to 84.90. No person shall operate a snowmobile within the right-of-way of any trunk, county state-aid, or county highway between the hours of one-half hour after sunset to one-half hour before sunrise, except on the right-hand side of such right-of-way and in the same direction as the highway traffic on the nearest lane of the roadway adjacent thereto. No snowmobile shall be operated at any time within the right-of-way of any interstate highway or freeway within this state.

(b) Notwithstanding any provision of paragraph (a) to the contrary:

(1) under conditions prescribed by the commissioner of transportation, the commissioner of transportation may allow two-way operation of snowmobiles on either side of the trunk highway right-of-way where the commissioner of transportation determines that two-way operation will not endanger users of the trunk highway or riders of the snowmobiles using the trail;

(2) under conditions prescribed by a local road authority as defined in section 160.02, subdivision 25, the road authority may allow two-way operation of snowmobiles on either side of the right-of-way of a street or highway under the road authority's jurisdiction, where the road authority determines that two-way operation will not endanger users of the street or highway or riders of the snowmobiles using the trail;

(3) the commissioner of transportation under clause (1) and the local road authority under clause (2) shall notify the commissioner of natural resources and the local law enforcement agencies responsible for the streets or highways of the locations of two-way snowmobile trails authorized under this paragraph; and

(4) two-way snowmobile trails authorized under this paragraph shall be posted for two-way operation at the authorized locations.

(c) A snowmobile may make a direct crossing of a street or highway at any hour of the day provided:

(1) the crossing is made at an angle of approximately 90 degrees to the direction of the highway and at a place where no obstruction prevents a quick and safe crossing;

(2) the snowmobile is brought to a complete stop before crossing the shoulder or main traveled way of the highway;

(3) the driver yields the right-of-way to all oncoming traffic which constitutes an immediate hazard;

(4) in crossing a divided highway, the crossing is made only at an intersection of such highway with another public street or highway or at a safe location approved by the road authority;

(5) if the crossing is made between the hours of one-half hour after sunset to one-half hour before sunrise or in conditions of reduced visibility, only if both front and rear lights are on; and

(6) a snowmobile may be operated upon a bridge, other than a bridge that is part of the main traveled lanes of an interstate highway, when required for the purpose of avoiding obstructions to travel when no other method of avoidance is possible; provided the snowmobile is operated in the extreme right-hand lane, the entrance to the roadway is made within 100 feet of the bridge and the crossing is made without undue delay.

(d) No snowmobile shall be operated upon a public street or highway unless it is equipped with at least one headlamp, one tail lamp, each of minimum candlepower as prescribed by rules of the commissioner, reflector material of a minimum area of 16 square inches mounted on each side forward of the handle bars, and with brakes each of which shall conform to standards prescribed by rule of the commissioner pursuant to the authority vested in the commissioner by section 84.86, and each of which shall be subject to approval of the commissioner of public safety.

(e) A snowmobile may be operated upon a public street or highway other than as provided by paragraph (c) in an emergency during the period of time when and at locations where snow upon the roadway renders travel by automobile impractical.

(f) All provisions of chapters 169 and 169A shall apply to the operation of snowmobiles upon streets and highways, except for those relating to required equipment, and except those which by their nature have no application. Section 169.09 applies to the operation of snowmobiles anywhere in the state or on the ice of any boundary water of the state.

(g) Any sled, trailer, or other device being towed by a snowmobile must be equipped with reflective materials as required by rule of the commissioner.

Sec. 16. Minnesota Statutes 2022, section 84.90, subdivision 7, is amended to read:

Subd. 7. **Penalty.** (a) A person violating the provisions of this section is guilty of a misdemeanor.

(b) Notwithstanding section 609.101, subdivision 4, clause (2), the minimum fine for a person who operates an off-highway motorcycle, off-road vehicle, all-terrain vehicle, or snowmobile in violation of this section must not be less than the amount set forth in section 84.775.

Sec. 17. **[84.9735] INSECTICIDES ON STATE LANDS.**

A person may not use a pesticide containing an insecticide in a wildlife management area, state park, state forest, aquatic management area, or scientific and natural area if the insecticide is from the neonicotinoid class of insecticides or contains chlorpyrifos.

Sec. 18. Minnesota Statutes 2022, section 84.992, subdivision 2, is amended to read:

Subd. 2. **Program.** The commissioner of natural resources shall develop and implement a program for the Minnesota Naturalist Corps that supports state parks and trails in providing interpretation of the natural and cultural features of state parks and trails in order to enhance visitors' awareness, understanding, and appreciation of those features and encourages the wise and sustainable use of the environment.

Sec. 19. Minnesota Statutes 2022, section 84.992, subdivision 5, is amended to read:

Subd. 5. **Eligibility.** A person is eligible to enroll in the Minnesota Naturalist Corps if the person:

- ~~(1) is a permanent resident of the state;~~
- ~~(2) is a participant in an approved college internship program in a field related to natural resources, cultural history, interpretation, or conservation; and~~
- ~~(3) has completed at least one year of postsecondary education.~~

Sec. 20. Minnesota Statutes 2022, section 84D.02, subdivision 3, is amended to read:

Subd. 3. **Management plan.** By December 31, 2023, and every five years thereafter, the commissioner shall prepare ~~and maintain~~ a long-term plan, which may include specific plans for individual species and actions, for the statewide management of invasive species of aquatic plants and wild animals. The plan must address:

- (1) coordinated detection and prevention of accidental introductions;
- (2) coordinated dissemination of information about invasive species of aquatic plants and wild animals among resource management agencies and organizations;
- (3) a coordinated public education and awareness campaign;
- (4) coordinated control of selected invasive species of aquatic plants and wild animals on lands and public waters;
- (5) participation by lake associations, local citizen groups, and local units of government in the development and implementation of local management efforts;
- (6) a reasonable and workable inspection requirement for watercraft and equipment including those participating in organized events on the waters of the state;
- (7) the closing of points of access to infested waters, if the commissioner determines it is necessary, for a total of not more than seven days during the open water season for control or eradication purposes;
- (8) maintaining public accesses on infested waters to be reasonably free of aquatic macrophytes; ~~and~~
- (9) notice to travelers of the penalties for violation of laws relating to invasive species of aquatic plants and wild animals; and
- (10) the impacts of climate change on invasive species management.

Sec. 21. Minnesota Statutes 2022, section 84D.10, subdivision 3, is amended to read:

Subd. 3. **Removal and confinement.** (a) A conservation officer or other licensed peace officer may order:

- (1) the removal of aquatic macrophytes or prohibited invasive species from water-related equipment, including decontamination using hot water or high pressure equipment ~~when available on site~~, before the water-related equipment is transported or before it is placed into waters of the state;
- (2) confinement of the water-related equipment at a mooring, dock, or other location until the water-related equipment is removed from the water;
- (3) removal of water-related equipment from waters of the state to remove prohibited invasive species if the water has not been listed by the commissioner as being infested with that species;
- (4) a prohibition on placing water-related equipment into waters of the state when the water-related equipment has aquatic macrophytes or prohibited invasive species attached in violation of subdivision 1 or when water has not been drained or the drain plug has not been removed in violation of subdivision 4; and
- (5) decontamination of water-related equipment ~~when available on site.~~

(b) An order for removal of prohibited invasive species under paragraph (a), clause (1), or decontamination of water-related equipment under paragraph (a), clause (5), may include tagging the water-related equipment and issuing a notice that specifies a time frame for completing the removal or decontamination and reinspection of the water-related equipment.

(c) An inspector who is not a licensed peace officer may issue orders under paragraph (a), clauses (1), (3), (4), and (5).

Sec. 22. Minnesota Statutes 2022, section 84D.15, subdivision 2, is amended to read:

Subd. 2. **Receipts.** Money received from surcharges on watercraft licenses under section 86B.415, subdivision 7, civil penalties under section 84D.13, and service provider permits under section 84D.108, must be deposited in the invasive species account. Each year, the commissioner of management and budget must transfer from the game and fish fund to the invasive species account, the annual surcharge collected on nonresident fishing licenses under section 97A.475, subdivision 7, paragraph (b). ~~Each fiscal year, the commissioner of management and budget shall transfer \$375,000 from the water recreation account under section 86B.706 to the invasive species account.~~

Sec. 23. Minnesota Statutes 2022, section 85.015, subdivision 10, is amended to read:

Subd. 10. **Luce Line Trail, Hennepin, McLeod, and Meeker Counties.** (a) The trail shall originate at Gleason Lake in Plymouth Village, Hennepin County, ~~and shall follow the route of the Chicago Northwestern Railroad, and include a connection to Greenleaf Lake State Recreation Area.~~

(b) The trail shall be developed for multiuse wherever feasible. The department shall cooperate in maintaining its integrity for modes of use consistent with local ordinances.

(c) In establishing, developing, maintaining, and operating the trail, the commissioner shall cooperate with local units of government and private individuals and groups. Before acquiring any parcel of land for the trail, the commissioner of natural resources shall develop a management program for the parcel and conduct a public hearing on the proposed management program in the vicinity of the parcel to be acquired. The management program of the commissioner shall include but not be limited to the following:

(1) fencing ~~of~~ portions of the trail where necessary to protect adjoining landowners; and

(2) ~~the maintenance of~~ maintaining the trail in a ~~litter free~~ litter-free condition to the extent practicable.

(d) The commissioner shall not acquire any of the right-of-way of the Chicago Northwestern Railway Company until the abandonment of the line described in this subdivision has been approved by the Surface Transportation Board or the former Interstate Commerce Commission. Compensation, in addition to the value of the land, shall include improvements made by the railroad, including but not limited to, bridges, trestles, public road crossings, or any portion thereof, it being the desire of the railroad that such improvements be included in the conveyance. The fair market value of the land and improvements shall be recommended by two independent appraisers mutually agreed upon by the parties. The fair market value thus recommended shall be reviewed by a review appraiser agreed to by the parties, and the fair market value thus determined, and supported by appraisals, may be the purchase price. The commissioner may exchange lands with landowners abutting the right-of-way described in this section to eliminate diagonally shaped separate fields.

Sec. 24. Minnesota Statutes 2022, section 85.052, subdivision 6, is amended to read:

Subd. 6. **State park reservation system.** (a) The commissioner may, by written order, develop reasonable reservation policies for ~~campsites and other~~ using camping, lodging, and day-use facilities and for tours, educational programs, seminars, events, and rentals. The policies are exempt from the rulemaking provisions under chapter 14, and section 14.386 does not apply.

(b) The revenue collected from the state park reservation fee established under subdivision 5, including interest earned, ~~shall~~ **must** be deposited in the state park account in the natural resources fund and is annually appropriated to the commissioner for the cost of operating the state park reservation and point-of-sale system.

Sec. 25. Minnesota Statutes 2022, section 85.055, subdivision 1, is amended to read:

Subdivision 1. **Fees.** (a) The fee for state park permits for:

(1) an annual use of state parks is ~~\$35~~ \$45;

(2) a second or subsequent vehicle state park permit is ~~\$26~~ \$35;

(3) a state park permit valid for one day is ~~\$7~~ \$10;

(4) a daily vehicle state park permit for groups is ~~\$5~~ \$8;

(5) an annual permit for motorcycles is ~~\$30~~ \$40;

(6) an employee's state park permit is without charge; and

(7) a state park permit for persons with disabilities under section 85.053, subdivision 7, paragraph (a), clauses (1) to (3), is ~~\$12~~ \$20.

(b) The fees specified in this subdivision include any sales tax required by state law.

Sec. 26. Minnesota Statutes 2022, section 85.536, subdivision 2, is amended to read:

Subd. 2. **Commission.** The commission shall include 13 members appointed by the governor with two members from each of the regional parks and trails districts determined under subdivision 5 and one member at large. Membership terms, compensation, and removal of members and filling of vacancies are as provided in section 15.0575, except that a commission member may be compensated at the rate of up to \$125 a day.

Sec. 27. Minnesota Statutes 2022, section 86B.005, is amended by adding a subdivision to read:

Subd. 11a. **Other commercial operation.** "Other commercial operation" means use of a watercraft for work, rather than recreation, to transport equipment, goods, and materials on public waters.

Sec. 28. **[86B.30] DEFINITIONS.**

Subdivision 1. **Applicability.** The definitions in this section apply to sections 86B.30 to 86B.341.

Subd. 2. **Accompanying operator.** "Accompanying operator" means a person 21 years of age or older who:

(1) is in a personal watercraft or other type of motorboat;

(2) is within immediate reach of the controls of the motor; and

(3) possesses a valid operator's permit or is an exempt operator.

Subd. 3. **Adult operator.** "Adult operator" means a motorboat operator, including a personal watercraft operator, who is 12 years of age or older and who was:

(1) effective July 1, 2025, born on or after July 1, 2004;

(2) effective July 1, 2026, born on or after July 1, 2000;

(3) effective July 1, 2027, born on or after July 1, 1996; and

(4) effective July 1, 2028, born on or after July 1, 1987.

Subd. 4. **Exempt operator.** "Exempt operator" means a motorboat operator, including a personal watercraft operator, who is 12 years of age or older and who:

(1) possesses a valid license to operate a motorboat issued for maritime personnel by the United States Coast Guard under Code of Federal Regulations, title 46, part 10, or a marine certificate issued by the Canadian government;

(2) is not a resident of the state, is temporarily using the waters of the state for a period not to exceed 60 days, and:

(i) meets any applicable requirements of the state or country of residency; or

(ii) possesses a Canadian pleasure craft operator's card;

(3) is operating a motorboat under a dealer's license according to section 86B.405; or

(4) is operating a motorboat during an emergency.

Subd. 5. **Motorboat rental business.** "Motorboat rental business" means a person engaged in the business of renting or leasing motorboats, including personal watercraft, for a period not exceeding 30 days. Motorboat rental business includes a person's agents and employees but does not include a resort business.

Subd. 6. **Resort business.** "Resort business" means a person engaged in the business of providing lodging and recreational services to transient guests and classified as a resort under section 273.13, subdivision 22 or 25. A resort business includes a person's agents and employees.

Subd. 7. **Young operator.** "Young operator" means a motorboat operator, including a personal watercraft operator, younger than 12 years of age.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 29. **[86B.302] WATERCRAFT OPERATOR'S PERMIT.**

Subdivision 1. **Generally.** The commissioner must issue a watercraft operator's permit to a person 12 years of age or older who successfully completes a water safety course and written test according to section 86B.304, paragraph (a), or who provides proof of completing a program subject to a reciprocity agreement or certified by the commissioner as substantially similar.

Subd. 2. **Issuing permit to certain young operators.** The commissioner may issue a permit under this section to a person who is at least 11 years of age, but the permit is not valid until the person becomes an adult operator.

Subd. 3. **Personal possession required.** (a) A person who is required to have a watercraft operator's permit must have in personal possession:

(1) a valid watercraft operator's permit;

(2) a driver's license that has a valid watercraft operator's permit indicator issued under section 171.07, subdivision 20; or

(3) an identification card that has a valid watercraft operator's permit indicator issued under section 171.07, subdivision 20.

(b) A person who is required to have a watercraft operator's permit must display one of the documents described in paragraph (a) to a conservation officer or peace officer upon request.

Subd. 4. **Using electronic device to display proof of permit.** If a person uses an electronic device to display a document described in subdivision 3 to a conservation officer or peace officer:

(1) the officer is immune from liability for any damage to the device, unless the officer does not exercise due care in handling the device; and

(2) this does not constitute consent for the officer to access other contents on the device.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 30. **[86B.303] OPERATING PERSONAL WATERCRAFT AND OTHER MOTORBOATS.**

Subdivision 1. **Adult operators.** An adult operator may not operate a motorboat, including a personal watercraft, unless:

(1) the adult operator possesses a valid watercraft operator's permit;

(2) the adult operator is an exempt operator; or

(3) an accompanying operator is in the motorboat.

Subd. 2. **Young operators.** A young operator may not operate a motorboat, including a personal watercraft, unless there is an accompanying operator in the boat or in case of an emergency.

Subd. 3. **Accompanying operators.** For purposes of this section and section 169A.20, an accompanying operator, as well as the actual operator, is operating and is in physical control of a motorboat.

Subd. 4. **Owners may not allow unlawful use.** An owner or other person in lawful control of a motorboat may not allow the motorboat to be operated contrary to this section.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 31. **[86B.304] WATERCRAFT SAFETY PROGRAM.**

(a) The commissioner must establish a water safety course and testing program for personal watercraft and watercraft operators and must prescribe a written test as part of the course. The course must be approved by the National Association of State Boating Law Administrators and must be available online. The commissioner may allow designated water safety courses administered by third parties to meet the requirements of this paragraph and may enter into reciprocity agreements or otherwise certify boat safety education programs from other states that are substantially similar to in-state programs. The commissioner must establish a working group of interested parties to develop course content and implementation. The course must include content on best management practices for mitigating aquatic invasive species, reducing conflicts among user groups, and limiting the ecological impacts of watercraft.

(b) The commissioner must create or designate a short boater safety examination to be administered by motorboat rental businesses, as required by section 86B.306, subdivision 3. The examination developed under this paragraph must be one that can be administered electronically or on paper, at the option of the motorboat rental business administering the examination.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 32. **[86B.306] MOTORBOAT RENTAL BUSINESSES.**

Subdivision 1. **Requirements.** A motorboat rental business must not rent or lease a motorboat, including a personal watercraft, to any person for operation on waters of this state unless the renter or lessee:

(1) has a valid watercraft operator's permit or is an exempt operator; and

(2) is 18 years of age or older.

Subd. 2. **Authorized operators.** A motorboat rental business must list on each motorboat rental or lease agreement the name and age of each operator who is authorized to operate the motorboat or personal watercraft. The renter or lessee of the motorboat must ensure that only listed authorized operators operate the motorboat or personal watercraft.

Subd. 3. **Summary of boating regulations; examination.** (a) A motorboat rental business must provide each authorized operator a summary of the statutes and rules governing operation of motorboats and personal watercraft in the state and instructions for safe operation.

(b) Each authorized operator, other than those holding a valid watercraft operator's permit or an exempt operator, must review the summary provided under this subdivision and must take a short boater safety examination in a form approved by the commissioner before the motorboat or personal watercraft leaves the motorboat rental business premises, unless the authorized operator has taken the examination during the previous 180 days.

Subd. 4. **Safety equipment for personal watercraft.** A motorboat rental business must provide to all persons who rent a personal watercraft, at no additional cost, a United States Coast Guard (USCG) approved wearable personal flotation device with a USCG label indicating it either is approved for or does not prohibit use with personal watercraft or water-skiing and any other required safety equipment.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 33. Minnesota Statutes 2022, section 86B.313, subdivision 4, is amended to read:

Subd. 4. ~~Dealers and rental operations.~~ (a) A dealer of personal watercraft shall distribute a summary of the laws and rules governing the operation of personal watercraft and, upon request, shall provide instruction to a purchaser regarding:

(1) the laws and rules governing personal watercraft; and

(2) the safe operation of personal watercraft.

(b) ~~A person who offers personal watercraft for rent;~~

~~(1) shall provide a summary of the laws and rules governing the operation of personal watercraft and provide instruction regarding the laws and rules and the safe operation of personal watercraft to each person renting a personal watercraft;~~

~~(2) shall provide a United States Coast Guard (USCG) approved wearable personal flotation device with a USCG label indicating it either is approved for or does not prohibit use with personal watercraft or water skiing and any other required safety equipment to all persons who rent a personal watercraft at no additional cost; and~~

~~(3) shall require that a watercraft operator's permit from this state or from the operator's state of residence be shown each time a personal watercraft is rented to any person younger than age 18 and shall record the permit on the form provided by the commissioner.~~

~~(e) Each dealer of personal watercraft or person offering personal watercraft for rent shall have the person who purchases or rents a personal watercraft sign a form provided by the commissioner acknowledging that the purchaser or renter has been provided a copy of the laws and rules regarding personal watercraft operation and has read them. The form must be retained by the dealer or person offering personal watercraft for rent for a period of six months following the date of signature and must be made available for inspection by sheriff's deputies or conservation officers during normal business hours.~~

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 34. Minnesota Statutes 2022, section 86B.415, subdivision 1, is amended to read:

Subdivision 1. **Watercraft 19 feet or less.** (a) Except as provided in paragraph (b) and subdivision 1a, the fee for a watercraft license for watercraft 19 feet or less in length is ~~\$27~~ \$59.

(b) The watercraft license fee is:

(1) for watercraft, other than personal watercraft, 19 feet in length or less that is offered for rent or lease, ~~the fee is \$9~~ \$14;

(2) for a sailboat, 19 feet in length or less, ~~the fee is \$10.50~~ \$23;

(3) for a watercraft 19 feet in length or less used by a nonprofit corporation for teaching boat and water safety, ~~the fee is as provided in subdivision 4~~;

(4) for a watercraft owned by a dealer under a dealer's license, ~~the fee is as provided in subdivision 5~~;

(5) for a personal watercraft, ~~the fee is \$37.50~~ including one offered for rent or lease, \$85; and

(6) for a watercraft less than 17 feet in length, other than a watercraft listed in clauses (1) to (5), ~~the fee is \$18~~ \$36.

Sec. 35. Minnesota Statutes 2022, section 86B.415, subdivision 1a, is amended to read:

Subd. 1a. **Canoes, kayaks, sailboards, paddleboards, paddleboats, or rowing shells.** The fee for a watercraft license for a canoe, kayak, sailboard, paddleboard, paddleboat, or rowing shell over ten feet in length is ~~\$40.50~~ \$23.

Sec. 36. Minnesota Statutes 2022, section 86B.415, subdivision 2, is amended to read:

Subd. 2. **Watercraft over 19 feet.** Except as provided in subdivisions 1a, 3, 4, and 5, the watercraft license fee:

(1) for a watercraft more than 19 feet but less than 26 feet in length is ~~\$45~~ \$113;

(2) for a watercraft 26 feet but less than 40 feet in length is ~~\$67.50~~ \$164; and

(3) for a watercraft 40 feet in length or longer is ~~\$90~~ \$209.

Sec. 37. Minnesota Statutes 2022, section 86B.415, subdivision 3, is amended to read:

Subd. 3. **Watercraft over 19 feet for hire commercial use.** The license fee for a watercraft ~~more than 19 feet in length for hire with an operator~~ used primarily for charter fishing, commercial fishing, commercial passenger carrying, or other commercial operation is ~~\$75~~ \$164 each.

Sec. 38. Minnesota Statutes 2022, section 86B.415, subdivision 4, is amended to read:

Subd. 4. **Watercraft used by nonprofit corporation for teaching.** The watercraft license fee for a watercraft used by a nonprofit organization for teaching boat and water safety is ~~\$4.50~~ \$8 each.

Sec. 39. Minnesota Statutes 2022, section 86B.415, subdivision 5, is amended to read:

Subd. 5. **Dealer's license.** There is no separate fee for watercraft owned by a dealer under a dealer's license. The fee for a dealer's license is ~~\$67.50~~ \$142.

Sec. 40. Minnesota Statutes 2022, section 86B.415, subdivision 7, is amended to read:

Subd. 7. **Watercraft surcharge.** A ~~\$10.60~~ \$20 surcharge is placed on each watercraft licensed under subdivisions 1 to 5 for control, public awareness, law enforcement, monitoring, and research of aquatic invasive species such as zebra mussel, purple loosestrife, and Eurasian watermilfoil in public waters and public wetlands.

Sec. 41. **[88.83] EMERALD ASH BORER RESPONSE.**

Subdivision 1. **Purpose.** The legislature finds that an epidemic of an invasive plant pest, the emerald ash borer, is occurring in Minnesota, threatening the natural environment, and generating large volumes of wood waste from ash trees. Immediate action is therefore necessary to provide funding to assist local units of government with treating, removing, and replacing ash trees in response to emerald ash borer infestations and managing the resulting wood waste and to preserve existing biomass energy infrastructure that is critical to support local and regional emerald ash borer response programs.

Subd. 2. **Establishment.** The commissioner must establish a program to:

(1) provide state matching grants to assist communities with treating, removing, and replacing ash trees in response to the emerald ash borer epidemic and managing wood waste, including the remains of ash trees removed in response to the epidemic; and

(2) identify and designate existing biomass energy facilities that are critical infrastructure for local and regional emerald ash borer response programs.

Subd. 3. **Eligible applicants.** The commissioner may award grants under this section to:

(1) local units of government, including cities, counties, regional authorities, joint powers boards, towns, and parks and recreation boards in cities of the first class that are responding or actively preparing to respond to an emerald ash borer infestation; and

(2) a Minnesota nonprofit corporation that owns a cogeneration facility that serves a St. Paul district heating and cooling system.

Subd. 4. **Eligible expenditures.** Local units of government are eligible for matching grants of up to 50 percent of costs incurred to properly manage, transport, process, and dispose of wood waste containing ash tree material, including reuse and higher-value applications, wood waste storage yards, and costs associated with processing wood waste into usable biomass fuel and transporting it to designated biomass energy facilities. A Minnesota nonprofit corporation that owns a biomass-fueled combined heat and power plant serving a district heating system is eligible for grants of up to \$20 per ton of processed biomass fuel containing wood waste from ash trees processed in response to the emerald ash borer epidemic. The commissioner may require the nonprofit corporation to charge a fee per ton of ash tree wood waste delivered to the facility.

Subd. 5. **Reporting.** A nonprofit corporation receiving a grant under this section must compile a quarterly report on the volume of wood waste utilized as fuel at the facility using the same method used to compile the annual utilization of wood fuel for the Pollution Control Agency's annual emission inventory report required under Minnesota Rules, part 7019.3000, and must submit the information to the commissioner every three months beginning 120 days after the nonprofit corporation is eligible to receive grants.

Sec. 42. **[88.85] LOWLAND CONIFER CARBON RESERVE.**

Subdivision 1. **Definition.** For the purposes of this section, "lowland conifer stands" means treed wetlands that occur on mucky mineral or wet organic soils. Lowland conifer stands include black spruce, tamarack, and white cedar cover types, including stagnant stands. These cover types include three wetland forest systems:

(1) wet forest system;

(2) rich forested peatland system; and

(3) acid peatland system.

Subd. 2. **Establishment.** (a) The Lowland Conifer Carbon Reserve is established to mitigate climate change and protect ecologically unique areas. It includes all stands in the state forest system identified as lowland conifer stands under this section and includes the distribution of underlying peatlands associated with or adjoining each stand.

(b) By January 1, 2024, the commissioner must designate and list the areas included in the Lowland Conifer Carbon Reserve and submit a report with the designated list to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources.

(c) By July 1, 2024, the commissioner must prepare maps locating the areas identified under paragraph (b); provide, to the extent possible, legal descriptions of each area; and submit the maps and legal descriptions to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources.

Subd. 3. **Carbon sequestration; reports.** (a) By January 1, 2025, the commissioner must prepare and submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources with a list of all stands in the Lowland Conifer Carbon Reserve that are 90 years of age or older and an estimate of the tons of carbon sequestered in the boles of the trees in these stands. The commissioner must update and submit the report to the chairs and ranking minority members every five years thereafter.

(b) By January 1, 2025, the commissioner must prepare and submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources identifying any bogs and peatlands in the Lowland Conifer Carbon Reserve and an estimate of the tons of carbon sequestered in the peat.

Subd. 4. **Productive stands; report.** By January 1, 2025, the commissioner must prepare and submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources with a list and map showing all productive stands in the Lowland Conifer Carbon Reserve and identify which stands were harvested within the five years preceding establishment of the Lowland Conifer Carbon Reserve. By January 15 each year thereafter, the commissioner must update the list showing the most recent harvest year and species harvested and submit the list in a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources finance and policy.

Subd. 5. **Timber harvesting restrictions.** (a) The commissioner may issue a timber permit to harvest a stand in the Lowland Conifer Carbon Reserve only if:

(1) the stand is less than 90 years of age; and

(2) the stand is accessible to heavy logging equipment as determined by the commissioner.

(b) For stands accessible for only part of the year, trees may be harvested only during the times the stand is accessible as determined by the commissioner.

Subd. 6. **Peat harvesting restrictions.** (a) A person may not harvest peat in the Lowland Conifer Carbon Reserve.

(b) This subdivision does not apply to peat harvested under a permit issued before the peat was included in the Lowland Conifer Carbon Reserve.

Subd. 7. **Management.** To the extent possible, the commissioner must passively manage stands in the Lowland Conifer Carbon Reserve. Regeneration of harvested stands in the Lowland Conifer Carbon Reserve must be done naturally.

Subd. 8. **Drained lands.** The commissioner must identify lands in the Lowland Conifer Carbon Reserve that were drained for agricultural purposes but forfeited to the state for nonpayment of taxes. The commissioner must make reasonable efforts to restore the lands to their original hydrological condition, such as blocking or filling active drain pipes, tiles, or ditches on the lands.

Subd. 9. **School trust lands.** The commissioner must compensate the permanent school fund for school trust lands in the Lowland Conifer Carbon Reserve. To the extent funding is available under section 16A.152, subdivision 2, and other sources, the commissioner must extinguish the school trust interest of lands as provided under section 92.83. Payments for school trust lands without commercial value must be compensated at an amount equal to \$500 per acre. Payments for school trust lands with commercial value must be compensated at a rate agreed to by the commissioner and the school trust lands director for each parcel, with a parcel comprising a single stand or multiple adjoining stands.

Subd. 10. **Existing contracts and legislation.** Obligations, including permits, leases, and legislative directives, that are in effect before designation of the Lowland Conifer Carbon Reserve are not impacted by this section and continue until they expire or are removed.

Subd. 11. **Sunset.** This section expires December 31, 2099.

Sec. 43. Minnesota Statutes 2022, section 89A.03, subdivision 5, is amended to read:

Subd. 5. **Membership regulation.** Terms, compensation, nomination, appointment, and removal of council members are governed by section 15.059, except that a council member may be compensated at the rate of up to \$125 a day.

Sec. 44. Minnesota Statutes 2022, section 90.181, subdivision 2, is amended to read:

Subd. 2. **Deferred payments.** (a) If the amount of the statement is not paid or the payment is not postmarked within 30 days of the statement date ~~thereof, it shall bear,~~ the amount bears interest at the rate determined pursuant to section 16A.124, except that the purchaser ~~shall not be~~ is not required to pay interest that totals \$1 or less. If the amount is not paid within 60 days, the commissioner shall place the account in the hands of the commissioner of revenue according to chapter 16D, who shall proceed to collect the ~~same~~ amount due. When deemed in the best interests of the state, the commissioner shall take possession of the timber for which an amount is due wherever it may be found and sell the ~~same~~ timber informally or at public auction after giving reasonable notice.

(b) The proceeds of the sale ~~shall~~ must be applied, first, to the payment of the expenses of seizure and sale; and, second, to the payment of the amount due for the timber, with interest; ~~and.~~ The surplus, if any, ~~shall belong~~ belongs to the state; ~~and.~~ In case a sufficient amount is not realized to pay these amounts in full, the balance ~~shall~~ must be collected by the attorney general. ~~Neither~~ Payment of the amount, ~~nor the~~ recovery of judgment ~~therefor~~ for the amount, ~~nor~~ satisfaction of the judgment, ~~nor the~~ or seizure and sale of timber, ~~shall~~ does not:

(1) release the sureties on any security deposit given pursuant to this chapter, ~~or;~~

(2) preclude the state from afterwards claiming that the timber was cut or removed contrary to law and recovering damages for the trespass thereby committed; ~~or~~

(3) preclude the state from prosecuting the offender criminally.

Sec. 45. Minnesota Statutes 2022, section 97A.015, is amended by adding a subdivision to read:

Subd. 32b. **Native swan.** "Native swan" means a trumpeter swan or a tundra swan but does not include a mute swan.

Sec. 46. Minnesota Statutes 2022, section 97A.031, is amended to read:

97A.031 WANTON WASTE.

(a) Unless expressly allowed, a person may not wantonly waste or destroy a usable part of a protected wild animal.

(b) This section does not apply to common carp.

Sec. 47. **[97A.096] DESIGNATED SWAN PROTECTION AREAS.**

Subdivision 1. **Swan protection areas.** The commissioner of natural resources must designate waters within the seven-county metropolitan area that provide critical habitat for swan nesting, migration, and foraging as swan protection areas.

Subd. 2. **Public notice and meeting.** (a) Before the commissioner designates or removes a designation of a swan protection area, the commissioner must receive public comment and hold a public meeting in the county where the largest portion of the affected water is located.

(b) At least 90 days before the public meeting, the commissioner must post notice of the proposed designation or removal of a designation at publicly maintained access points on the affected water.

(c) Before the public meeting, the commissioner must publish notice of the meeting in a news release issued by the commissioner and in a newspaper of general circulation in the area where the proposed swan protection area is located. The notice must be published at least once 30 to 60 days before the meeting and at least once seven to 30 days before the meeting.

(d) The notices required in this subdivision must summarize the proposed action, invite public comment, and specify a deadline for receiving public comments. The commissioner must send each required notice to persons who have registered their names with the commissioner for this purpose. The commissioner must consider any public comments received in making a final decision.

(e) Designating swan protection areas or removing designations according to this subdivision is not subject to the rulemaking requirements of chapter 14, and section 14.386 does not apply.

Subd. 3. **Using lead sinkers.** A person may not use lead sinkers on a water designated by the commissioner as a swan protection area under subdivision 1. The commissioner must maintain a list of swan protection areas and information on the lead sinker restrictions on the department's website and in any summary of fishing regulations required under section 97A.051.

Subd. 4. **Report.** By January 15, 2026, the commissioner of natural resources must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources on the implementation of this section and any recommendations.

Subd. 5. **Sunset.** This section expires January 1, 2027.

Sec. 48. Minnesota Statutes 2022, section 97A.126, is amended to read:

97A.126 WALK-IN ACCESS PROGRAM.

Subdivision 1. **Establishment.** A walk-in access program is established to provide public access to wildlife habitat on private land for hunting, bird-watching, nature photography, and similar compatible uses, excluding trapping, as provided under this section. The commissioner may enter into agreements with other units of government and landowners to provide private land hunting access.

Subd. 2. **Use of enrolled lands.** (a) From September 1 to May 31, a person must have a walk-in access ~~hunter~~ validation in possession to hunt, photograph, and watch wildlife on private lands, including agricultural lands, that are posted as being enrolled in the walk-in access program.

(b) Hunting, bird-watching, nature photography, and similar compatible uses on private lands that are posted as enrolled in the walk-in access program is allowed from one-half hour before sunrise to one-half hour after sunset.

(c) ~~Hunter~~ Access on private lands that are posted as enrolled in the walk-in access program is restricted to nonmotorized use, except by ~~hunters~~ persons with disabilities operating motor vehicles on established trails or field roads who possess a valid permit to shoot from a stationary vehicle under section 97B.055, subdivision 3.

(d) The general provisions for use of wildlife management areas adopted under sections 86A.06 and 97A.137, relating to overnight use, alcoholic beverages, use of motorboats, firearms and target shooting, hunting stands, abandonment of trash and property, destruction or removal of property, introduction of plants or animals, and animal trespass, apply to ~~hunters on use of~~ lands enrolled in the walk-in access program.

(e) Any use of enrolled lands other than ~~hunting according to~~ use authorized under this section is prohibited, including:

- (1) harvesting bait, including minnows, leeches, and other live bait;
- (2) training dogs or using dogs for activities other than hunting; and
- (3) constructing or maintaining any building, dock, fence, billboard, sign, hunting blind, or other structure, unless constructed or maintained by the landowner.

Subd. 3. **Walk-in-access ~~hunter~~ validation; fee.** The fee for a walk-in-access ~~hunter~~ validation is \$3.

Sec. 49. Minnesota Statutes 2022, section 97A.137, subdivision 3, is amended to read:

Subd. 3. **Use of motorized vehicles by ~~disabled hunters~~ people with disabilities.** The commissioner may ~~issue~~ provide an accommodation by issuing a special permit, without a fee, authorizing a ~~hunter person~~ person with a ~~permanent physical~~ disability to use ~~a snowmobile, highway licensed vehicle, all terrain vehicle, an other power-driven mobility device, as defined under Code of Federal Regulations, title 28, section 35.104, or a motor boat in wildlife management areas.~~ To qualify for a permit under this subdivision, the ~~disabled~~ person must ~~possess~~ provide credible assurance to the commissioner that the device or motor boat is used because of a disability.

~~(1) the required hunting licenses; and~~

~~(2) a permit to shoot from a stationary vehicle under section 97B.055, subdivision 3.~~

Sec. 50. Minnesota Statutes 2022, section 97A.315, subdivision 1, is amended to read:

Subdivision 1. **Criminal penalties.** (a) Except as provided in paragraph (b), a person that violates a provision of section 97B.001, relating to trespass is guilty of a misdemeanor ~~except as provided in paragraph (b).~~

(b) A person is guilty of a gross misdemeanor if the person:

- (1) knowingly disregards signs prohibiting trespass;
- (2) trespasses after personally being notified by the landowner or lessee not to trespass; or
- (3) is convicted of violating this section more than once in a three-year period.

(c) Notwithstanding section 609.101, subdivision 4, clause (2), for a misdemeanor violation, the minimum fine for a person who operates an off-highway motorcycle, off-road vehicle, all-terrain vehicle, or snowmobile in violation of this section must not be less than the amount set forth in section 84.775.

Sec. 51. Minnesota Statutes 2022, section 97A.401, subdivision 1, is amended to read:

Subdivision 1. **Commissioner's authority.** The commissioner may issue special permits for the activities in this section. A special permit may be issued in the form of a general permit to a governmental subdivision or to the general public to conduct one or more activities under subdivisions 2 to ~~§ 9.~~

Sec. 52. Minnesota Statutes 2022, section 97A.401, is amended by adding a subdivision to read:

Subd. 9. **Taking wild animals with federal incidental take permit.** The commissioner must prescribe conditions for and may issue a permit to a person for taking wild animals during activities covered under a federal incidental take permit issued under section 10(a)(1)(B) of the federal Endangered Species Act, including to a landowner for taking wild animals during activities covered by a certificate of inclusion issued by the commissioner under Code of Federal Regulations, title 50, section 13.25(e).

Sec. 53. Minnesota Statutes 2022, section 97A.405, subdivision 5, is amended to read:

Subd. 5. **Resident licenses.** (a) To obtain a resident license, ~~a resident~~ an individual 21 years of age or older must be a resident and:

(1) possess a current Minnesota driver's license or a valid application receipt for a driver's license that is at least 60 days past the issuance date;

(2) possess a current identification card issued by the commissioner of public safety or a valid application receipt for an identification card that is at least 60 days past the issuance date; ~~or~~

(3) present evidence showing proof of residency in cases when clause (1) or (2) would violate the Religious Freedom Restoration Act of 1993, Public Law 103-141; or

(4) possess a Tribal identification card as provided in paragraph (b).

(b) For purposes of this subdivision, "Tribal identification card" means an unexpired identification card as provided under section 171.072, paragraphs (b) and (c). The Tribal identification card:

(1) must contain the enrolled Tribal member's Minnesota residence address; and

(2) may be used to obtain a resident license under paragraph (a) only if the Tribal member does not have a current driver's license or state identification card in any state.

(c) A person must not have applied for, purchased, or accepted a resident hunting, fishing, or trapping license issued by another state or foreign country within 60 days before applying for a resident license under this section.

Sec. 54. Minnesota Statutes 2022, section 97A.421, subdivision 3, is amended to read:

Subd. 3. **Issuance after conviction; big game.** (a) A person may not use a big-game license purchased before conviction, obtain ~~any~~ a big-game license, or take big game under a lifetime license, issued under section 97A.473, for three years after the person is convicted of:

(1) a gross misdemeanor violation under the game and fish laws relating to big game;

(2) doing an act without a required big-game license; or

(3) the second violation within three years under the game and fish laws relating to big game.

(b) A person may not obtain any deer license or take deer under a lifetime license issued under section 97A.473 for one year after the person is convicted of hunting deer with the aid or use of bait under section 97B.328.

(c) The revocation period under paragraphs (a) and (b) doubles if the conviction is for a deer that is a trophy deer scoring higher than 170 using the scoring method established for wildlife restitution values adopted under section 97A.345.

Sec. 55. Minnesota Statutes 2022, section 97A.473, subdivision 2, is amended to read:

Subd. 2. **Lifetime angling license; fee.** (a) A resident lifetime angling license authorizes a person to take fish by angling in the state. The license authorizes those activities authorized by the annual resident angling license. The license does not include a trout-and-salmon stamp validation, a walleye stamp validation, or other stamps required by law.

(b) The fees for a resident lifetime angling license are:

- (1) age 3 and under, ~~\$344~~ \$413;
- (2) age 4 to age 15, ~~\$469~~ \$563;
- (3) age 16 to age 50, ~~\$574~~ \$689; and
- (4) age 51 and over, ~~\$379~~ \$455.

Sec. 56. Minnesota Statutes 2022, section 97A.473, subdivision 2a, is amended to read:

Subd. 2a. **Lifetime spearing license; fee.** (a) A resident lifetime spearing license authorizes a person to take fish by spearing in the state. The license authorizes those activities authorized by the annual resident spearing license.

(b) The fees for a resident lifetime spearing license are:

- (1) age 3 and under, ~~\$90~~ \$108;
- (2) age 4 to age 15, ~~\$124~~ \$149;
- (3) age 16 to age 50, ~~\$117~~ \$141; and
- (4) age 51 and over, ~~\$61~~ \$74.

Sec. 57. Minnesota Statutes 2022, section 97A.473, subdivision 2b, is amended to read:

Subd. 2b. **Lifetime angling and spearing license; fee.** (a) A resident lifetime angling and spearing license authorizes a person to take fish by angling or spearing in the state. The license authorizes those activities authorized by the annual resident angling and spearing licenses.

(b) The fees for a resident lifetime angling and spearing license are:

- (1) age 3 and under, ~~\$432~~ \$519;
- (2) age 4 to age 15, ~~\$579~~ \$695;
- (3) age 16 to age 50, ~~\$678~~ \$814; and
- (4) age 51 and over, ~~\$439~~ \$527.

Sec. 58. Minnesota Statutes 2022, section 97A.473, subdivision 5, is amended to read:

Subd. 5. **Lifetime sporting license; fee.** (a) A resident lifetime sporting license authorizes a person to take fish by angling and hunt and trap small game, other than wolves, in the state. The license authorizes those activities authorized by the annual resident angling and resident small-game-hunting licenses and the resident trapping license for fur-bearing animals other than wolves. The license does not include a trout-and-salmon stamp validation, a turkey stamp validation, a walleye stamp validation, or any other hunting stamps required by law.

(b) The fees for a resident lifetime sporting license are:

- (1) age 3 and under, ~~\$522~~ \$573;
- (2) age 4 to age 15, ~~\$710~~ \$779;
- (3) age 16 to age 50, ~~\$927~~ \$1,017; and
- (4) age 51 and over, ~~\$603~~ \$662.

Sec. 59. Minnesota Statutes 2022, section 97A.473, subdivision 5a, is amended to read:

Subd. 5a. **Lifetime sporting with spearing option license; fee.** (a) A resident lifetime sporting with spearing option license authorizes a person to take fish by angling or spearing and hunt and trap small game, other than wolves, in the state. The license authorizes those activities authorized by the annual resident angling, spearing, and resident small-game-hunting licenses and the resident trapping license for fur-bearing animals other than wolves. The license does not include a trout-and-salmon stamp validation, a turkey stamp validation, a walleye stamp validation, or any other hunting stamps required by law.

(b) The fees for a resident lifetime sporting with spearing option license are:

- (1) age 3 and under, ~~\$612~~ \$676;
- (2) age 4 to age 15, ~~\$833~~ \$921;
- (3) age 16 to age 50, ~~\$1,046~~ \$1,153; and
- (4) age 51 and over, ~~\$666~~ \$733.

Sec. 60. Minnesota Statutes 2022, section 97A.474, subdivision 2, is amended to read:

Subd. 2. **Nonresident lifetime angling license; fee.** (a) A nonresident lifetime angling license authorizes a person to take fish by angling in the state. The license authorizes those activities authorized by the annual nonresident angling license. The license does not include a trout-and-salmon stamp validation, a walleye stamp validation, or other stamps required by law.

(b) The fees for a nonresident lifetime angling license are:

- (1) age 3 and under, ~~\$821~~ \$1,068;
- (2) age 4 to age 15, ~~\$1,046~~ \$1,360;
- (3) age 16 to age 50, ~~\$1,191~~ \$1,549; and
- (4) age 51 and over, ~~\$794~~ \$1,033.

Sec. 61. Minnesota Statutes 2022, section 97A.475, subdivision 6, is amended to read:

Subd. 6. **Resident fishing.** Fees for the following licenses, to be issued to residents only, are:

- (1) for persons age 18 or over to take fish by angling, ~~\$25~~ \$30;
- (2) for persons age 18 or over to take fish by angling, for a combined license for a married couple, ~~\$40~~ \$48;
- (3) for persons age 18 or over to take fish by spearing from a dark house, ~~\$6~~ \$8, and the person must possess an angling license;
- (4) for persons age 18 or over to take fish by angling for a 24-hour period selected by the licensee, ~~\$12~~ \$15;
- (5) for persons age 18 or over to take fish by angling for a consecutive 72-hour period selected by the licensee, ~~\$14~~ \$17;
- (6) for persons age 18 or over to take fish by angling for three consecutive years, ~~\$71~~ \$86; and
- (7) for persons age 16 or over and under age 18 to take fish by angling, ~~\$5~~ \$6.

Sec. 62. Minnesota Statutes 2022, section 97A.475, subdivision 7, is amended to read:

Subd. 7. **Nonresident fishing.** (a) Fees for the following licenses, to be issued to nonresidents, are:

- (1) for persons age 18 or over to take fish by angling, ~~\$46~~ \$62;
 - (2) for persons age 18 or over to take fish by angling limited to seven consecutive days selected by the licensee, ~~\$38~~ \$51;
 - (3) for persons age 18 or over to take fish by angling for a consecutive 72-hour period selected by the licensee, ~~\$31~~ \$42;
 - (4) for persons age 18 or over to take fish by angling for a combined license for a family for one or both parents and dependent children under the age of 16, ~~\$63~~ \$84;
 - (5) for persons age 18 or over to take fish by angling for a 24-hour period selected by the licensee, ~~\$14~~ \$19;
 - (6) to take fish by angling for a combined license for a married couple, limited to 14 consecutive days selected by one of the licensees, ~~\$49~~ \$66;
 - (7) for persons age 18 or over to take fish by spearing from a dark house, ~~\$12~~ \$18, and the person must possess an angling license; and
 - (8) for persons age 16 or over and under age 18 to take fish by angling, ~~\$5~~ \$6.
- (b) A \$5 surcharge shall be added to all nonresident fishing licenses, except licenses issued under paragraph (a), clauses (5) and (8). An additional commission may not be assessed on this surcharge.

Sec. 63. Minnesota Statutes 2022, section 97A.475, subdivision 8, is amended to read:

Subd. 8. **Minnesota sporting; supersports.** (a) The commissioner shall issue Minnesota sporting licenses to residents only. The licensee may take fish by angling and small game. The fee for the license is:

(1) for an individual, ~~\$34.50~~ \$40.50; and

(2) for a combined license for a married couple to take fish and for one spouse to take small game, ~~\$50.50~~ \$61.50.

(b) The commissioner shall issue Minnesota supersports licenses to residents only. The licensee may take fish by angling, including trout; small game, including pheasant and waterfowl; and deer by firearms or muzzleloader or by archery. The fee for the supersports license, including all required stamp validations is:

(1) for an individual age 18 or over, ~~\$93.50~~ \$102.50; and

(2) for a combined license for a married couple to take fish, including the trout-and-salmon stamp validation, and for one spouse to take small game, including pheasant and waterfowl, and deer, ~~\$119.50~~ \$137.50.

(c) Revenue for the stamp endorsements under paragraph (b) shall be deposited according to section 97A.075, subdivisions 2, 3, and 4.

(d) Revenue for the deer license endorsement under paragraph (b) shall be deposited according to section 97A.075, subdivision 1.

Sec. 64. Minnesota Statutes 2022, section 97A.475, subdivision 10, is amended to read:

Subd. 10. **Trout-and-salmon stamp validation.** The fee for a trout-and-salmon stamp validation is ~~\$10~~ \$12.

Sec. 65. Minnesota Statutes 2022, section 97A.475, subdivision 10a, is amended to read:

Subd. 10a. **Walleye stamp validation.** A person may agree to purchase a walleye stamp validation for ~~\$5~~ \$6.

Sec. 66. Minnesota Statutes 2022, section 97A.475, subdivision 11, is amended to read:

Subd. 11. **Fish houses, dark houses, and shelters; residents.** Fees for the following licenses are:

(1) annual for a fish house, dark house, or shelter that is not rented, ~~\$15~~ \$18;

(2) annual for a fish house, dark house, or shelter that is rented, ~~\$30~~ \$36;

(3) three-year for a fish house, dark house, or shelter that is not rented, ~~\$42~~ \$51; and

(4) three-year for a fish house, dark house, or shelter that is rented, ~~\$87~~ \$105.

Sec. 67. Minnesota Statutes 2022, section 97A.475, subdivision 12, is amended to read:

Subd. 12. **Fish houses, dark houses, and shelters; nonresident.** Fees for fish house, dark house, and shelter licenses for a nonresident are:

(1) annual, ~~\$37~~ \$49;

(2) seven consecutive days selected by the licensee, ~~\$21~~ \$28; and

(3) three-year, ~~\$111~~ \$145.

Sec. 68. Minnesota Statutes 2022, section 97A.475, subdivision 13, is amended to read:

Subd. 13. **Netting whitefish and ciscoes for personal consumption.** The fee for a license to net whitefish and ciscoes in inland lakes and international waters for personal consumption is, for each net, ~~\$40~~ \$12.

Sec. 69. Minnesota Statutes 2022, section 97A.475, subdivision 41, is amended to read:

Subd. 41. **Turtle licenses license.** ~~(a) The fee for a turtle seller's license to sell turtles and to take, transport, buy, and possess turtles for sale is \$250.~~

~~(b)~~ The fee for a recreational turtle license to take, transport, and possess turtles for personal use is \$25.

~~(c) The fee for a turtle seller's apprentice license is \$100.~~

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 70. Minnesota Statutes 2022, section 97B.071, is amended to read:

97B.071 CLOTHING AND GROUND BLIND REQUIREMENTS; BLAZE ORANGE OR BLAZE PINK.

(a) Except as provided in rules adopted under paragraph ~~(e)~~ (d), a person may not hunt or trap during the open season where deer may be taken by firearms under applicable laws and ordinances, unless the visible portion of the person's cap and outer clothing above the waist, excluding sleeves and gloves, is blaze orange or blaze pink. Blaze orange or blaze pink includes a camouflage pattern of at least 50 percent blaze orange or blaze pink within each foot square. This section does not apply to migratory-waterfowl hunters on waters of this state or in a stationary shooting location or to trappers on waters of this state.

(b) Except as provided in rules adopted under paragraph ~~(e)~~ (d), and in addition to the requirement in paragraph (a), a person may not take small game other than turkey, migratory birds, raccoons, and predators, except while trapping, unless a visible portion of at least one article of the person's clothing above the waist is blaze orange or blaze pink. This paragraph does not apply to a person when in a stationary location while hunting deer by archery or when hunting small game by falconry.

(c) A person in a fabric or synthetic ground blind on public land must have:

(1) a blaze orange safety covering on the top of the blind that is visible for 360 degrees around the blind; or

(2) at least 144 square inches of blaze orange material on each side of the blind.

~~(e)~~ (d) The commissioner may, by rule, prescribe an alternative color in cases where paragraph (a) or (b) would violate the Religious Freedom Restoration Act of 1993, Public Law 103-141.

~~(d)~~ (e) A violation of paragraph (b) ~~shall~~ does not result in a penalty, but is punishable only by a safety warning.

Sec. 71. Minnesota Statutes 2022, section 97B.301, subdivision 6, is amended to read:

Subd. 6. **Residents or nonresidents under age 18; taking either-sex deer.** A resident or nonresident under the age of 18 may take a deer of either sex except in those antlerless permit areas and seasons where no antlerless permits are offered. In antlerless permit areas where no antlerless permits are offered, the commissioner may provide a limited number of youth either sex permits to residents or nonresidents under age 18, under the procedures provided in section 97B.305, and may give preference to residents or nonresidents under the age of 18 that have not previously been selected. This subdivision does not authorize the taking of ~~an antlerless~~ a deer by another member of a party under subdivision 3.

Sec. 72. Minnesota Statutes 2022, section 97B.516, is amended to read:

97B.516 PLAN FOR ELK MANAGEMENT.

~~(a)~~ The commissioner of natural resources must adopt an elk management plan that:

- (1) recognizes the value and uniqueness of elk;
- (2) provides for integrated management of an elk population in harmony with the environment; and
- (3) affords optimum recreational opportunities.

~~(b) Notwithstanding paragraph (a), the commissioner must not manage an elk herd in Kittson, Roseau, Marshall, or Beltrami Counties in a manner that would increase the size of the herd, including adoption or implementation of an elk management plan designed to increase an elk herd, unless the commissioner of agriculture verifies that crop and fence damages paid under section 3.7371 and attributed to the herd have not increased for at least two years.~~

~~(c) At least 60 days prior to implementing a plan to increase an elk herd, the commissioners of natural resources and agriculture must hold a joint public meeting in the county where the elk herd to be increased is located. At the meeting, the commissioners must present evidence that crop and fence damages have not increased in the prior two years and must detail the practices that will be used to reduce elk conflicts with area landowners.~~

Sec. 73. Minnesota Statutes 2022, section 97B.668, is amended to read:

97B.668 GAME BIRDS ANIMALS CAUSING DAMAGE.

Subdivision 1. Game birds causing damage. Notwithstanding sections 97B.091 and 97B.805, subdivisions 1 and 2, a person or agent of that person on lands and nonpublic waters owned or operated by the person may nonlethally scare, haze, chase, or harass game birds that are causing property damage or to protect a disease risk at any time or place that a hunting season for the game birds is not open. This section does not apply to public waters as defined under section 103G.005, subdivision 15. This section does not apply to migratory waterfowl on nests and other federally protected game birds on nests, except ducks and geese on nests when a permit is obtained under section 97A.401.

Subd. 2. Deer and elk causing damage. (a) Notwithstanding section 97B.091, a property owner, the property owner's immediate family member, or an agent of the property owner may nonlethally scare, haze, chase, or harass deer or elk that are causing damage to agricultural crops that are propagated under generally accepted agricultural practices.

(b) Paragraph (a) applies only:

- (1) in the immediate area of the crop damage; and

(2) during the closed season for taking deer or elk.

(c) Paragraph (a) does not allow:

(1) using poisons;

(2) using dogs;

(3) conduct that drives a deer or elk to the point of exhaustion;

(4) activities that require a permit under section 97A.401; or

(5) conduct that causes the death of or that is likely to cause the death of a deer or elk.

(d) A property owner or the owner's agent must report the death of a deer or elk to staff in the Division of Fish and Wildlife within 24 hours of the death if the death resulted from actions taken under paragraph (a).

Sec. 74. **[97B.673] NONTOXIC SHOT REQUIRED FOR TAKING SMALL GAME IN CERTAIN AREAS.**

Subdivision 1. **Nontoxic shot on wildlife management areas in farmland zone.** A person may not take small game, rails, or common snipe on any wildlife management area within the farmland zone with shot other than:

(1) steel shot;

(2) copper-plated, nickel-plated, or zinc-plated steel shot; or

(3) shot made of other nontoxic material approved by the director of the United States Fish and Wildlife Service.

Subd. 2. **Farmland zone.** For the purposes of this section, the farmland zone is the portion of the state that falls south and west of Minnesota Highway 70 westward from the Wisconsin border to Minnesota Highway 65 to Minnesota Highway 23 to U.S. Highway 169 at Milaca to Minnesota Highway 18 at Garrison to Minnesota Highway 210 at Brainerd to U.S. Highway 10 at Motley to U.S. Highway 59 at Detroit Lakes northward to the Canadian border.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 75. **[97B.735] SWANS.**

A person who takes, harasses, destroys, buys, sells, possesses, transports, or ships a native swan in violation of the game and fish laws is guilty of a gross misdemeanor.

Sec. 76. Minnesota Statutes 2022, section 97C.087, subdivision 2, is amended to read:

Subd. 2. **Application for tag.** Application for special fish management tags must be accompanied by a \$5 \$6, nonrefundable application fee for each tag. A person may not make more than one tag application each calendar year. If a person makes more than one application, the person is ineligible for a special fish management tag for that calendar year after determination by the commissioner, without a hearing.

Sec. 77. Minnesota Statutes 2022, section 97C.315, subdivision 1, is amended to read:

Subdivision 1. **Lines.** An angler may not use more than one line, except that:

(1) two lines may be used to take fish through the ice; ~~and~~

(2) the commissioner may, by rule, authorize the use of two lines in areas designated by the commissioner in Lake Superior; and

(3) two lines may be used in the Minnesota River downstream of the Granite Falls Dam and in the Mississippi River downstream of St. Anthony Falls.

Sec. 78. Minnesota Statutes 2022, section 97C.345, subdivision 1, is amended to read:

Subdivision 1. **When use prohibited.** Except as specifically authorized, a person may not take fish with a spear from the third Monday in February to the Friday before the last Saturday in April and may not take fish with a fish trap, net, dip net, seine, or other device capable of taking fish from the third Monday in February ~~to~~ through April 30.

Sec. 79. **97C.348] FELT-SOLED WADERS.**

A person may not use felt-soled waders in waters of the state. For purposes of this section "felt-soled waders" means boots or shoes that have water-absorbing material affixed to the soles or bottoms.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 80. Minnesota Statutes 2022, section 97C.355, is amended by adding a subdivision to read:

Subd. 9. **Placing waste on ice prohibited.** A person using a fish house, dark house, or other shelter on the ice of state waters is subject to section 97C.363.

Sec. 81. **97C.363] STORING GARBAGE AND OTHER WASTE ON ICE.**

Subdivision 1. **Prohibition.** A person using a shelter, a motor vehicle, or any other conveyance on the ice of state waters may not deposit garbage, rubbish, cigarette filters, debris from fireworks, offal, the body of a dead animal, litter, sewage, or any other waste outside the shelter, motor vehicle, or conveyance unless the material is:

(1) placed in a container that is secured to the shelter, motor vehicle, or conveyance; and

(2) not placed directly on the ice or in state waters.

Subd. 2. **Definition.** For purposes of this section, "sewage" means excrementitious or other discharge from the bodies of human beings or animals, together with such other water as may be present.

Subd. 3. **Penalty.** A violation of this section is a petty misdemeanor, and a person who violates this section is subject to a civil penalty of \$100 for each violation.

Sec. 82. Minnesota Statutes 2022, section 97C.371, subdivision 1, is amended to read:

Subdivision 1. **Species allowed.** Only rough fish, catfish, lake whitefish, cisco (tulibee), and northern pike may be taken by spearing.

Sec. 83. Minnesota Statutes 2022, section 97C.371, subdivision 2, is amended to read:

Subd. 2. **Dark houses required for certain species.** Catfish, lake whitefish, cisco (tulibee), and northern pike may be speared only from dark houses.

Sec. 84. Minnesota Statutes 2022, section 97C.371, subdivision 4, is amended to read:

Subd. 4. **Open season.** The open season for spearing through the ice is November 15 ~~to~~ through the last Sunday in February.

Sec. 85. Minnesota Statutes 2022, section 97C.395, subdivision 1, is amended to read:

Subdivision 1. **Dates for certain species.** (a) The open seasons to take fish by angling are as follows:

(1) for walleye, sauger, northern pike, muskellunge, largemouth bass, and smallmouth bass, the Saturday two weeks prior to the Saturday of Memorial Day weekend ~~to~~ through the last Sunday in February;

(2) for lake trout, from January 1 ~~to~~ through October 31;

(3) for the winter season for lake trout, brown trout, brook trout, rainbow trout, and splake on all lakes located outside or partially within the Boundary Waters Canoe Area, from January 15 ~~to~~ through March 31;

(4) for the winter season for lake trout, brown trout, brook trout, rainbow trout, and splake on all lakes located entirely within the Boundary Waters Canoe Area, from January 1 ~~to~~ through March 31;

(5) for brown trout, brook trout, rainbow trout, and splake, between January 1 ~~to~~ through October 31 as prescribed by the commissioner by rule except as provided in section 97C.415, subdivision 2; and

(6) for salmon, as prescribed by the commissioner by rule.

(b) The commissioner shall close the season in areas of the state where fish are spawning and closing the season will protect the resource.

Sec. 86. Minnesota Statutes 2022, section 97C.601, subdivision 1, is amended to read:

Subdivision 1. **Season.** The open season for frogs is May 16 ~~to~~ through March 31. The commissioner may, by rule, establish closed seasons in specified areas.

Sec. 87. Minnesota Statutes 2022, section 97C.605, subdivision 1, is amended to read:

Subdivision 1. ~~Resident angling license required~~ **Taking turtles; requirements.** ~~In addition to any other license required in this section,~~ (a) A person may not take, possess, or transport turtles without a resident angling license, ~~except as provided in subdivision 2e~~ and a recreational turtle license.

(b) Turtles taken from the wild are for personal use only and may not be resold.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 88. Minnesota Statutes 2022, section 97C.605, subdivision 2c, is amended to read:

Subd. 2c. **License exemptions.** (a) A person does not need ~~a turtle seller's license or an angling license~~ the licenses specified under subdivision 1:

~~(1) when buying turtles for resale at a retail outlet;~~

(1) when buying turtles from a licensed aquatic farm or licensed private fish hatchery for resale at a retail outlet or restaurant;

(2) when buying a turtle at a retail outlet;

~~(3) if the person is a nonresident buying a turtle from a licensed turtle seller for export out of state. Shipping documents provided by the turtle seller must accompany each shipment exported out of state by a nonresident. Shipping documents must include: name, address, city, state, and zip code of the buyer; number of each species of turtle; and name and license number of the turtle seller; or~~

(4) ~~(3)~~ to take, possess, and rent ~~or sell~~ up to 25 turtles greater than four inches in length for the purpose of providing the turtles to participants at a nonprofit turtle race, if the person is a resident under age 18. The person is responsible for the well-being of the turtles; or

(4) if under 16 years of age when possessing turtles. Notwithstanding any other law to the contrary, a person under the age of 16 may possess, without a license, up to three snapping or western painted turtles, provided the turtles are possessed for personal use and are within the applicable length and width requirements.

(b) A person with an aquatic farm license with a turtle endorsement or a private fish hatchery license with a turtle endorsement may sell, obtain, possess, transport, and propagate turtles and turtle eggs without the licenses specified under subdivision 1.

(c) Turtles possessed under this subdivision may not be released back into the wild.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 89. Minnesota Statutes 2022, section 97C.605, subdivision 3, is amended to read:

Subd. 3. **Taking; methods prohibited.** ~~(a)~~ A person may not take turtles by using:

- (1) explosives, drugs, poisons, lime, and other harmful substances;
- (2) traps, ~~except as provided in paragraph (b) and rules adopted under this section;~~
- (3) nets other than anglers' fish landing nets;
- (4) commercial equipment, ~~except as provided in rules adopted under this section;~~
- (5) firearms and ammunition;
- (6) bow and arrow or crossbow; or
- (7) spears, harpoons, or any other implements that impale turtles.

~~(b) Until new rules are adopted under this section, a person with a turtle seller's license may take turtles with a floating turtle trap that:~~

- ~~(1) has one or more openings above the water surface that measure at least ten inches by four inches; and~~
- ~~(2) has a mesh size of not less than one-half inch, bar measure.~~

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 90. Minnesota Statutes 2022, section 97C.611, is amended to read:

97C.611 TURTLE SPECIES; LIMITS.

Subdivision 1. **Snapping turtles.** A person may not possess more than three snapping turtles of the species *Chelydra serpentina* ~~without a turtle seller's license~~. Until new rules are adopted under section 97C.605, a person may not take snapping turtles of a size less than ten inches wide including curvature, measured from side to side across the shell at midpoint. After new rules are adopted under section 97C.605, a person may only take snapping turtles of a size specified in the adopted rules.

Subd. 2. **Western painted turtles.** (a) A person may not possess more than three Western painted turtles of the species *Chrysemys picta* ~~without a turtle seller's license~~. Western painted turtles must be between 4 and 5-1/2 inches in shell length.

(b) This subdivision does not apply to persons acting under section 97C.605, subdivision 2c, ~~clause (4)~~ paragraph (a).

~~Subd. 3. **Spiny softshell.** A person may not possess spiny softshell turtles of the species *Apalone spinifera* after December 1, 2021, without an aquatic farm or private fish hatchery license with a turtle endorsement.~~

Subd. 4. **Other species.** A person may not possess any other species of turtle ~~without~~ except with an aquatic farm or private fish hatchery license with a turtle endorsement or as specified under section 97C.605, subdivision 2c.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 91. Minnesota Statutes 2022, section 97C.836, is amended to read:

97C.836 LAKE SUPERIOR LAKE TROUT; EXPANDED ASSESSMENT HARVEST.

The commissioner shall provide for taking of lake trout by licensed commercial operators in Lake Superior management zones MN-3 and MN-2 for expanded assessment and sale. The commissioner shall authorize expanded assessment taking and sale of lake trout in Lake Superior management zone MN-3 beginning annually in 2007 and zone MN-2 beginning annually in 2010. Total assessment taking and sale may not exceed 3,000 lake trout in zone MN-3 and 2,000 lake trout in zone MN-2 and may be reduced when necessary to protect the lake trout population or to manage the effects of invasive species or fish disease. Taking lake trout for expanded assessment and sale shall be allowed from June 1 ~~to~~ through September 30, but may end earlier in the respective zones if the quotas are reached. The quotas must be reassessed at the expiration of the current ten-year Fisheries Management Plan for the Minnesota Waters of Lake Superior.

Sec. 92. Minnesota Statutes 2022, section 103G.005, is amended by adding a subdivision to read:

Subd. 9c. **Ecosystem harm.** "Ecosystem harm" means to change the biological community and ecology in a manner that results in loss of ecological structure or function.

Sec. 93. Minnesota Statutes 2022, section 103G.005, is amended by adding a subdivision to read:

Subd. 13b. **Negative impact to surface waters.** "Negative impact to surface waters" means a change in hydrology sufficient to cause aquatic ecosystem harm or alter riparian uses long term.

Sec. 94. Minnesota Statutes 2022, section 103G.005, is amended by adding a subdivision to read:

Subd. 15i. **Sustainable diversion limit.** "Sustainable diversion limit" means a maximum amount of water that can be removed directly or indirectly from a surface water body in a defined geographic area on a monthly or annual basis without causing a negative impact to the surface water body.

Sec. 95. **[103G.134] ORDERS AND INVESTIGATIONS.**

The commissioner has the following powers and duties when acting pursuant to the enforcement provisions of this chapter:

(1) to adopt, issue, reissue, modify, deny, revoke, enter into, or enforce reasonable orders, schedules of compliance, and stipulation agreements;

(2) to issue notices of violation;

(3) to require a person holding a permit issued under this chapter or otherwise impacting the public waters of the state without a permit issued under this chapter to:

(i) make reports;

(ii) install, use, and maintain monitoring equipment or methods;

(iii) perform tests according to methods, at locations, at intervals, and in a manner as the commissioner prescribes; and

(iv) provide other information as the commissioner may reasonably require; and

(4) to conduct investigations; issue notices, public and otherwise; and order hearings as the commissioner deems necessary or advisable to discharge duties under this chapter, including but not limited to issuing permits and authorizing an employee or agent appointed by the commissioner to conduct the investigations and other authorities cited in this section.

Sec. 96. **[103G.146] DUTY OF CANDOR.**

(a) A person must not knowingly:

(1) make a false statement of fact or fail to correct a false statement of material fact regarding any matter pertaining to this chapter;

(2) fail to disclose information that the person knows is necessary for the commissioner to make an informed decision under this chapter; or

(3) offer information that the person knows to be false.

(b) If a person has offered material information to the commissioner and the person comes to know the information is false, the person must take reasonable remedial measures to provide the accurate information.

Sec. 97. **[103G.216] REPORTING FISH KILLS IN PUBLIC WATERS.**

Subdivision 1. **Definition.** For the purposes of this section and section 103G.2165, "fish kill" means an incident resulting in the death of 25 or more fish within one linear mile of a flowing water or 25 or more fish within a square mile of a nonflowing water, excluding fish lawfully taken under the game and fish laws.

Subd. 2. **Reporting requirement.** A state or county staff person or official who works with natural resources or agriculture and who learns of a fish kill in public waters must report the location of the fish kill to the Minnesota state duty officer within one hour of being notified of a fish kill or within four hours of first observing the fish kill. The Minnesota state duty officer must alert the Departments of Natural Resources and Health and the Pollution Control Agency of the location of the fish kill within one hour of being notified of the fish kill.

Sec. 98. **[103G.2165] DEVELOPMENT OF FISH KILL RESPONSE PROTOCOL.**

Subdivision 1. **Development of protocol.** By October 1, 2024, the commissioner of the Pollution Control Agency, in consultation with the commissioners of health, natural resources, and agriculture, must update the fish kill response guidance by developing a protocol. The protocol must consist of steps that state agencies responding to a report of a fish kill under section 103G.216 must take to ascertain on the basis of sound scientific evidence the factors contributing to the fish kill, as well as a plan to notify the public of potential hazards. The protocol must address:

(1) the number and species of fish and other aquatic creatures to be sampled from the body of water in which the fish kill occurred;

(2) the locations from which samples described in clause (1) should be taken;

(3) the number and location of water samples to be taken from the body of water in which the fish kill occurred as well as tributary streams and private wells with landowner consent within a one-half-mile radius;

(4) the number and location of soil and groundwater samples to be taken to ascertain whether contaminants traveled overland or underground to reach the body of water in which the fish kill occurred;

(5) sampling other materials located near the area of the fish kill that should be done, including but not limited to vegetation and manure, that may indicate the presence of contaminants that may have contributed to the fish kill;

(6) developing a comprehensive list of contaminants, including degradation products, for which the materials sampled in clauses (3) to (5) should be tested;

(7) the appropriate concentration limits to be used in testing samples for the presence of contaminants, allowing for the possibility that the fish kill may have resulted from the interaction of two or more contaminants present at concentrations below the level associated with toxic effects resulting from exposure to each individual chemical;

(8) proper handling, storage, and treatment necessary to preserve the integrity of the samples described in this subdivision to maximize the information the samples can yield regarding the cause of the fish kill;

(9) the organs and other parts of the fish and other aquatic creatures that should be analyzed to maximize the information the samples can yield regarding the cause of the fish kill;

(10) identifying a rapid response team of interagency staff or an independent contractor with the necessary data collection equipment that can travel to the site of the fish kill to collect samples within 24 to 48 hours of the incident;

(11) a communications plan with a health-risk assessment to notify potentially impacted downstream users of the surface water of the potential hazards and those in the vicinity whose public or private water supply from surface water or groundwater may be impacted; and

(12) a process to identify existing rules or regulatory processes that should be reviewed and potentially revised in the fish kill investigation and report. Investigation reports for fish kills deemed unnatural must identify the probable causes and include state agency recommendations for preventing similar incidents in the future.

Subd. 2. **Implementation.** The commissioner of the Pollution Control Agency must submit the protocol to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources. Once the protocol has been submitted, the state agencies must follow the protocol when responding to a fish kill.

Subd. 3. **Updating protocol.** The parties named in subdivision 1 must review and update the protocol every five years.

Sec. 99. Minnesota Statutes 2022, section 103G.271, subdivision 6, is amended to read:

Subd. 6. **Water-use permit; processing fee.** (a) Except as described in paragraphs (b) to (g), a water-use permit processing fee must be prescribed by the commissioner in accordance with the schedule of fees in this subdivision for each water-use permit in force at any time during the year. Fees collected under this paragraph are credited to the water management account in the natural resources fund. The schedule is as follows, with the stated fee in each clause applied to the total amount appropriated:

- (1) \$140 for amounts not exceeding 50,000,000 gallons per year;
- (2) \$3.50 per 1,000,000 gallons for amounts greater than 50,000,000 gallons but less than 100,000,000 gallons per year;
- (3) \$4 per 1,000,000 gallons for amounts greater than 100,000,000 gallons but less than 150,000,000 gallons per year;
- (4) \$4.50 per 1,000,000 gallons for amounts greater than 150,000,000 gallons but less than 200,000,000 gallons per year;
- (5) \$5 per 1,000,000 gallons for amounts greater than 200,000,000 gallons but less than 250,000,000 gallons per year;
- (6) \$5.50 per 1,000,000 gallons for amounts greater than 250,000,000 gallons but less than 300,000,000 gallons per year;
- (7) \$6 per 1,000,000 gallons for amounts greater than 300,000,000 gallons but less than 350,000,000 gallons per year;
- (8) \$6.50 per 1,000,000 gallons for amounts greater than 350,000,000 gallons but less than 400,000,000 gallons per year;
- (9) \$7 per 1,000,000 gallons for amounts greater than 400,000,000 gallons but less than 450,000,000 gallons per year;
- (10) \$7.50 per 1,000,000 gallons for amounts greater than 450,000,000 gallons but less than 500,000,000 gallons per year; and
- (11) \$8 per 1,000,000 gallons for amounts greater than 500,000,000 gallons per year.

(b) For once-through cooling systems, a water-use processing fee must be prescribed by the commissioner in accordance with the following schedule of fees for each water-use permit in force at any time during the year:

- (1) for nonprofit corporations and school districts, \$200 per 1,000,000 gallons; and
- (2) for all other users, \$420 per 1,000,000 gallons.

(c) The fee is payable based on the amount of water appropriated during the year and, except as provided in paragraph (f), the minimum fee is \$100.

(d) For water-use processing fees other than once-through cooling systems:

- (1) the fee for a city of the first class may not exceed \$250,000 per year;
- (2) the fee for other entities for any permitted use may not exceed:
 - (i) \$60,000 per year for an entity holding three or fewer permits;
 - (ii) \$90,000 per year for an entity holding four or five permits; or
 - (iii) \$300,000 per year for an entity holding more than five permits;
- (3) the fee for agricultural irrigation may not exceed \$750 per year;
- (4) the fee for a municipality that furnishes electric service and cogenerates steam for home heating may not exceed \$10,000 for its permit for water use related to the cogeneration of electricity and steam;
- (5) the fee for a facility that temporarily diverts a water of the state from its natural channel to produce hydroelectric or hydromechanical power may not exceed \$5,000 per year. A permit for such a facility does not count toward the number of permits held by an entity as described in this paragraph; and

(6) no fee is required for a project involving the appropriation of surface water to prevent flood damage or to remove flood waters during a period of flooding, as determined by the commissioner.

(e) Failure to pay the fee is sufficient cause for revoking a permit. A penalty of ten percent per month calculated from the original due date must be imposed on the unpaid balance of fees remaining 30 days after the sending of a second notice of fees due. A fee may not be imposed on an agency, as defined in section 16B.01, subdivision 2, or federal governmental agency holding a water appropriation permit.

(f) The minimum water-use processing fee for a permit issued for irrigation of agricultural land is \$20 for years in which:

- (1) there is no appropriation of water under the permit; or
- (2) the permit is suspended for more than seven consecutive days between May 1 and October 1.

(g) The commissioner shall waive the water-use permit fee for installations and projects that use stormwater runoff or where public entities are diverting water to treat a water quality issue and returning the water to its source without using the water for any other purpose, unless the commissioner determines that the proposed use adversely affects surface water or groundwater.

(h) A surcharge of ~~\$30~~ \$50 per million gallons in addition to the fee prescribed in paragraph (a) shall be applied to the volume of water used in each of the months of May, June, July, and August, and September that exceeds the volume of water used in January for municipal water use, irrigation of golf courses, and landscape irrigation. The surcharge for municipalities with more than one permit shall be determined based on the total appropriations from all permits that supply a common distribution system.

Sec. 100. Minnesota Statutes 2022, section 103G.287, subdivision 2, is amended to read:

Subd. 2. **Relationship to surface water resources.** Groundwater appropriations ~~that will have negative impacts to surface waters are subject to applicable provisions in section 103G.285~~ may be authorized only if they avoid known negative impacts to surface waters. If the commissioner determines that groundwater appropriations are having a negative impact to surface waters, the commissioner may use a sustainable diversion limit or other relevant method, tools, or information to implement measures so that groundwater appropriations do not negatively impact the surface waters.

Sec. 101. Minnesota Statutes 2022, section 103G.287, subdivision 3, is amended to read:

Subd. 3. **Protecting groundwater supplies.** The commissioner may establish water appropriation limits to protect groundwater resources. When establishing water appropriation limits to protect groundwater resources, the commissioner must consider the sustainability of the groundwater resource, including the current and projected water levels, cumulative withdrawal rates from the resource on a monthly or annual basis, water quality, whether the use protects ecosystems, and the ability of future generations to meet their own needs. The commissioner may consult with the commissioners of health, agriculture, and the Pollution Control Agency and other state entities when determining the impacts on water quality and quantity.

Sec. 102. Minnesota Statutes 2022, section 103G.299, subdivision 1, is amended to read:

Subdivision 1. **Authority to issue administrative penalty orders.** (a) As provided in paragraph (b), the commissioner may issue an order requiring violations to be corrected and administratively assessing monetary penalties for violations of sections 103G.271 and 103G.275, and any rules adopted under those sections.

(b) An order under this section may be issued to a person for water appropriation activities without a required permit or for violating the terms of a required permit.

(c) The order must be issued as provided in this section and in accordance with the plan prepared under subdivision 12.

Sec. 103. Minnesota Statutes 2022, section 103G.299, subdivision 2, is amended to read:

Subd. 2. **Amount of penalty; considerations.** (a) The commissioner may issue orders assessing administrative penalties ~~based on potential for harm and deviation from compliance. For a violation that presents: up to \$40,000.~~

~~(1) a minor potential for harm and deviation from compliance, the penalty will be no more than \$1,000;~~

~~(2) a moderate potential for harm and deviation from compliance, the penalty will be no more than \$10,000; and~~

~~(3) a severe potential for harm and deviation from compliance, the penalty will be no more than \$20,000.~~

(b) In determining the amount of a penalty the commissioner may consider:

(1) the gravity of the violation, including potential for, or real, damage to the public interest or natural resources of the state;

(2) the history of past violations;

(3) the number of violations;

(4) the economic benefit gained by the person by allowing or committing the violation based on data from local or state bureaus or educational institutions; and

(5) other factors as justice may require, if the commissioner specifically identifies the additional factors in the commissioner's order.

(c) For a violation after an initial violation, including a continuation of the initial violation, the commissioner must, in determining the amount of a penalty, consider the factors in paragraph (b) and the:

(1) similarity of the most recent previous violation and the violation to be penalized;

(2) time elapsed since the last violation;

(3) number of previous violations; and

(4) response of the person to the most recent previous violation identified.

Sec. 104. Minnesota Statutes 2022, section 103G.299, subdivision 5, is amended to read:

Subd. 5. **Penalty.** (a) Except as provided in paragraph (b), if the commissioner determines that the violation has been corrected or appropriate steps have been taken to correct the action, the penalty must be forgiven. Unless the person requests review of the order under subdivision 6 or 7 before the penalty is due, the penalty in the order is due and payable:

(1) on the 31st day after the order was received, if the person subject to the order fails to provide information to the commissioner showing that the violation has been corrected or that appropriate steps have been taken toward correcting the violation; or

(2) on the 20th day after the person receives the commissioner's determination under subdivision 4, paragraph (c), if the person subject to the order has provided information to the commissioner that the commissioner determines is not sufficient to show that the violation has been corrected or that appropriate steps have been taken toward correcting the violation.

(b) For repeated or serious violations, the commissioner may issue an order with a penalty that is not forgiven after the corrective action is taken. The penalty is due by 31 days after the order ~~was~~ is received, unless review of the order under subdivision 6 or 7 ~~has been~~ is sought.

(c) Interest at the rate established in section 549.09 begins to accrue on penalties under this subdivision on the 31st day after the order with the penalty ~~was~~ is received.

Sec. 105. Minnesota Statutes 2022, section 103G.299, subdivision 10, is amended to read:

Subd. 10. **Cumulative remedy.** The authority of the commissioner to issue a corrective order assessing penalties is in addition to other remedies available under statutory or common law, ~~except that the state may not seek civil penalties under any other provision of law for the violations covered by the administrative penalty order.~~ The payment of a penalty does not preclude the use of other enforcement provisions, ~~under which penalties are not assessed,~~ in connection with the violation for which the penalty was assessed.

Sec. 106. **[103G.2991] PENALTIES; ENFORCEMENT.**

Subdivision 1. Civil penalties. (a) The commissioner, according to section 103G.134, may issue a notice to a person who violates:

(1) this chapter;

(2) a permit issued under this chapter or a term or condition of a permit issued under this chapter;

(3) a duty under this chapter to permit an inspection, entry, or monitoring activity or a duty under this chapter to carry out an inspection or monitoring activity;

(4) a rule adopted under this chapter;

(5) a stipulation agreement, variance, or schedule of compliance entered into under this chapter; or

(6) an order issued by the commissioner under this chapter.

(b) A person issued a notice forfeits and must pay to the state a penalty, in an amount to be determined by the district court, of not more than \$10,000 per day of violation.

(c) In the discretion of the district court, a defendant under this section may be required to:

(1) forfeit and pay to the state a sum that adequately compensates the state for the reasonable value of restoration, monitoring, and other expenses directly resulting from the unauthorized use of or damage to natural resources of the state; and

(2) forfeit and pay to the state an additional sum to constitute just compensation for any damage, loss, or destruction of the state's natural resources and for other actual damages to the state caused by an unauthorized use of natural resources of the state.

(d) As a defense to damages assessed under paragraph (c), a defendant may prove that the violation was caused solely by:

(1) an act of God;

(2) an act of war;

(3) negligence on the part of the state;

(4) an act or failure to act that constitutes sabotage or vandalism; or

(5) any combination of clauses (1) to (4).

(e) The civil penalties and damages provided for in this subdivision may be recovered by a civil action brought by the attorney general in the name of the state in Ramsey County District Court. Civil penalties and damages provided for in this subdivision may be resolved by the commissioner through a negotiated stipulation agreement according to the authority granted to the commissioner in section 103G.134.

Subd. 2. **Enforcement.** This chapter and rules, standards, orders, stipulation agreements, schedules of compliance, and permits adopted or issued by the commissioner under this chapter or any other law for preventing, controlling, or abating damage to natural resources may be enforced by one or more of the following:

- (1) criminal prosecution;
- (2) action to recover civil penalties;
- (3) injunction;
- (4) action to compel performance; or
- (5) other appropriate action according to this chapter.

Subd. 3. **Injunctions.** A violation of this chapter or rules, standards, orders, stipulation agreements, variances, schedules of compliance, and permits adopted or issued under this chapter constitutes a public nuisance and may be enjoined as provided by law in an action, in the name of the state, brought by the attorney general.

Subd. 4. **Actions to compel performance.** (a) In an action to compel performance of an order issued by the commissioner for any purpose related to preventing, controlling, or abating damage to natural resources under this chapter, the court may require a defendant adjudged responsible to do and perform any and all acts set forth in the commissioner's order and all things within the defendant's power that are reasonably necessary to accomplish the purposes of the order.

(b) If a municipality or its governing or managing body or any of its officers is a defendant, the court may require the municipality to exercise its powers, without regard to any limitation of a requirement for an election or referendum imposed thereon by law and without restricting the powers of the commissioner, to do any or all of the following, without limiting the generality hereof:

- (1) levy taxes or special assessments;
- (2) prescribe service or use charges;
- (3) borrow money;
- (4) issue bonds;
- (5) employ assistance;
- (6) acquire real or personal property;
- (7) let contracts;
- (8) otherwise provide for doing work or constructing, installing, maintaining, or operating facilities; and
- (9) do all acts and things reasonably necessary to accomplish the purposes of the commissioner's order.

(c) The court must grant a municipality under paragraph (b) the opportunity to determine the appropriate financial alternatives to be used to comply with the court-imposed requirements.

(d) An action brought under this subdivision must be venued in Ramsey County District Court.

Sec. 107. Minnesota Statutes 2022, section 103G.301, subdivision 2, is amended to read:

Subd. 2. **Permit application and notification fees.** (a) A fee to defray the costs of receiving, recording, and processing must be paid for a permit application authorized under this chapter, except for a general permit application, for each request to amend or transfer an existing permit, and for a notification to request authorization to conduct a project under a general permit. Fees established under this subdivision, unless specified in paragraph (c), must comply with section 16A.1285.

(b) Proposed projects that require water in excess of 100 million gallons per year must be assessed fees to recover the costs incurred to evaluate the project and the costs incurred for environmental review. Fees collected under this paragraph must be credited to an account in the natural resources fund and are appropriated to the commissioner.

(c) The fee to apply for a permit to appropriate water, in addition to any fee under paragraph (b), is \$150. The application fee for a permit to construct or repair a dam that is subject to a dam safety inspection, to work in public waters, or to divert waters for mining must be at least ~~\$300~~ \$1,200, but not more than ~~\$3,000~~ \$12,000. The fee for a notification to request authorization to conduct a project under a general permit is ~~\$100~~ \$400.

Sec. 108. Minnesota Statutes 2022, section 103G.301, subdivision 6, is amended to read:

Subd. 6. **Filing application.** An application for a permit must be filed with the commissioner ~~and~~. If the proposed activity for which the permit is requested is within a municipality, ~~or is within or affects a watershed district or a soil and water conservation district,~~ or is within the boundaries of a reservation or Tribal community of a federally recognized Indian Tribe in Minnesota, a copy of the application with maps, plans, and specifications must be served on the mayor of the municipality, the secretary of the board of managers of the watershed district, ~~and~~ the secretary of the board of supervisors of the soil and water conservation district, ~~or the Tribal chair of the federally recognized Indian Tribe, as applicable.~~ For purposes of this section, "federally recognized Indian Tribe" means the Minnesota Tribal governments listed in section 10.65, subdivision 2.

Sec. 109. Minnesota Statutes 2022, section 103G.301, subdivision 7, is amended to read:

Subd. 7. **Recommendation of local units of government and federally recognized Indian Tribes.** (a) If the proposed activity for which the permit is requested is within a municipality, or is within or affects a watershed district or a soil and water conservation district, the commissioner may obtain a written recommendation of the managers of the district and the board of supervisors of the soil and water conservation district or the mayor of the municipality before issuing or denying the permit.

(b) The managers, supervisors, or mayor must file a recommendation within 30 days after receiving of a copy of the application for permit.

(c) If the proposed activity for which the permit is requested is within the boundaries of a reservation or Tribal community of a federally recognized Indian Tribe in Minnesota, the federally recognized Indian Tribe may:

(1) submit recommendations to the commissioner within 30 days of receiving the application; or

(2) request Tribal consultation according to section 10.65 within 30 days of receiving the application.

(d) If Tribal consultation is requested under paragraph (c), clause (2), a permit application is not complete until after the consultation occurs or 90 days after the request for consultation is made, whichever is sooner.

Sec. 110. Minnesota Statutes 2022, section 168.1295, subdivision 1, is amended to read:

Subdivision 1. **General requirements and procedures.** (a) The commissioner shall issue state parks and trails plates to an applicant who:

- (1) is a registered owner of a passenger automobile, recreational vehicle, one-ton pickup truck, or motorcycle;
- (2) pays a fee in the amount specified for special plates under section 168.12, subdivision 5;
- (3) pays the registration tax required under section 168.013;
- (4) pays the fees required under this chapter;
- (5) contributes a minimum of ~~\$60~~ \$70 annually to the state parks and trails donation account established in section 85.056; and
- (6) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

(b) The state parks and trails plate application must indicate that the contribution specified under paragraph (a), clause (5), is a minimum contribution to receive the plate and that the applicant may make an additional contribution to the account.

(c) State parks and trails plates may be personalized according to section 168.12, subdivision 2a.

Sec. 111. Minnesota Statutes 2022, section 171.07, is amended by adding a subdivision to read:

Subd. 20. **Watercraft operator's permit.** (a) The department must maintain in its records information transmitted electronically from the commissioner of natural resources identifying each person to whom the commissioner has issued a watercraft operator's permit. The records transmitted from the Department of Natural Resources must contain the full name and date of birth as required for the driver's license or identification card. Records that are not matched to a driver's license or identification card record may be deleted after seven years.

(b) After receiving information under paragraph (a) that a person has received a watercraft operator's permit, the department must include on all drivers' licenses or Minnesota identification cards subsequently issued to the person a graphic or written indication that the person has received the permit.

(c) If a person who has received a watercraft operator's permit applies for a driver's license or Minnesota identification card before that information has been transmitted to the department, the department may accept a copy of the certificate as proof of its issuance and must then follow the procedures in paragraph (b).

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 112. Minnesota Statutes 2022, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of management and budget shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit in the state treasury the revenues collected under section 297A.64, subdivision 1, including interest and penalties and minus refunds, and credit them to the highway user tax distribution fund.

(e) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit of revenues under paragraph (d), the commissioner shall deposit into the state treasury and credit to the highway user tax distribution fund an amount equal to the estimated revenues derived from the tax rate imposed under section 297A.62, subdivision 1, on the lease or rental for not more than 28 days of rental motor vehicles subject to section 297A.64. The commissioner shall estimate the amount of sales tax revenue deposited under this paragraph based on the amount of revenue deposited under paragraph (d).

(g) The commissioner shall deposit an amount of the remittances monthly into the state treasury and credit them to the highway user tax distribution fund as a portion of the estimated amount of taxes collected from the sale and purchase of motor vehicle repair and replacement parts in that month. The monthly deposit amount is \$12,137,000. For purposes of this paragraph, "motor vehicle" has the meaning given in section 297B.01, subdivision 11, and "motor vehicle repair and replacement parts" includes (i) all parts, tires, accessories, and equipment incorporated into or affixed to the motor vehicle as part of the motor vehicle maintenance and repair, and (ii) paint, oil, and other fluids that remain on or in the motor vehicle as part of the motor vehicle maintenance or repair. For purposes of this paragraph, "tire" means any tire of the type used on highway vehicles, if wholly or partially made of rubber and if marked according to federal regulations for highway use.

(h) ~~72.43~~ 78.06 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 50 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants; and

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo.

(i) The revenue dedicated under paragraph (h) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (h) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (h) must be allocated for field operations.

(j) The commissioner must deposit the revenues, including interest and penalties minus any refunds, derived from the sale of items regulated under section 624.20, subdivision 1, that may be sold to persons 18 years old or older and that are not prohibited from use by the general public under section 624.21, in the state treasury and credit:

(1) 25 percent to the volunteer fire assistance grant account established under section 88.068;

(2) 25 percent to the fire safety account established under section 297I.06, subdivision 3; and

(3) the remainder to the general fund.

For purposes of this paragraph, the percentage of total sales and use tax revenue derived from the sale of items regulated under section 624.20, subdivision 1, that are allowed to be sold to persons 18 years old or older and are not prohibited from use by the general public under section 624.21, is a set percentage of the total sales and use tax revenues collected in the state, with the percentage determined under Laws 2017, First Special Session chapter 1, article 3, section 39.

(k) The revenues deposited under paragraphs (a) to (j) do not include the revenues, including interest and penalties, generated by the sales tax imposed under section 297A.62, subdivision 1a, which must be deposited as provided under the Minnesota Constitution, article XI, section 15.

Sec. 113. **HOUSTON OHV TRAIL; REPORT.**

By January 15, 2024, the commissioner of natural resources must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources providing a brief history of the efforts to establish an off-highway vehicle trail in Houston County, the current status, and next steps.

Sec. 114. **STATE PARK LICENSE PLATE DESIGN CONTEST.**

The commissioner of natural resources must hold a license plate design contest to design a new state park license plate available under Minnesota Statutes, section 168.1295, subdivision 1.

Sec. 115. **UPPER SIOUX AGENCY STATE PARK; LAND TRANSFER.**

(a) The commissioner of natural resources must convey for no consideration all state-owned land within the boundaries of Upper Sioux Agency State Park to the Upper Sioux Community.

(b) Upon approval by the Minnesota Historical Society's Executive Council, the Minnesota Historical Society may convey for no consideration state-owned land and real property in the Upper Sioux Agency Historic Site, as defined in Minnesota Statutes, section 138.662, subdivision 33, to the Upper Sioux Community. In cooperation with the commissioner of natural resources, the Minnesota Historical Society must identify any funding restrictions or other legal barriers to conveying the land.

(c) By January 15, 2024, the commissioner, in cooperation with the Minnesota Historical Society, must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over environment and natural resources that identifies all barriers to conveying land within Upper Sioux Agency State Park and recommendations for addressing those barriers, including any legislation needed to eliminate those barriers.

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

Sec. 116. **REQUIRED RULEMAKING.**

Subdivision 1. **Snowmobile registration.** (a) The commissioner of natural resources must amend Minnesota Rules as follows:

(1) part 6100.5000, subpart 1, by striking the last sentence and inserting "The registration number remains the same if renewed by July 1 following the expiration date."; and

(2) part 6100.5700, subpart 1, item C, by striking the reference to registration numbers.

(b) The commissioner may use the good-cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Subd. 2. **Walk-in access program.** The commissioner of natural resources must amend Minnesota Rules, part 6230.0250, subpart 10, item A, subitem (2), to replace the word "hunter" with "person." The commissioner may use the good cause exempt rulemaking procedure under Minnesota Statutes, section 14.388, subdivision 1, clause (3), and Minnesota Statutes, section 14.386, does not apply.

Sec. 117. **REGISTRATION DECAL FORMAT TRANSITION.**

Separately displaying registration numbers is not required when a larger-format registration decal as provided under Minnesota Statutes, section 84.82, subdivision 2, is displayed according to Minnesota Statutes, section 84.82, subdivision 3b. Snowmobiles displaying valid but older, smaller-format registration decals must display the separate registration numbers. Persons may obtain duplicate registration decals in the new, larger format, when available, without being required to display the separate registration numbers.

Sec. 118. **REPORT ON OPTIONS FOR FUNDING ADDITIONAL LAW ENFORCEMENT ON ICE OF STATE WATERS.**

By January 1, 2024, the commissioner of natural resources must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources on options for funding additional enforcement of state laws on the ice of state waters. The commissioner must work with the Minnesota Sheriffs' Association and other stakeholders in generating the report, which must include options and recommendations related to potential funding sources, funding levels, and allocation of funding between the various enforcement agencies.

Sec. 119. **ENFORCEMENT OFFICER BARGAINING UNITS; REPORT.**

By September 1, 2023, the commissioner of natural resources must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources that provides a status update on the collective bargaining agreement for law enforcement supervisors in response to Laws 2022, chapter 80, section 3.

Sec. 120. **REPORT ON FERAL PIGS AND MINK.**

By February 15, 2024, the commissioner of natural resources, in cooperation with the Board of Animal Health and the commissioners of agriculture and health, must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and environment and natural resources that:

(1) identifies the responsibilities of the Board of Animal Health and the commissioners of natural resources, health, and agriculture for managing feral pigs and mink;

(2) identifies any need to clarify or modify responsibilities for feral pig and mink management; and

(3) includes policy recommendations for managing feral pigs and mink to further prevent negative impacts on the environment and human health.

Sec. 121. **TURTLE SELLER'S LICENSES; TRANSFER AND RENEWAL.**

The commissioner of natural resources must not renew or transfer a turtle seller's license after the effective date of this section.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 122. **SWAN RESTITUTION VALUES; RULE AMENDMENTS.**

(a) The commissioner of natural resources must amend Minnesota Rules, part 6133.0030, to increase the restitution value of a tundra swan from \$200 to \$1,000 and the restitution value of a trumpeter swan from \$1,000 to \$2,500.

(b) The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Sec. 123. **NATIVE FISH CONSERVATION; REPORTS.**

(a) By August 1, 2023, the commissioner of natural resources must submit a written update on the progress of identifying necessary protection and conservation measures for native fish currently defined as rough fish under Minnesota Statutes, section 97A.015, subdivision 43, including buffalo, sucker, sheepshead, bowfin, gar, goldeye, and bullhead to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources.

(b) By December 15, 2023, the commissioner of natural resources must submit a written report with recommendations for statutory and rule changes to provide necessary protection and conservation measures and research needs for native fish currently designated as rough fish to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources. The report must include recommendations for amending Minnesota Statutes to separately classify fish that are native to Minnesota and that are currently designated as rough fish and invasive fish that are currently designated as rough fish. For the purposes of this paragraph, native fish include but are not limited to bowfin (*Amia calva*), bigmouth buffalo (*Ictiobus cyprinellus*), smallmouth buffalo (*Ictiobus bubalus*), burbot (*Lota lota*), longnose gar (*Lepisosteus osseus*), shortnose gar (*Lepisosteus platostomus*), goldeye (*Hiodon alosoides*), mooneye (*Hiodon tergisus*), and white sucker (*Catostomus commersonii*), and invasive fish include but are not limited to bighead carp (*Hypophthalmichthys nobilis*), grass carp (*Ctenopharyngodon idella*), and silver carp (*Hypophthalmichthys molitrix*).

Sec. 124. **STATE TRAILS; REPORT.**

By January 15, 2024, the commissioner of natural resources must submit a report the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources on state-authorized trails that:

- (1) identifies state trails authorized under Minnesota Statutes;
- (2) identifies state trails that have been built and what is left to build;
- (3) includes recommendations for removing any authorized trails that cannot be built; and
- (4) estimates the miles left to complete the authorized trail system.

Sec. 125. **REVISOR INSTRUCTION.**

The revisor of statutes must renumber the subdivisions of Minnesota Statutes, section 103G.005, listed in column A to the references listed in column B. The revisor must make necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the renumbering:

Column A

subdivision 9b
subdivision 13a
subdivision 15h

Column B

subdivision 9d
subdivision 13c
subdivision 15j

Sec. 126. **REPEALER.**

(a) Minnesota Statutes 2022, sections 84.033, subdivision 3; 84.944, subdivision 3; and 97A.145, subdivision 2, are repealed.

(b) Minnesota Rules, parts 6100.5000, subparts 3, 4, and 5; 6100.5700, subpart 4; and 6115.1220, subpart 8, are repealed.

(c) Minnesota Statutes 2022, sections 86B.101; 86B.305; and 86B.313, subdivisions 2 and 3, are repealed.

(d) Minnesota Rules, part 6256.0500, subparts 2, 2a, 2b, 4, 5, 6, 7, and 8, are repealed.

(e) Minnesota Statutes 2022, section 97C.605, subdivisions 2, 2a, 2b, and 5, are repealed.

EFFECTIVE DATE. Paragraph (c) is effective July 1, 2025, and paragraphs (d) and (e) are effective January 1, 2024.

ARTICLE 5 WATER AND SOIL RESOURCES

Section 1. Minnesota Statutes 2022, section 103B.101, subdivision 2, is amended to read:

Subd. 2. **Voting members.** (a) The members are:

- (1) three county commissioners;
- (2) three soil and water conservation district supervisors;
- (3) three watershed district or watershed management organization representatives;
- (4) three citizens who are not employed by, or the appointed or elected officials of, a state governmental office, board, or agency;
- (5) one township officer;
- (6) two elected city officials, one of whom must be from a city located in the metropolitan area, as defined under section 473.121, subdivision 2;
- (7) the commissioner of agriculture;
- (8) the commissioner of health;
- (9) the commissioner of natural resources;
- (10) the commissioner of the Pollution Control Agency; and
- (11) the director of the University of Minnesota Extension Service.

(b) Members in paragraph (a), clauses (1) to (6), must be distributed across the state with at least four members but not more than six members from the metropolitan area, as defined by section 473.121, subdivision 2.

(c) Members in paragraph (a), clauses (1) to (6), are appointed by the governor. In making the appointments, the governor may consider persons recommended by the Association of Minnesota Counties, the Minnesota Association of Townships, the League of Minnesota Cities, the Minnesota Association of Soil and Water Conservation Districts, and the Minnesota Association of Watershed Districts. The list submitted by an association must contain at least three nominees for each position to be filled.

(d) The membership terms, compensation, removal of members and filling of vacancies on the board for members in paragraph (a), clauses (1) to (6), are as provided in section 15.0575, except that a member may be compensated at the rate of up to \$125 a day.

Sec. 2. Minnesota Statutes 2022, section 103B.101, subdivision 9, is amended to read:

Subd. 9. **Powers and duties.** (a) In addition to the powers and duties prescribed elsewhere, the board shall:

(1) coordinate the water and soil resources planning and implementation activities of counties, soil and water conservation districts, watershed districts, watershed management organizations, and any other local units of government through its various authorities for approval of local plans, administration of state grants, contracts and easements, and by other means as may be appropriate;

(2) facilitate communication and coordination among state agencies in cooperation with the Environmental Quality Board, and between state and local units of government, in order to make the expertise and resources of state agencies involved in water and soil resources management available to the local units of government to the greatest extent possible;

(3) coordinate state and local interests with respect to the study in southwestern Minnesota under United States Code, title 16, section 1009;

(4) develop information and education programs designed to increase awareness of local water and soil resources problems and awareness of opportunities for local government involvement in preventing or solving them;

(5) provide a forum for the discussion of local issues and opportunities relating to water and soil resources management;

(6) adopt an annual budget and work program that integrate the various functions and responsibilities assigned to it by law; and

(7) report to the governor and the legislature by October 15 of each even-numbered year with an assessment of board programs and recommendations for any program changes and board membership changes necessary to improve state and local efforts in water and soil resources management.

(b) The board may accept grants, gifts, donations, or contributions in money, services, materials, or otherwise from the United States, a state agency, or other source to achieve an authorized or delegated purpose. The board may enter into a contract or agreement necessary or appropriate to accomplish the transfer. The board may conduct or participate in local, state, or federal programs or projects that have as one purpose or effect the preservation or enhancement of water and soil resources and may enter into and administer agreements with local governments or landowners or their designated agents as part of those programs or projects. The board may receive and expend money to acquire conservation easements, as defined in chapter 84C, on behalf of the state and federal government consistent with ~~the~~ Camp Ripley's Army Compatible Use Buffer Project, Sentinel Landscape program, or related conservation programs. The board may enter into agreements, including grant agreements, with Tribal nations, federal agencies, higher education institutions, local governments, and private sector organizations to carry out programs and other responsibilities prescribed or allowed by statute.

(c) Any money received is hereby deposited in an account in a fund other than the general fund and appropriated and dedicated for the purpose for which it is granted.

Sec. 3. Minnesota Statutes 2022, section 103B.101, subdivision 16, is amended to read:

Subd. 16. **Water quality Conservation practices; standardized specifications.** (a) The board of Water and Soil Resources shall must work with state and federal agencies, Tribal Nations, academic institutions, local governments, practitioners, and stakeholders to foster mutual understanding and provide recommendations for standardized specifications for water quality and soil conservation protection and improvement practices and projects, and systems for:

- (1) erosion or sedimentation control;
- (2) improvements to water quality or water quantity;
- (3) habitat restoration and enhancement;
- (4) energy conservation; and
- (5) climate adaptation, resiliency, or mitigation.

(b) The board may convene working groups or work teams to develop information, education, and recommendations.

Sec. 4. Minnesota Statutes 2022, section 103B.101, is amended by adding a subdivision to read:

Subd. 18. **Guidelines for establishing and enhancing native vegetation.** (a) The board must work with state and federal agencies, Tribal Nations, academic institutions, local governments, practitioners, and stakeholders to foster mutual understanding and to provide recommendations for standardized specifications to establish and enhance native vegetation to provide benefits for:

- (1) water quality;
- (2) soil conservation;
- (3) habitat enhancement;
- (4) energy conservation; and
- (5) climate adaptation, resiliency, or mitigation.

(b) The board may convene working groups or work teams to develop information, education, and recommendations.

Sec. 5. Minnesota Statutes 2022, section 103B.103, is amended to read:

103B.103 EASEMENT STEWARDSHIP ACCOUNTS.

Subdivision 1. **Accounts established; sources.** (a) The water and soil conservation easement stewardship account and the mitigation easement stewardship account are created in the special revenue fund. The accounts consist of money credited to the accounts and interest and other earnings on money in the accounts. The State Board of Investment must manage the accounts to maximize long-term gain.

(b) Revenue from contributions and money appropriated for any purposes of the account as described in subdivision 2 must be deposited in the water and soil conservation easement stewardship account. Revenue from contributions, ~~wetland banking~~ mitigation fees designated for stewardship purposes by the board, easement stewardship payments authorized under subdivision 3, and money appropriated for any purposes of the account as described in subdivision 2 must be deposited in the mitigation easement stewardship account.

Subd. 2. **Appropriation; purposes of accounts.** Five percent of the balance on July 1 each year in the water and soil conservation easement stewardship account and five percent of the balance on July 1 each year in the mitigation easement stewardship account are annually appropriated to the board and may be spent ~~only~~ to cover the costs of managing easements held by the board, including costs associated with:

- (1) repairing or replacing structures;
- (2) monitoring;
- (3) landowner contacts;
- (4) records storage and management;
- (5) processing landowner notices;
- (6) requests for approval or amendments;
- (7) enforcement; and
- (8) legal services associated with easement management activities.

Subd. 3. **Financial contributions.** The board shall seek a financial contribution to the water and soil conservation easement stewardship account for each conservation easement acquired by the board. The board shall seek a financial contribution or assess an easement stewardship payment to the mitigation easement stewardship account for each ~~wetland banking~~ mitigation easement acquired by the board. Unless otherwise provided by law, the board shall determine the amount of the contribution or payment, which must be an amount calculated to earn sufficient money to meet the costs of managing the easement at a level that neither significantly overrecovers nor underrecovers the costs. In determining the amount of the financial contribution, the board shall consider:

- (1) the estimated annual staff hours needed to manage the conservation easement, taking into consideration factors such as easement type, size, location, and complexity;
- (2) the average hourly wages for the class or classes of state and local employees expected to manage the easement;
- (3) the estimated annual travel expenses to manage the easement;
- (4) the estimated annual miscellaneous costs to manage the easement, including supplies and equipment, information technology support, and aerial flyovers;
- (5) the estimated annualized costs of legal services, including the cost to enforce the easement in the event of a violation;
- (6) the estimated annualized costs for repairing or replacing water control structures; and
- ~~(6)~~ (7) the expected rate of return on investments in the account.

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

Sec. 6. **[103B.104] LAWNS TO LEGUMES PROGRAM.**

(a) The Board of Water and Soil Resources may provide financial and technical assistance to plant residential landscapes and community spaces with native vegetation and pollinator-friendly forbs and legumes to protect a diversity of pollinators with declining populations, providing additional benefits for water management, carbon sequestration, and landscape resiliency.

(b) The board must establish criteria for grants or payments awarded under this section. Grants or payments awarded under this section may give priority consideration for proposals in areas identified by the United States Fish and Wildlife Service as areas where there is a high potential for rusty patched bumble bees and other priority species to be present.

(c) The board may collaborate with and enter into agreements with federal, state, and local agencies; Tribal Nations; and other nonprofit organizations and contractors to implement and promote the program.

Sec. 7. **[103B.105] HABITAT-FRIENDLY UTILITIES PROGRAM.**

(a) The Board of Water and Soil Resources may provide financial and technical assistance to promote the successful establishment of native vegetation as part of utility projects, including solar and wind projects, pipelines, and electrical transmission corridors, to:

(1) ensure the integrity and resiliency of Minnesota landscapes; and

(2) protect habitat and water resources.

(b) The board must establish criteria for grants or payments awarded under this section. Grants or payments awarded under this section may prioritize proposals in areas identified by state and federal agencies and conservation partners for protecting high-priority natural resources and wildlife species.

(c) The board may collaborate with and enter into agreements with federal, state, and local agencies; Tribal Nations; utility companies; nonprofit organizations; and contractors to implement and promote the program.

Sec. 8. **[103B.106] HABITAT ENHANCEMENT LANDSCAPE PROGRAM.**

(a) The Board of Water and Soil Resources may provide financial and technical assistance to establish or enhance areas of diverse native vegetation to:

(1) support declining populations of bees, butterflies, dragonflies, birds, and other wildlife species that are essential for ecosystems and food production across conservation lands, open spaces, and natural areas; and

(2) provide additional benefits for water management, carbon sequestration, and landscape and climate resiliency.

(b) The board must establish criteria for grants or payments awarded under this section. Grants or payments awarded under this section may prioritize proposals in areas identified by state and federal agencies and conservation partners as high priority for protecting endangered or threatened pollinator and other species.

(c) The board may collaborate with and enter into agreements with federal, state, and local agencies; Tribal Nations; nonprofit organizations; and contractors to implement and promote the program.

Sec. 9. Minnesota Statutes 2022, section 103C.501, subdivision 1, is amended to read:

Subdivision 1. **Cost-share Program authorization.** The state board may allocate available funds to districts ~~to share the cost of systems or~~ for practices, projects, and systems for:

(1) erosion or sedimentation control; ~~or~~;

(2) improvements to water quality improvement that are designed to protect and improve soil and water resources, or water quantity;

(3) habitat enhancement;

(4) plant biodiversity;

(5) energy conservation; or

(6) climate adaptation, resiliency, or mitigation.

Sec. 10. Minnesota Statutes 2022, section 103C.501, subdivision 4, is amended to read:

Subd. 4. **Cost-sharing Use of funds.** ~~(a) The state board shall allocate cost sharing funds to areas with high priority erosion, sedimentation, or water quality problems or water quantity problems due to altered hydrology. The areas must be selected based on priorities established by the state board.~~

~~(b) The allocated funds must be used for:~~

(1) for conservation practices for high priority problems activities, including technical and financial assistance, identified in the comprehensive and annual work plans of the districts, for the technical assistance portion of the grant funds state-approved plans that are related to water and natural resources and established under chapters 103B, 103C, 103D, 103F, 103G, and 114D;

(2) to leverage federal or other nonstate funds; or

(3) to address high-priority needs identified in local water management plans or comprehensive watershed management plans by the district based on public input.

Sec. 11. Minnesota Statutes 2022, section 103C.501, subdivision 5, is amended to read:

Subd. 5. **Contracts by districts.** (a) A district board may ~~contract on a cost share basis to furnish financial aid to~~ provide technical and financial assistance to a land occupier or to a state or federal agency for ~~permanent systems practices and projects~~ for:

(1) erosion or sedimentation control; ~~or~~;

(2) improvements to water quality or water quantity improvements that are consistent with the district's comprehensive and annual work plans;

(3) habitat enhancement;

(4) plant biodiversity;

(5) energy conservation; or

(6) climate adaptation, resiliency, or mitigation.

~~(b) A district board, with approval from the state board and, consistent with state board rules and policies, may contract on a cost-share basis to furnish financial aid to a land occupier for to provide technical and financial assistance for structural and nonstructural land management practices that are part of a planned erosion control or water quality improvement plan and projects.~~

~~(c) The duration of the contract must, at a minimum, be the time required to complete the planned systems. A contract must specify that the land occupier is liable for monetary damages and penalties in an amount up to 150 percent of the financial assistance received from the district, for failure to complete the systems or practices in a timely manner or maintain the systems or practices as specified in the contract.~~

~~(d) A contract may provide for cooperation or funding with federal agencies. A land occupier or state agency may provide the cost sharing portion of the contract through services in kind.~~

~~(e) (c) The state board or the district board may not furnish any financial aid assistance for practices designed only to increase land productivity.~~

~~(f) (d) When a district board determines that long-term maintenance of a system or practice is desirable, the district or the state board may require that maintenance be made a covenant upon the land for the effective life of the practice. A covenant under this subdivision shall be construed in the same manner as a conservation restriction under section 84.65.~~

Sec. 12. Minnesota Statutes 2022, section 103C.501, subdivision 6, is amended to read:

Subd. 6. **Policies and rules.** ~~(a)~~ The state board may adopt rules and shall adopt policies prescribing:

~~(1) procedures and criteria for allocating funds for cost-sharing contracts; and~~

~~(2) standards and guidelines for cost-sharing implementing the conservation contracts; program.~~

~~(3) the scope and content of district comprehensive plans, plan amendments, and annual work plans;~~

~~(4) standards and methods necessary to plan and implement a priority cost-sharing program, including guidelines to identify high priority erosion, sedimentation, and water quality problems and water quantity problems due to altered hydrology;~~

~~(5) the share of the cost of conservation practices to be paid from cost-sharing funds; and~~

~~(6) requirements for districts to document their efforts to identify and contact land occupiers with high priority problems.~~

~~(b) The rules may provide that cost-sharing may be used for windbreaks and shelterbelts for the purposes of energy conservation and snow protection.~~

Sec. 13. Minnesota Statutes 2022, section 103C.501, is amended by adding a subdivision to read:

Subd. 7. **Inspections.** The district or the district's delegate must conduct site inspections of conservation practices installed to determine if the land occupier is in compliance with design, operation, and maintenance specifications.

Sec. 14. Minnesota Statutes 2022, section 103D.605, subdivision 5, is amended to read:

Subd. 5. **Establishment order.** After the project hearing, if the managers find that the project will be conducive to public health, will promote the general welfare, and is in compliance complies with the watershed management plan and the provisions of this chapter, the ~~board~~ managers must, by order, establish the project. The establishment order must include the findings of the managers.

Sec. 15. **[103E.122] DRAINAGE REGISTRY INFORMATION PORTAL.**

(a) By December 31, 2023, the executive director of the Board of Water and Soil Resources must establish and permanently maintain a drainage registry information portal that includes a publicly searchable electronic database. The portal must allow a drainage authority to electronically submit information on:

(1) a petitioned drainage project; and

(2) a petition or order for reestablishment of records.

(b) Within ten days of appointing an engineer for a petitioned drainage project or within ten days of a finding that a record is incomplete under section 103E.101, subdivision 4a, paragraph (a), a drainage authority must file the following information with the Board of Water and Soil Resources through the registry information portal established under paragraph (a):

(1) the name of the drainage authority;

(2) whether the filing results from a petitioned drainage project or a petition or order for reestablishment of records;

(3) the date that the petition or order was filed;

(4) information for a local contact that can provide additional information; and

(5) a copy of the filed petition or order.

(c) A drainage authority may not take further action on a petitioned drainage project or a petition or order for reestablishment of records until the information under paragraph (b) is available for public viewing on the registry information portal.

(d) The registry information portal must allow members of the public to electronically search for and retrieve information by the data fields specified in paragraph (b), clauses (1) to (5).

Sec. 16. **[103F.06] SOIL HEALTH PRACTICES PROGRAM.**

Subdivision 1. **Definitions.** (a) In this section, the following terms have the meanings given:

(1) "board" means the Board of Water and Soil Resources;

(2) "local units of government" has the meaning given under section 103B.305, subdivision 5; and

(3) "soil health" has the meaning given under section 103C.101, subdivision 10a.

Subd. 2. **Establishment.** (a) The board must administer a financial and technical support program to produce soil health practices that achieve water quality, soil productivity, climate change resiliency, or carbon sequestration benefits or reduce pesticide and fertilizer use.

(b) The program must include but is not limited to no till, field borders, prairie strips, cover crops, and other practices sanctioned by the board or the United States Department of Agriculture's Natural Resources Conservation Service.

Subd. 3. **Financial and technical assistance.** (a) The board may provide financial and technical support to local units of government, private sector organizations, and farmers to establish soil health practices and related practices with climate and water-quality benefits.

(b) The board must establish practices and costs that are eligible for financial and technical support under this section.

Subd. 4. **Program implementation.** (a) The board may employ staff or enter into external agreements to implement this section.

(b) The board must assist local units of government in achieving the objectives of the program, including assessing practice standards and program effectiveness.

Subd. 5. **Federal aid availability.** The board must regularly review and optimize the availability of federal funds and programs to supplement or complement state and other efforts consistent with the purposes of this section.

Subd. 6. **Soil health practices.** The board, in consultation with the commissioner of agriculture, may cooperate with the United States Department of Agriculture, other federal and state agencies, local governments, and private sector organizations to establish soil health goals for the state that will achieve water quality, soil productivity, climate change resiliency, and carbon sequestration benefits and reduce pesticide and fertilizer use.

Sec. 17. Minnesota Statutes 2022, section 103F.505, is amended to read:

103F.505 PURPOSE AND POLICY.

(a) It is the purpose of sections 103F.505 to 103F.531 to restore certain marginal agricultural land and protect environmentally sensitive areas to:

- (1) enhance soil and water quality;
- (2) minimize damage to flood-prone areas;
- (3) sequester carbon, ~~and~~;
- (4) support native plant, fish, and wildlife habitats; and
- (5) establish perennial vegetation.

(b) It is state policy to encourage ~~the~~

- (1) restoration of wetlands and riparian lands ~~and promote the retirement;~~

(2) restoration and protection of marginal, highly erodible land, particularly land adjacent to public waters, drainage systems, wetlands, and locally designated priority waters; and

(3) protection of environmentally sensitive areas, including wellhead protection areas, grasslands, peatlands, shorelands, karst geology, and forest lands in priority areas.

Sec. 18. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 5a. **Grasslands.** "Grasslands" means landscapes that are or were formerly dominated by grasses, that have a low percentage of trees and shrubs, and that provide economic and ecosystem services such as managed grazing, wildlife habitat, carbon sequestration, and water filtration and retention.

Sec. 19. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 8d. **Restored prairie.** "Restored prairie" means a restoration that uses at least 25 representative and biologically diverse native prairie plant species and that occurs on land that was previously cropped or used as pasture.

Sec. 20. **[103F.519] REINVEST IN MINNESOTA WORKING LANDS PROGRAM.**

Subdivision 1. **Establishment.** The board may establish and administer a reinvest in Minnesota working lands program that is in addition to the program established under section 103F.515. Selecting land for the program must be based on the land's potential for:

(1) protecting or improving water quality;

(2) reducing erosion;

(3) improving soil health;

(4) reducing chemical inputs;

(5) improving carbon storage; and

(6) increasing biodiversity and habitat for fish, wildlife, and native plants.

Subd. 2. **Applicability.** Section 103F.515 applies to this section except as otherwise provided in subdivisions 1, 3, and 4.

Subd. 3. **Nature of property rights acquired.** Notwithstanding section 103F.515, subdivision 4, paragraph (a), the board may authorize managed haying and managed livestock grazing, perennial or winter annual cover crop production, forest management, or other activities that the board determines are consistent with section 103F.505 or appropriation conditions or criteria.

Subd. 4. **Payments for easements.** The board must establish payment rates for acquiring easements and for related practices. The board must consider market factors as well as easement terms, including length and allowable uses, when establishing rates.

Sec. 21. Minnesota Statutes 2022, section 103G.2242, subdivision 1, is amended to read:

Subdivision 1. **Rules.** (a) The board, in consultation with the commissioner, shall adopt rules governing the approval of wetland value replacement plans under this section and public-waters-work permits affecting public waters wetlands under section 103G.245. These rules must address the criteria, procedure, timing, and location of acceptable replacement of wetland values and may address the state establishment and administration of a wetland banking program for public and private projects, including provisions for an in-lieu fee program; mitigating and banking other water and water-related resources; the administrative, monitoring, and enforcement procedures to be used; and a procedure for the review and appeal of decisions under this section. In the case of peatlands, the replacement plan rules must consider the impact on carbon. Any in-lieu fee program established by the board must conform with Code of Federal Regulations, title 33, section 332.8, as amended.

(b) After the adoption of the rules, a replacement plan must be approved by a resolution of the governing body of the local government unit, consistent with the provisions of the rules or a comprehensive wetland protection and management plan approved under section 103G.2243.

(c) If the local government unit fails to apply the rules, or fails to implement a local comprehensive wetland protection and management plan established under section 103G.2243, the government unit is subject to penalty as determined by the board.

(d) When making a determination under rules adopted pursuant to this subdivision on whether a rare natural community will be permanently adversely affected, consideration of measures to mitigate any adverse effect on the community must be considered.

Sec. 22. **REPEALER.**

(a) Minnesota Statutes 2022, section 103C.501, subdivisions 2 and 3, are repealed.

(b) Minnesota Rules, parts 8400.0500; 8400.0550; 8400.0600, subparts 4 and 5; 8400.0900, subparts 1, 2, 4, and 5; 8400.1650; 8400.1700; 8400.1750; 8400.1800; and 8400.1900, are repealed.

ARTICLE 6 FARMED CERVIDAE

Section 1. Minnesota Statutes 2022, section 13.643, subdivision 6, is amended to read:

Subd. 6. **Animal premises data.** (a) Except for farmed Cervidae premises location data collected and maintained under section 35.155, the following data collected and maintained by the Board of Animal Health related to registration and identification of premises and animals under chapter 35, are classified as private or nonpublic:

- (1) the names and addresses;
- (2) the location of the premises where animals are kept; and
- (3) the identification number of the premises or the animal.

(b) Except as provided in section 347.58, subdivision 5, data collected and maintained by the Board of Animal Health under sections 347.57 to 347.64 are classified as private or nonpublic.

(c) The Board of Animal Health may disclose data collected under paragraph (a) or (b) to any person, agency, or to the public if the board determines that the access will aid in the law enforcement process or the protection of public or animal health or safety.

Sec. 2. Minnesota Statutes 2022, section 17.118, subdivision 2, is amended to read:

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

(b) "Livestock" means beef cattle, dairy cattle, swine, poultry, goats, mules, farmed Cervidae, Ratitae, bison, sheep, horses, and llamas.

(c) "Qualifying expenditures" means the amount spent for:

(1) the acquisition, construction, or improvement of buildings or facilities for the production of livestock or livestock products;

(2) the development of pasture for use by livestock including, but not limited to, the acquisition, development, or improvement of:

(i) lanes used by livestock that connect pastures to a central location;

(ii) watering systems for livestock on pasture including water lines, booster pumps, and well installations;

(iii) livestock stream crossing stabilization; and

(iv) fences; or

(3) the acquisition of equipment for livestock housing, confinement, feeding, and waste management including, but not limited to, the following:

(i) freestall barns;

(ii) watering facilities;

(iii) feed storage and handling equipment;

(iv) milking parlors;

(v) robotic equipment;

(vi) scales;

(vii) milk storage and cooling facilities;

(viii) bulk tanks;

(ix) computer hardware and software and associated equipment used to monitor the productivity and feeding of livestock;

(x) manure pumping and storage facilities;

- (xi) swine farrowing facilities;
- (xii) swine and cattle finishing barns;
- (xiii) calving facilities;
- (xiv) digesters;
- (xv) equipment used to produce energy;
- (xvi) on-farm processing facilities equipment;
- (xvii) fences, including but not limited to farmed Cervidae perimeter fences required under section 35.155, ~~subdivision 4~~ subdivisions 4 and 4a; and
- (xviii) livestock pens and corrals and sorting, restraining, and loading chutes.

Except for qualifying pasture development expenditures under clause (2), qualifying expenditures only include amounts that are allowed to be capitalized and deducted under either section 167 or 179 of the Internal Revenue Code in computing federal taxable income. Qualifying expenditures do not include an amount paid to refinance existing debt.

Sec. 3. Minnesota Statutes 2022, section 35.155, subdivision 1, is amended to read:

Subdivision 1. **Running at large prohibited.** (a) An owner may not allow farmed Cervidae to run at large. The owner must make all reasonable efforts to return escaped farmed Cervidae to their enclosures as soon as possible. The owner must immediately notify the commissioner of natural resources of the escape of farmed Cervidae if the farmed Cervidae are not returned or captured by the owner within 24 hours of their escape.

(b) An owner is liable for expenses of another person in capturing, caring for, and returning farmed Cervidae that have left their enclosures if the person capturing the farmed Cervidae contacts the owner as soon as possible.

(c) If an owner is unwilling or unable to capture escaped farmed Cervidae, the commissioner of natural resources may destroy the escaped farmed Cervidae. The commissioner of natural resources must allow the owner to attempt to capture the escaped farmed Cervidae prior to destroying the farmed Cervidae. Farmed Cervidae that are not captured by 24 hours after escape may be destroyed.

(d) A hunter licensed by the commissioner of natural resources under chapter 97A may kill and possess escaped farmed Cervidae in a lawful manner and is not liable to the owner for the loss of the animal. A licensed hunter who harvests escaped farmed Cervidae under this paragraph must immediately notify the commissioner of natural resources.

(e) Escaped farmed Cervidae killed by a hunter or destroyed by the commissioner of natural resources must be tested for chronic wasting disease.

(f) The owner is responsible for proper disposal, as determined by the board, of farmed Cervidae that are killed or destroyed under this subdivision and test positive for chronic wasting disease.

(g) An owner is liable for any additional costs associated with escaped farmed Cervidae that are infected with chronic wasting disease. This paragraph may be enforced by the attorney general on behalf of any state agency affected.

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

Sec. 4. Minnesota Statutes 2022, section 35.155, subdivision 4, is amended to read:

Subd. 4. **Fencing.** Farmed Cervidae must be confined in a manner designed to prevent escape. Except as provided in subdivision 4a, all perimeter fences for farmed Cervidae must be at least 96 inches in height and be constructed and maintained in a way that prevents the escape of farmed Cervidae ~~or~~ entry into the premises by free-roaming Cervidae, and physical contact between farmed Cervidae and free-roaming Cervidae. ~~After July 1, 2019,~~ All new fencing installed and all fencing used to repair deficiencies must be high tensile. ~~By December 1, 2019,~~ All entry areas for farmed Cervidae enclosure areas must have two redundant gates, which must be maintained to prevent the escape of animals through an open gate. If a fence deficiency allows entry or exit by farmed or wild Cervidae, the owner must repair the deficiency within ~~a reasonable time, as determined by the Board of Animal Health, not to exceed 45~~ 14 days. If a fence deficiency is detected during an inspection, the facility must be reinspected at least once in the subsequent three months. The farmed Cervidae owner must pay a reinspection fee equal to one-half the applicable annual inspection fee under subdivision 7a for each reinspection related to a fence violation. If the facility experiences more than one escape incident in any six-month period or fails to correct a deficiency found during an inspection, the board may revoke the facility's registration and order the owner to remove or destroy the animals as directed by the board. If the board revokes a facility's registration, the commissioner of natural resources may seize and destroy animals at the facility.

EFFECTIVE DATE. This section is effective September 1, 2024.

Sec. 5. Minnesota Statutes 2022, section 35.155, is amended by adding a subdivision to read:

Subd. 4a. **Fencing; commercial herds.** In addition to the requirements in subdivision 4, commercially farmed white-tailed deer must be confined by two or more perimeter fences, with each perimeter fence at least 120 inches in height.

EFFECTIVE DATE. This section is effective September 1, 2024.

Sec. 6. Minnesota Statutes 2022, 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 allow new registrations under this section for possessing white-tailed deer. This paragraph does not prohibit a person holding a valid registration under this subdivision 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 valid registration 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 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. 7. Minnesota Statutes 2022, section 35.155, subdivision 11, is amended to read:

Subd. 11. **Mandatory surveillance for chronic wasting disease; depopulation.** (a) An inventory for each farmed Cervidae herd must be verified by an accredited veterinarian and filed with the Board of Animal Health every 12 months.

(b) Movement of farmed Cervidae from any premises to another location must be reported to the Board of Animal Health within 14 days of the movement on forms approved by the Board of Animal Health. A person must not move farmed white-tailed deer from a herd that tests positive for chronic wasting disease from any premises to another location.

(c) All animals from farmed Cervidae herds that are over ~~12~~ six months of age that die or are slaughtered must be tested for chronic wasting disease.

(d) The owner of a premises where chronic wasting disease is detected must:

(1) allow and cooperate with inspections of the premises as determined by the Board of Animal Health and Department of Natural Resources conservation officers and wildlife managers;

~~(1) (2) depopulate the premises of Cervidae after the federal indemnification process has been completed or, if an indemnification application is not submitted, within a reasonable time determined by the board in consultation with the commissioner of natural resources~~ 30 days;

~~(2) (3) maintain the fencing required under subdivision subdivisions 4 and 4a on the premises for five ten years after the date of detection; and~~

~~(3) (4) post the fencing on the premises with biohazard signs as directed by the board;~~

(5) not raise farmed Cervidae on the premises for at least ten years;

(6) before signing an agreement to sell or transfer the property, disclose in writing to the buyer or transferee the date of depopulation and the requirements incumbent upon the premises and the buyer or transferee under this paragraph; and

(7) record with the county recorder or registrar of titles, as appropriate, in the county where the premises is located a notice, in the form required by the board, that meets the recording requirements of sections 507.093 and 507.24 and includes the nearest address and the legal description of the premises, the date of detection, the date of depopulation, the landowner requirements under this paragraph, and any other information required by the board. The legal description must be the legal description of record with the county recorder or registrar of titles and must not otherwise be the real estate tax statement legal description of the premises. The notice expires and has no effect ten years after the date of detection stated in the notice. The registrar of titles must omit an expired notice from future certificates of title.

(e) An owner of farmed Cervidae that test positive for chronic wasting disease is responsible for proper disposal of the animals, as determined by the board.

Sec. 8. Minnesota Statutes 2022, section 35.155, is amended by adding a subdivision to read:

Subd. 11a. **Liability.** (a) A herd owner is liable in a civil action to a person injured by the owner's sale or unlawful disposal of farmed Cervidae infected with or exposed to chronic wasting disease. Action may be brought in a county where the farmed Cervidae are sold, delivered, or unlawfully disposed.

(b) A herd owner is liable to the state for costs associated with the owner's unlawful disposal of farmed Cervidae infected with or exposed to chronic wasting disease. This paragraph may be enforced by the attorney general on behalf of any state agency affected.

Sec. 9. Minnesota Statutes 2022, section 35.155, subdivision 12, is amended to read:

Subd. 12. **Importation.** (a) A person must not import live Cervidae or Cervidae semen into the state from a herd that is:

(1) infected with or has been exposed to chronic wasting disease; or

(2) from a known state or province where chronic wasting disease endemic area, as determined by the board is present in farmed or wild Cervidae populations.

(b) A person may import live Cervidae or Cervidae semen into the state only from a herd that:

(1) is not in a known located in a state or province where chronic wasting disease endemic area, as determined by the board, is present in farmed or wild Cervidae populations; and the herd

(2) has been subject to a state or provincial approved state- or provincial-approved chronic wasting disease monitoring program for at least three years.

(c) Cervidae or Cervidae semen imported in violation of this section may be seized and destroyed by the commissioner of natural resources.

(d) This subdivision does not apply to the interstate transfer of animals between two facilities accredited by the Association of Zoos and Aquariums.

(e) Notwithstanding this subdivision, the commissioner of natural resources may issue a permit allowing the importation of orphaned wild cervid species that are not susceptible to chronic wasting disease from another state to an Association of Zoos and Aquariums accredited institution in Minnesota following a joint risk-based assessment conducted by the commissioner and the institution.

Sec. 10. Minnesota Statutes 2022, section 35.156, subdivision 2, is amended to read:

Subd. 2. **Federal fund account.** (a) Money granted to the state by the federal government for purposes of chronic wasting disease must be credited to a separate account in the federal fund and, except as provided in paragraph (b), is annually appropriated to the commissioner of agriculture for the purposes for which the federal grant was made according to section 17.03.

(b) Money granted to the state by the federal government for response to, and remediation of, farmed or wild white-tailed deer infected with chronic wasting disease is annually appropriated to the commissioner of natural resources according to section 84.085, subdivision 1.

Sec. 11. Minnesota Statutes 2022, section 35.156, is amended by adding a subdivision to read:

Subd. 3. **Consultation required.** The Board of Animal Health and the commissioner of natural resources must consult the Minnesota Center for Prion Research and Outreach at the University of Minnesota and incorporate peer-reviewed scientific information when administering and enforcing section 35.155 and associated rules pertaining to chronic wasting disease and farmed Cervidae.

Sec. 12. Minnesota Statutes 2022, section 35.156, is amended by adding a subdivision to read:

Subd. 4. **Notice required.** The Board of Animal Health must promptly notify affected local units of government and Tribal governments when an animal in a farmed Cervidae herd tests positive for chronic wasting disease.

Sec. 13. Minnesota Statutes 2022, section 35.156, is amended by adding a subdivision to read:

Subd. 5. **Annual testing required.** (a) Annually beginning July 1, 2023, the Board of Animal Health must have each farmed white-tailed deer possessed by a person registered under section 35.155 tested for chronic wasting disease using a real-time quaking-induced conversion (RT-QuIC) test offered by a public or private diagnostic laboratory. Live-animal testing must consist of an ear biopsy, the collection of which must be managed by the Board of Animal Health, with each laboratory reporting RT-QuIC results to both the commissioner of natural resources and the Board of Animal Health in the form required by both agencies. If a white-tailed deer tests positive, the owner must have the animal tested a second time using an RT-QuIC test performed on both a second ear biopsy and a tonsil or rectal biopsy.

(b) If a farmed white-tailed deer tests positive using an RT-QuIC test performed on both a second ear biopsy and a tonsil or rectal biopsy, the owner must have the animal destroyed and tested for chronic wasting disease using a postmortem test approved by the Board of Animal Health.

(c) If a farmed white-tailed deer tests positive for chronic wasting disease under paragraph (b), the owner must depopulate the premises of farmed Cervidae as required under section 35.155, subdivision 11.

Sec. 14. **TRANSFER OF DUTIES; FARMED WHITE-TAILED DEER.**

(a) Responsibility for administering and enforcing the statutes and rules listed in clauses (1) and (2) for farmed white-tailed deer are, except as provided in paragraph (c), transferred pursuant to Minnesota Statutes, section 15.039, from the Board of Animal Health to the commissioner of natural resources:

(1) Minnesota Statutes, sections 35.153 to 35.156; and

(2) Minnesota Rules, parts 1721.0370 to 1721.0420.

(b) The Board of Animal Health retains responsibility for administering and enforcing the statutes and rules listed in paragraph (a), clauses (1) and (2), for all other farmed Cervidae.

(c) Notwithstanding Minnesota Statutes, section 15.039, subdivision 7, the transfer of personnel will not take place.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 15. **REVISOR INSTRUCTION.**

The revisor of statutes must recodify the relevant sections in Minnesota Statutes, chapter 35, and Minnesota Rules, chapter 1721, as necessary to conform with section 13. The revisor must also change the responsible agency, remove obsolete language, and make necessary cross-reference changes consistent with section 13 and the renumbering.

ARTICLE 7 MISCELLANEOUS

Section 1. **[3.8865] LEGISLATIVE WATER COMMISSION.**

Subdivision 1. **Establishment.** The Legislative Water Commission is established.

Subd. 2. Membership. (a) The Legislative Water Commission consists of 12 members appointed as follows:

(1) six members of the senate, including three majority party members appointed by the majority leader and three minority party members appointed by the minority leader; and

(2) six members of the house of representatives, including three majority party members appointed by the speaker of the house and three minority party members appointed by the minority leader.

(b) Members serve at the pleasure of the appointing authority and continue to serve until their successors are appointed or until a member is no longer a member of the legislative body that appointed the member to the commission. Vacancies must be filled in the same manner as the original positions. Vacancies occurring on the commission do not affect the authority of the remaining members of the Legislative Water Commission to carry out the functions of the commission.

(c) Members must elect a chair, vice-chair, and other officers as determined by the commission. The chair may convene meetings as necessary to perform the duties prescribed by this section.

Subd. 3. Commission staffing. The Legislative Coordinating Commission must employ staff and contract with consultants as necessary to enable the Legislative Water Commission to carry out its duties and functions.

Subd. 4. Powers and duties. (a) The Legislative Water Commission must review water policy reports and recommendations of the Environmental Quality Board, the Board of Water and Soil Resources, the Pollution Control Agency, the Department of Natural Resources, and the Metropolitan Council and other water-related reports as may be required by law or the legislature.

(b) The commission may conduct public hearings and otherwise secure data and comments.

(c) The commission must make recommendations as it deems proper to assist the legislature in formulating legislation.

(d) Data or information compiled by the Legislative Water Commission or its subcommittees must be made available to the Legislative-Citizen Commission on Minnesota Resources, the Clean Water Council, and standing and interim committees of the legislature upon request of the chair of the respective commission, council, or committee.

(e) The commission must coordinate with the Clean Water Council.

Subd. 5. Compensation. Members of the commission may receive per diem and expense reimbursement incurred doing the work of the commission in the manner and amount prescribed for per diem and expense payments by the senate Committee on Rules and Administration and the house of representatives Committee on Rules and Legislative Administration.

Subd. 6. Expiration. This section expires July 1, 2028.

Sec. 2. Minnesota Statutes 2022, section 18B.01, subdivision 31, is amended to read:

Subd. 31. **Unreasonable adverse effects on the environment.** "Unreasonable adverse effects on the environment" means any unreasonable risk to humans or the environment, taking into account the economic, social, and environmental costs and benefits of the use of any pesticide or seed treated with pesticide.

Sec. 3. **[18B.075] PESTICIDE-TREATED SEED.**

A person may not use, store, handle, distribute, or dispose of seed treated with pesticide in a manner that:

- (1) endangers humans, food, livestock, fish, or wildlife; or
- (2) will cause unreasonable adverse effects on the environment.

Sec. 4. Minnesota Statutes 2022, section 18B.09, subdivision 2, is amended to read:

Subd. 2. **Authority.** (a) Statutory and home rule charter cities may enact an ordinance, which may include penalty and enforcement provisions, containing one or both of the following:

(1) the pesticide application warning information contained in subdivision 3, including their own licensing, penalty, and enforcement provisions; and

(2) the pesticide prohibition contained in subdivision 4.

(b) Statutory and home rule charter cities may not enact an ordinance that contains more restrictive pesticide application warning information than is contained in subdivision subdivisions 3 and 4.

Sec. 5. Minnesota Statutes 2022, section 18B.09, is amended by adding a subdivision to read:

Subd. 4. **Application of certain pesticides prohibited.** (a) A person may not apply or use a pollinator-lethal pesticide within the geographic boundaries of a city that has enacted an ordinance under subdivision 2 prohibiting such use.

(b) For purposes of this subdivision, "pollinator-lethal pesticide" means a pesticide that has a pollinator protection box on the label or labeling or a pollinator, bee, or honey bee precautionary statement in the environmental hazards section of the label or labeling.

(c) This subdivision does not apply to:

(1) pet care products used to mitigate fleas, mites, ticks, heartworms, or other animals that are harmful to the health of a domesticated animal;

(2) personal care products used to mitigate lice and bedbugs;

(3) indoor pest control products used to mitigate insects indoors, including ant bait;

(4) pesticides as used or applied by the Metropolitan Mosquito Control District for public health protection if the pesticide includes vector species on the label;

(5) wood preservative pesticides used either within a sealed steel cylinder or inside an enclosed building at a secure facility by trained technicians and pesticide-treated wood products;

(6) pesticides used or applied to control or eradicate a noxious weed designated by the commissioner under section 18.79, subdivision 13; and

(7) pesticides used or applied on land used for agricultural production and located in an area zoned for agricultural use.

(d) The commissioner must maintain a list of pollinator-lethal pesticides on the department's website.

Sec. 6. Minnesota Statutes 2022, section 21.82, subdivision 3, is amended to read:

Subd. 3. **Treated seed.** For all named agricultural, vegetable, flower, or wildflower seeds which are treated, for which a separate label may be used, the label must contain:

- (1) a word or statement to indicate that the seed has been treated;
- (2) the commonly accepted, coined, chemical, or abbreviated generic chemical name of the applied substance;
- (3) the caution statement "Do not use for food, feed, or oil purposes" if the substance in the amount present with the seed is harmful to human or other vertebrate animals;
- (4) in the case of mercurials or similarly toxic substances, a poison statement and symbol;
- (5) a word or statement describing the process used when the treatment is not of pesticide origin; ~~and~~
- (6) the date beyond which the inoculant is considered ineffective if the seed is treated with an inoculant. It must be listed on the label as "inoculant: expires (month and year)" or wording that conveys the same meaning; and

(7) the caution statement, framed in a box and including a bee icon developed by the commissioner: "Planting seed treated with a neonicotinoid pesticide may negatively impact pollinator health. Please use care when handling and planting this seed" for any corn or soybean seed treated with a neonicotinoid pesticide.

Sec. 7. Minnesota Statutes 2022, 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. 8. **[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 pesticide.

(b) A person selling seed treated with pesticide at retail must post in a conspicuous location the guidance developed by the commissioner under paragraph (a).

Sec. 9. Minnesota Statutes 2022, section 85A.01, subdivision 1, is amended to read:

Subdivision 1. **Creation.** (a) The Minnesota Zoological Garden is established under the supervision and control of the Minnesota Zoological Board. The board consists of 30 public and private sector members having a background or interest in zoological societies or zoo management or an ability to generate community interest in the Minnesota Zoological Garden. Fifteen members shall be appointed by the board after consideration of a list supplied by board members serving on a nominating committee, and 15 members shall be appointed by the governor. One member of the board must be a resident of Dakota County and shall be appointed by the governor after consideration of the recommendation of the Dakota County Board. Board appointees shall not be subject to the advice and consent of the senate.

(b) To the extent possible, the board and governor shall appoint members who are residents of the various geographic regions of the state. Terms, compensation, and removal of members are as provided in section 15.0575, except that a member may be compensated at the rate of up to \$125 a day. In making appointments, the governor and board shall utilize the appointment process as provided under section 15.0597 and consider, among other factors, the ability of members to garner support for the Minnesota Zoological Garden.

(c) A member of the board may not be an employee of or have a direct or immediate family financial interest in a business that provides goods or services to the zoo. A member of the board may not be an employee of the zoo.

Sec. 10. Minnesota Statutes 2022, section 373.475, is amended to read:

373.475 COUNTY ENVIRONMENTAL TRUST FUND.

(a) Notwithstanding the provisions of chapter 282 and any other law relating to the apportionment of proceeds from the sale of tax-forfeited land, and except as otherwise provided in this section, a county board must deposit the money received from the sale of land under Laws 1998, chapter 389, article 16, section 31, subdivision 3, into an environmental trust fund established by the county under this section. The principal from the sale of the land may not be expended, and the county board may spend interest earned on the principal only for purposes related to the improvement of natural resources. To the extent money received from the sale is attributable to tax-forfeited land from another county, the money must be deposited in an environmental trust fund established under this section by that county board.

(b) Notwithstanding paragraph (a), St. Louis County may use up to 50 percent of the principal in an environmental trust fund established under this section for economic development and environmental projects within the county that protect the environment or create clean economy jobs and manufacturing.

Sec. 11. **[473.5491] METROPOLITAN CITIES INFLOW AND INFILTRATION GRANTS.**

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

(b) "Affordability criteria" means an inflow and infiltration project service area that is located, in whole or in part, in a census tract where at least three of the following apply as determined using the most recently published data from the United States Census Bureau or United States Centers for Disease Control and Prevention:

(1) 20 percent or more of the residents have income below the federal poverty thresholds;

(2) the tract has a United States Centers for Disease Control and Prevention Social Vulnerability Index greater than 0.80;

(3) the upper limit of the lowest quintile of household income is less than the state upper limit of the lowest quintile;

(4) the housing vacancy rate is greater than the state average; or

(5) the percent of the population receiving Supplemental Nutrition Assistance Program (SNAP) benefits is greater than the state average.

(c) "City" means a statutory or home rule charter city located within the metropolitan area.

Subd. 2. **Grants.** (a) The council shall make grants to cities for capital improvements in municipal wastewater collection systems to reduce the amount of inflow and infiltration to the council's metropolitan sanitary sewer disposal system.

(b) A grant under this section may be made in an amount up to 50 percent of the cost to mitigate inflow and infiltration in the publicly owned municipal wastewater collection system. The council may award a grant up to 100 percent of the cost to mitigate inflow and infiltration in the publicly owned municipal wastewater collection system if the project meets affordability criteria.

Subd. 3. **Eligibility.** To be eligible for a grant under this section, a city must be identified by the council as a contributor of excessive inflow and infiltration in the metropolitan disposal system or have a measured flow rate within 20 percent of its allowable council-determined inflow and infiltration limits.

Subd. 4. **Application.** The council must award grants based on applications from cities that identify eligible capital costs and include a timeline for inflow and infiltration mitigation construction, pursuant to guidelines established by the council. The council must prioritize applications that meet affordability criteria.

Subd. 5. **Cancellation.** If a grant is awarded to a city and funds are not encumbered for the grant within four years after the award date, the grant must be canceled.

Sec. 12. **[473.5492] COMMUNITY WASTEWATER COSTS; ANNUAL REPORT.**

By February 15 each year, the council must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over capital investment and environment and natural resources that provides a summary of the average monthly wastewater costs for communities in the metropolitan area for the previous calendar year.

Sec. 13. **50-YEAR CLEAN WATER PLAN SCOPE OF WORK.**

(a) The Board of Regents of the University of Minnesota, through the University of Minnesota Water Council, is requested to develop a scope of work, timeline, and budget for a plan to promote and protect clean water in Minnesota for the next 50 years. The 50-year clean water plan must:

(1) provide a literature-based assessment of the current status and trends regarding the quality and quantity of all Minnesota waters, both surface and subsurface;

(2) identify gaps in the data or understanding and provide recommended action steps to address gaps;

(3) identify existing and potential future threats to Minnesota's waters; and

(4) propose a road map of scenarios and policy recommendations to allow the state to proactively protect, remediate, and conserve clean water for human use and biodiversity for the next 50 years.

(b) The scope of work must outline the steps and resources necessary to develop the plan, including but not limited to:

(1) the data sets that are required and how the University of Minnesota will obtain access;

(2) the suite of proposed analysis methods;

(3) the roles and responsibilities of project leaders, key personnel, and stakeholders;

(4) the project timeline with milestones; and

(5) a budget with expected costs for tasks and milestones.

(c) By December 1, 2023, the Board of Regents of the University of Minnesota is requested to submit the scope of work to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for environment and natural resources; modifying prior appropriations; providing for and modifying disposition of certain receipts; modifying and establishing duties, authorities, and prohibitions regarding environment and natural resources; modifying and creating environment and natural resources programs; modifying and creating grant programs; reestablishing citizen board of Pollution Control Agency; reestablishing Legislative Water Commission; modifying Legislative-Citizen Commission on Minnesota Resources; modifying permit and environmental review requirements; modifying requirements for recreational vehicles; modifying state trail and state park provisions; establishing Lowland Conifer Carbon Reserve; modifying forestry provisions; modifying game and fish provisions; modifying regulation of farmed Cervidae; regulating certain seeds and pesticides; modifying Water Law; providing appointments; modifying and providing for fees; requiring reports; requiring rulemaking; amending Minnesota Statutes 2022, sections 13.643, subdivision 6; 16A.151, subdivision 2; 16A.152, subdivision 2; 17.118, subdivision 2; 18B.01, subdivision 31; 18B.09, subdivision 2, by adding a subdivision; 21.82, subdivision 3; 21.86, subdivision 2; 35.155, subdivisions 1, 4, 10, 11, 12, by adding subdivisions; 35.156, subdivision 2, by adding subdivisions; 84.02, by adding a subdivision; 84.0274, subdivision 6; 84.0276; 84.415, subdivisions 3, 6, 7, by adding a subdivision; 84.788, subdivision 5; 84.82, subdivision 2, by adding a subdivision; 84.821, subdivision 2; 84.84; 84.86, subdivision 1; 84.87, subdivision 1; 84.90, subdivision 7; 84.992, subdivisions 2, 5; 84D.02, subdivision 3; 84D.10, subdivision 3; 84D.15, subdivision 2; 85.015, subdivision 10; 85.052, subdivision 6; 85.055, subdivision 1; 85.536, subdivision 2; 85A.01, subdivision 1; 86B.005, by adding a subdivision; 86B.313, subdivision 4; 86B.415, subdivisions 1, 1a, 2, 3, 4, 5, 7; 89A.03, subdivision 5; 90.181, subdivision 2; 97A.015, by adding a subdivision; 97A.031; 97A.126; 97A.137, subdivision 3; 97A.315, subdivision 1; 97A.401, subdivision 1, by adding a subdivision; 97A.405, subdivision 5; 97A.421, subdivision 3; 97A.473, subdivisions 2, 2a, 2b, 5, 5a; 97A.474, subdivision 2; 97A.475, subdivisions 6, 7, 8, 10, 10a, 11, 12, 13, 41; 97B.071; 97B.301, subdivision 6; 97B.516; 97B.668; 97C.087, subdivision 2; 97C.315, subdivision 1; 97C.345, subdivision 1; 97C.355, by adding a subdivision; 97C.371, subdivisions 1, 2, 4; 97C.395, subdivision 1; 97C.601, subdivision 1; 97C.605, subdivisions 1, 2c, 3; 97C.611; 97C.836; 103B.101, subdivisions 2, 9, 16, by adding a subdivision; 103B.103; 103C.501, subdivisions 1, 4, 5, 6, by adding a subdivision; 103D.605,

subdivision 5; 103F.505; 103F.511, by adding subdivisions; 103G.005, by adding subdivisions; 103G.2242, subdivision 1; 103G.271, subdivision 6; 103G.287, subdivisions 2, 3; 103G.299, subdivisions 1, 2, 5, 10; 103G.301, subdivisions 2, 6, 7; 115.01, by adding subdivisions; 115.03, subdivision 1, by adding a subdivision; 115.061; 115A.03, by adding a subdivision; 115A.1415; 115A.565, subdivisions 1, 3; 115B.17, subdivision 14; 115B.171, subdivision 3; 115B.52, subdivision 4; 116.02; 116.03, subdivisions 1, 2a; 116.06, subdivision 1, by adding subdivisions; 116.07, subdivision 6, by adding subdivisions; 116C.03, subdivision 2a; 116P.05, subdivisions 1, 1a, 2; 116P.09, subdivision 6; 116P.11; 116P.15; 116P.16; 116P.18; 168.1295, subdivision 1; 171.07, by adding a subdivision; 297A.94; 325E.046; 325F.072, subdivisions 1, 3, by adding a subdivision; 373.475; Laws 2022, chapter 94, section 2, subdivisions 5, 8, 9; proposing coding for new law in Minnesota Statutes, chapters 3; 18B; 21; 84; 86B; 88; 97A; 97B; 97C; 103B; 103E; 103F; 103G; 115A; 116; 116P; 325E; 473; repealing Minnesota Statutes 2022, sections 84.033, subdivision 3; 84.944, subdivision 3; 86B.101; 86B.305; 86B.313, subdivisions 2, 3; 97A.145, subdivision 2; 97C.605, subdivisions 2, 2a, 2b, 5; 103C.501, subdivisions 2, 3; 115.44, subdivision 9; 116.011; 325E.389; 325E.3891; Minnesota Rules, parts 6100.5000, subparts 3, 4, 5; 6100.5700, subpart 4; 6115.1220, subpart 8; 6256.0500, subparts 2, 2a, 2b, 4, 5, 6, 7, 8; 8400.0500; 8400.0550; 8400.0600, subparts 4, 5; 8400.0900, subparts 1, 2, 4, 5; 8400.1650; 8400.1700; 8400.1750; 8400.1800; 8400.1900."

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

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

H. F. No. 2754, A bill for an act relating to commerce; establishing a biennial budget for Department of Commerce; modifying various provisions governing insurance; establishing a strengthen Minnesota homes program; regulating money transmitters; establishing and modifying provisions governing energy, renewable energy, and utility regulation; establishing a state competitiveness fund; making technical changes; establishing penalties; authorizing administrative rulemaking; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 46.131, subdivision 11; 62D.02, by adding a subdivision; 62D.095, subdivisions 2, 3, 4, 5; 62Q.46, subdivisions 1, 3; 62Q.81, subdivision 4, by adding a subdivision; 216B.62, subdivision 3b; 216C.264, subdivision 5, by adding subdivisions; 216C.375, subdivisions 1, 3, 10, 11; proposing coding for new law in Minnesota Statutes, chapters 53B; 65A; 216C; repealing Minnesota Statutes 2022, sections 53B.01; 53B.02; 53B.03; 53B.04; 53B.05; 53B.06; 53B.07; 53B.08; 53B.09; 53B.10; 53B.11; 53B.12; 53B.13; 53B.14; 53B.15; 53B.16; 53B.17; 53B.18; 53B.19; 53B.20; 53B.21; 53B.22; 53B.23; 53B.24; 53B.25; 53B.26; 53B.27, subdivisions 1, 2, 5, 6, 7.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
CLIMATE AND ENERGY FINANCE

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 "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025,

respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025. If an appropriation in this act is enacted more than once in the 2023 legislative session, the appropriation must be given effect only once.

APPROPRIATIONS
Available for the Year
Ending June 30
2024 **2025**

Sec. 2. **DEPARTMENT OF COMMERCE**

Subdivision 1. **Total Appropriation** **\$117,565,000** **\$32,790,000**

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
General	116,489,000	31,963,000
Petroleum Tank	1,076,000	1,097,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Energy Resources** **116,489,000** **31,693,000**

(a) \$150,000 the first year and \$150,000 the second year are to remediate vermiculite insulation from households that are eligible for weatherization assistance under Minnesota's weatherization assistance program state plan under Minnesota Statutes, section 216C.264. Remediation must be done in conjunction with federal weatherization assistance program services.

(b) \$20,000,000 the first year is to provide financial assistance to schools to purchase and install solar energy generating systems under Minnesota Statutes, section 216C.375. The appropriations under this section must be expended on schools located outside the electric service territory of the public utility that is subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation and is available until June 30, 2028.

(c) \$1,138,000 the first year is to provide financial assistance to schools that are state colleges and universities to purchase and install solar energy generating systems under Minnesota Statutes, section 216C.375. This appropriation must be expended on schools located outside the electric service territory of the public utility that is subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation and is available until June 30, 2034.

(d) \$189,000 the first year and \$189,000 the second year are for activities associated with a utility's implementation of a natural gas innovation plan under Minnesota Statutes, section 216B.2427.

(e) \$22,671,000 the first year and \$22,672,000 the second year are to provide grants to community action agencies and other agencies that weatherize residences 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. These appropriations are available until December 31, 2034.

Of the amount appropriated under this paragraph:

(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 services; and

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

The base in fiscal year 2026 is \$720,000 and the base in fiscal year 2027 is \$3,000,000.

(f) \$6,239,000 the first year and \$1,239,000 the second year are for the strengthen Minnesota homes program under Minnesota Statutes, section 65A.299, subdivision 4. Money under this paragraph is transferred from the general fund to the strengthen Minnesota homes account in the special revenue fund. The base in fiscal year 2026 is \$1,239,000 and the base in fiscal year 2027 is \$1,239,000.

(g) \$10,000,000 the first year is to implement the heat pump rebate program under Minnesota Statutes, section 216C.46, and to reimburse the reasonable costs incurred by the department to administer the program. Of this amount:

(1) \$7,200,000 the first year is to award rebates under Minnesota Statutes, section 216C.46, subdivision 4;

(2) \$1,400,000 the first year is to contract with an energy coordinator under Minnesota Statutes, section 216C.46, subdivision 5; and

(3) \$1,400,000 the first year is to conduct contractor training and support under Minnesota Statutes, section 216C.46, subdivision 6.

(h) \$5,000,000 the first year is to award rebates to purchase or lease eligible electric vehicles under Minnesota Statutes, section 216C.401. Rebates must be awarded under this paragraph only to

eligible purchasers located outside the retail electric service area of the public utility that is subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation and is available until June 30, 2026.

(i) \$500,000 the first year is to award grants under Minnesota Statutes, section 216C.402, to automobile dealers seeking certification to sell electric vehicles. Rebates must only be awarded under this paragraph to eligible dealers located outside the retail electric service area of the public utility that is subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation.

(j) \$5,000,000 the first year is for deposit in the solar on public buildings grant program account under Minnesota Statutes, section 216C.377. The appropriation in this paragraph must be used only to provide grants to public buildings located outside the electric service area of the electric utility subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation and remains available until June 30, 2027.

(k) \$3,000,000 the first year is for grants to the clean energy resource teams partnerships under Minnesota Statutes, section 216C.385, subdivision 2, to provide additional capacity to perform the duties specified under Minnesota Statutes, section 216C.385, subdivision 3. This appropriation is available until June 30, 2030.

(l) \$2,500,000 the first year and \$1,000,000 the second year are to implement energy benchmarking under Minnesota Statutes, section 216C.331. These appropriations are available until expended. The base in fiscal year 2026 is \$226,000 and the base in fiscal year 2027 is \$742,000.

Of the amount appropriated under this paragraph, \$750,000 the first year is to award grants to qualifying utilities that are not investor-owned utilities to support the development of technology for implementing energy benchmarking under Minnesota Statutes, section 216C.331. This is a onetime appropriation and is available until June 30, 2028.

(m) \$3,000,000 the first year is for grants to install on-site energy storage systems, as defined in Minnesota Statutes, section 216B.2422, subdivision 1, paragraph (f), with a capacity of 50 kilowatt hours or less and that are located outside the electric service area of the electric utility subject to Minnesota Statutes, section 116C.779. To receive a grant under this subdivision, an owner of the energy storage system must be operating a solar energy generating system at the same site as the energy storage system or have filed an application with a utility to interconnect a solar energy generating system at the same site as the energy storage system. This is a onetime appropriation and is available until June 30, 2027.

(n) \$164,000 each year is for activities required under Minnesota Statutes, sections 216B.1616 and 216B.1697, to review energy storage proposals made by utilities and to establish a docket to develop an energy storage peak shaving tariff.

(o) \$1,000,000 the first year is to award air ventilation pilot program grants for assessments, testing, and equipment upgrades in schools and for the commissioner's costs to administer the program. This is a onetime appropriation.

(p) \$164,000 the second year is for activities associated with a public utility's filing a transportation electrification plan under Minnesota Statutes, section 216B.1615. The base in fiscal year 2026 and beyond is \$164,000.

(q) \$77,000 each year is for activities associated with appeals of consumer complaints to the commission under Minnesota Statutes, section 216B.172.

(r) \$1,444,000 the first year and \$1,621,000 the second year are to maintain the current level of service delivery in the division of energy resources. The base in fiscal year 2026 and beyond is \$1,621,000.

(s) \$7,000,000 the first year is for grants to school districts, and transportation service providers and electric utilities on behalf of school districts, to purchase electric school buses and related infrastructure. This is a onetime appropriation and is available until June 30, 2033. Any unencumbered money remaining after June 30, 2033, cancels to the general fund.

(t) \$2,500,000 the first year is to award electric panel upgrade grants under Minnesota Statutes, section 216C.45, and to reimburse the reasonable costs incurred by the department to administer the program. Grants awarded with money appropriated under this paragraph must be awarded only to owners of single-family homes or multifamily buildings located outside the electric service area of the public utility subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation and is available until June 30, 2032. Any unexpended money remaining after June 30, 2032, cancels to the general fund.

(u) \$500,000 the first year is for a grant to the city of Anoka for feasibility studies and design, engineering, and environmental analysis related to the repair and reconstruction of the Rum River Dam. Findings from the feasibility studies must be incorporated into the design and engineering funded by the appropriation under this paragraph. This appropriation is onetime and is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

The appropriation under this paragraph includes money for the following feasibility studies:

(1) a study to assess the feasibility of adding a lock or other means for boats to traverse the dam to navigate between the lower Rum River and upper Rum River;

(2) a study to assess the feasibility of constructing the dam in a manner that would facilitate recreational river surfing at the dam site; and

(3) a study to assess the feasibility of constructing the dam in a manner to generate hydroelectric power.

Sec. 3. **PUBLIC UTILITIES COMMISSION**

\$10,331,000

\$10,689,000

(a) \$96,000 the second year is for activities associated with a public utility's filing a transportation electrification plan under Minnesota Statutes, section 216B.1615. The base in fiscal year 2026 and beyond is \$96,000.

(b) \$32,000 each year is for activities associated with determining compensation for participants in commission proceedings under Minnesota Statutes, section 216B.631.

(c) \$236,000 the first year and \$229,000 the second year are for activities associated with appeals of consumer complaints to the commission under Minnesota Statutes, section 216B.172.

(d) \$1,522,000 the first year and \$1,791,000 the second year are to maintain the current level of service delivery in the Public Utilities Commission. The base in fiscal year 2026 and beyond is \$1,791,000.

(e) \$227,000 each year is for activities required under Minnesota Statutes, sections 216B.1616 and 216B.1697, to review energy storage proposals made by utilities and to establish a docket to develop an energy storage peak shaving tariff.

Sec. 4. **POLLUTION CONTROL AGENCY**

\$2,000,000

\$-0-

\$2,000,000 the first year is to award city climate action grants to pay a contractor for providing greenhouse gas emissions data to grant applicants; provide technical assistance to applicants; and administer the program. Of this amount, 65 percent is available until December 31, 2024. Of the 65 percent, half is reserved for grant applicants located outside the counties of Hennepin, Ramsey, Anoka, Dakota, Scott, Carver, and Washington. Any unencumbered money remaining after December 31, 2024, are available to all eligible applicants until December 31, 2025. This is a onetime appropriation.

Sec. 5. **HIGHER EDUCATION****\$750,000****\$-0-**

Of the amount appropriated in the first year under section 2, subdivision 2, paragraph (1), \$750,000 the first year is for a grant to Building Owners and Managers Association Greater Minneapolis to establish partnerships with three technical colleges and high school career counselors with a goal of increasing the number of building engineers across Minnesota. This is a onetime appropriation and is available until June 30, 2028. The grant recipient must provide a detailed report describing how the grant funds were used to the chairs and ranking minority members of the legislative committees having jurisdiction over higher education by January 15 of each year until 2028. The report must describe the progress made toward the goal of increasing the number of building engineers and strategies used.

Sec. 6. **CLIMATE INNOVATION FINANCE AUTHORITY****\$20,000,000****\$-0-**

\$20,000,000 the first year is for purposes of Minnesota Statutes, section 216C.441.

Sec. 7. **UNIVERSITY OF MINNESOTA****\$1,000,000****\$1,000,000**

\$1,000,000 the first year and \$1,000,000 the second year are 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, including but not limited to droughts and floods. This is a onetime appropriation and is available until June 30, 2030. The base in fiscal year 2026 and beyond is \$1,000,000.

The appropriation under this section 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 be prepared for and adapt to projected physical changes in temperature, precipitation, and other weather parameters that affect crops, lands, horticulture, pests, and wildlife in ways that present challenges to the state's agricultural sector and the communities that depend on the agricultural sector; and

(2) communicate and interpret the latest research on critical weather trends and the scientific basis for critical weather trends to further prepare extension service staff throughout the state to educate and provide technical assistance to 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.

Sec. 8. **DEPARTMENT OF ADMINISTRATION**

\$1,712,000

\$367,000

(a) \$1,022,000 the first year and \$367,000 the second year are for activities regarding environmental analysis of construction materials under Minnesota Statutes, section 16B.312. Of the amount, \$200,000 the first year is to provide grants to assist manufacturers to obtain environmental product declarations for certain materials used in public buildings. This appropriation is available until June 30, 2030.

(b) \$690,000 the first year is to develop, oversee, and administer the sustainable building guidelines under Minnesota Statutes, section 16B.325, in consultation with the commissioner of commerce and the Center for Sustainable Building Research at the University of Minnesota. The appropriation under this paragraph includes money for the commissioner of administration to contract with the Center for Sustainable Building Research at the University of Minnesota to administer the guidelines. This is a onetime appropriation.

Sec. 9. **DEPARTMENT OF LABOR AND INDUSTRY**

\$100,000

\$-0-

\$100,000 the first year is for activities associated with adopting a new energy code for commercial buildings. The base in fiscal year 2026 is \$0 and the base in fiscal year 2027 is \$100,000.

ARTICLE 2

RENEWABLE DEVELOPMENT ACCOUNT APPROPRIATIONS

Section 1. **RENEWABLE DEVELOPMENT FINANCE.**

(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 "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

(b) If an appropriation in this article is enacted more than once in the 2023 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>2024</u>	<u>2025</u>
<u>\$67,614,000</u>	<u>\$18,829,000</u>

Sec. 2. DEPARTMENT OF COMMERCE

(a) The amounts that may be spent for each purpose are specified in the following subdivisions.

(b) \$100,000 the first year and \$100,000 the second year are to administer the "Made in Minnesota" solar energy production incentive program under Minnesota Statutes, section 216C.417. Any unspent amount remaining on June 30, 2025, cancels to the renewable development account.

(c) \$1,000,000 the first year and \$400,000 the second year are for a grant to the University of St. Thomas Center for Microgrid Research. The base in fiscal year 2026 is \$400,000.

The appropriations in this paragraph must be used by the University of St. Thomas Center for Microgrid Research to:

(1) increase the center's capacity to provide industry partners opportunities to test near-commercial microgrid products on a real world scale and to multiply opportunities for innovative research;

(2) procure advanced equipment and controls to enable the extension of the university's microgrid to additional buildings; and

(3) expand (i) hands-on educational opportunities for undergraduate and graduate electrical engineering students to increase understanding of microgrid operations, and (ii) partnerships with community colleges.

(d) \$9,126,000 the first year and \$3,329,000 the second year are to award rebates to purchase or lease eligible electric vehicles under Minnesota Statutes, section 216C.401. Rebates must be awarded under this paragraph only to eligible purchasers located within the retail electric service area of the public utility that is subject to Minnesota Statutes, section 116C.779. The base in fiscal year 2026 is \$0. These appropriations are available until June 30, 2026.

(e) \$500,000 the first year is to award grants under Minnesota Statutes, section 216C.402, to automobile dealers seeking certification from an electric vehicle manufacturer to sell electric vehicles. Rebates must only be awarded under this paragraph to eligible dealers located within the retail electric service area of the public utility that is subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation.

(f) \$7,000,000 the first year is for transfer to the electric school bus program account to provide grants to (1) accelerate the deployment of electric school buses and related electric vehicle infrastructure, and (2) to pay the commissioner's costs to administer Minnesota Statutes, section 216C.374. This is a onetime appropriation and is available until June 30, 2033.

(g) \$5,000,000 the first year is for deposit in the solar on public buildings grant program account for the grant program described in Minnesota Statutes, section 216C.377. The appropriation in this paragraph must be used only 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 is available until June 30, 2027.

(h) \$2,500,000 the first year is to award grants for upgrades to residential electric panels under Minnesota Statutes, section 216C.45, and pay the reasonable costs incurred by the department to administer Minnesota Statutes, section 216C.45. Appropriations made under this paragraph must be used only for grants to owners of residences that are located within the electric service area of the public utility that is subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation and is available until December 31, 2025.

(i) \$3,000,000 the first year is to award grants to install energy storage systems under Minnesota Statutes, section 216C.378, and to pay the reasonable costs incurred by the department to administer Minnesota Statutes, section 216C.378. This is a onetime appropriation and is available until June 30, 2027.

(j) \$3,000,000 in fiscal year 2024 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 site in St. Paul known as Area C in Minnesota Statutes, section 116C.7793. This appropriation is available until five years after the Pollution Control Agency issues a corrective action determination regarding the remediation of Area C. Any unexpended money remaining in the account as of that date cancels to the renewable development account.

(k) \$5,000,000 the first year and \$5,000,000 the second year are to provide grants to the public utility that is subject to Minnesota Statutes, section 116C.7792, to upgrade the public utility's distribution system to allow for the interconnection of distributed energy resources. The base in fiscal year 2026 is \$0.

(l) \$250,000 in fiscal year 2024 is for grants to the utility subject to Minnesota Statutes, section 116C.779, to implement the small interconnection cost-sharing program ordered by the Public Utilities Commission on December 19, 2022, in docket

No. E-002/M-18-714, to pay the costs of certain distribution upgrades for customers of the utility subject to Minnesota Statutes, section 116C.779, seeking interconnection of distributed generation of up to a certain size. This is a onetime appropriation.

(m) \$20,000,000 the first year is to provide financial assistance to schools to purchase and install solar energy generating systems under Minnesota Statutes, section 216C.375. The appropriations under this paragraph must be expended on schools located within the electric service territory of the public utility that is subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation and is available until June 30, 2028.

(n) \$5,000,000 the first year and \$5,000,000 the second year are to provide grants to community action agencies and other agencies that weatherize residences 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. The appropriations under this paragraph are available until December 31, 2034.

Sec. 3. **MINNESOTA AMATEUR SPORTS COMMISSION**

\$-0-

\$4,200,000

\$4,200,000 the second year is to install solar arrays. This appropriation may be used to replace the roof and install solar arrays on an ice rink and a maintenance facility at the National Sports Center in Blaine. This is a onetime appropriation.

Sec. 4. **DEPARTMENT OF ADMINISTRATION**

\$780,000

\$92,000

\$690,000 the first year is 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 but not limited to 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, in order 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 and tornadoes, flooding, and elevated temperatures; and

(2) may weaken the ability of natural systems to mitigate the conditions to the point where human intervention in the form of building or redesigning the scale and operation of infrastructure is required to address those 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 must submit a written report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over environment policy and capital investment summarizing the findings and recommendations of the research, including any recommendations for policy changes or other legislation. This is a onetime appropriation.

Sec. 5. **POLLUTION CONTROL AGENCY**

\$2,000,000

\$-0-

\$2,000,000 the first year is to award city climate action grants to pay a contractor for providing greenhouse gas emissions data to grant applicants; provide technical assistance to applicants; and administer the program. Of this amount, 65 percent is available until December 31, 2024. Of the 65 percent, half is reserved for grant applicants located outside the counties of Hennepin, Ramsey, Anoka, Dakota, Scott, Carver, and Washington. Any unencumbered money remaining after December 31, 2024, is available to all eligible applicants until December 31, 2025. This is a onetime appropriation.

ARTICLE 3
ELECTRIFICATION

Section 1. Minnesota Statutes 2022, section 16B.58, is amended by adding a subdivision to read:

Subd. 9. **Electric vehicle charging.** A person that charges a privately owned electric vehicle at a charging station located within the Capitol Area, as defined in section 15B.02, must pay an electric service fee established by the commissioner.

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

Sec. 2. Minnesota Statutes 2022, 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 according to the following vehicle preference order:

(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 may only reject a vehicle that is higher on the vehicle preference order 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 preferred vehicle type is more than ten percent higher than the next vehicle type on the vehicle preference order.

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

Sec. 3. Minnesota Statutes 2022, 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 vehicle preference order 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. 4. Minnesota Statutes 2022, 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, 2024.

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 drive mine truck" means a truck that carries mined rock from a mine pit for crushing operations and whose wheels are powered by electric drive motors.

(d) "Electric drive mine truck trolley system" means an electric trolley system that helps propel an electric drive mine truck out of a mine pit.

(e) "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;
- (5) an aircraft, as defined in section 360.013, subdivision 37; or

(6) an electric drive mine truck.

(f) "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.

(g) "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. Electric vehicle infrastructure includes an electric drive mine truck trolley system.

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

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

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

Subd. 2. Transportation electrification plan; contents. (a) By June 1, 2024, 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 customer incentives the utility provides and offers to support transportation electrification across all customer classes, including but not limited to investments and customer 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 (i) for low- or moderate-income customers and communities, and (ii) 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) A transportation electrification plan must include planned upgrades to and investments in a utility's distribution system that are necessary to accommodate future growth in transportation electrification and support the plan's proposed programs and activities.

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 customers 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 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 an approved transportation electrification plan, including expenditures on information technology

systems necessary to track activities and spending and to administer and implement transportation electrification plan programs, and investments made in a public utility's distribution system to support transportation electrification:

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

(2) performance-based incentives; or

(3) placing the investment, including (i) rebates for electric vehicle infrastructure and electric buses, and (ii) other costs reasonably incurred to support transportation electrification, in the public utility's rate base and allowing the public utility to earn a rate of return on the investment at the level approved by the commission in the public utility's most recent general rate case, unless the commission finds a different rate of return is in the public interest.

(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. **[216C.374] 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 deploying equipment that enables a used electric vehicle battery to be removed and exchanged for a fully charged electric vehicle battery.

(c) "Electric school bus" means an electric vehicle: (1) designed to carry a driver and more than ten passengers; and (2) primarily used to transport preprimary, primary, and secondary students.

(d) "Electric utility" means any utility that provides wholesale or retail electric service to customers in Minnesota.

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

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

(g) "Electric vehicle infrastructure" means electric vehicle charging stations and any associated electric panels, machinery, equipment, and infrastructure necessary for an electric utility to supply electricity to an electric vehicle charging station and to support electric vehicle operation.

(h) "Electric vehicle service provider" means an organization that installs, maintains, or otherwise services a battery exchange station, electric vehicle infrastructure, or electric vehicle charging stations.

(i) "Eligible applicant" means a school district or an electric utility, electric vehicle service provider, or transportation service provider applying for a grant under this section on behalf of a school district.

(j) "Federal vehicle electrification grants" means grants that fund electric school buses or electric vehicle infrastructure under the federal Infrastructure Investment and Jobs Act, Public Law 117-58, or the Inflation Reduction Act of 2022, Public Law 117-169.

(k) "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) areas in which levels of asthma among children significantly exceed the statewide average.

(l) "Prioritized school district" means:

(1) a school district listed in the Small Area Income and Poverty Estimates School District Estimates as having 7.5 percent or more students living in poverty based on the most recent decennial U.S. census;

(2) a school district identified with locale codes "43-Rural: Remote" and "42-Rural: Distant" by the National Center for Education Statistics;

(3) a school district funded by the Bureau of Indian Affairs; or

(4) a school district that receives basic support payments under United States Code, title 20, section 7703(b)(1), for children who reside on Indian land.

(m) "School" means a school that operates as part of an independent or special school district.

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

(o) "School district" means:

(1) an independent school district, as defined in section 120A.05, subdivision 10; or

(2) a special school district, as defined in section 120A.05, subdivision 14.

(p) "Transportation service provider" means a person that has a contract with a school district to transport students to and from school.

Subd. 2. **Establishment; purpose.** An electric school bus deployment program is established in the department. The purpose of the program is to provide grants to accelerate the deployment of electric school buses by school districts and to encourage schools to use vehicle electrification as a teaching tool that can be integrated into the school's curriculum.

Subd. 3. **Establishment of account.** An electric school bus program account is established as a separate account in the special revenue fund in the state treasury. The commissioner shall credit to the account appropriations and transfers to the account. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money in the account at the end of a fiscal year does not cancel to the general fund but remains available in the account until expended. The commissioner shall manage the account.

Subd. 4. **Appropriation; expenditures.** Money in the account is appropriated to the commissioner and 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, including the cost of providing technical assistance to eligible applicants, including but not limited to grant writing assistance for applications for federal vehicle electrification grants under subdivision 6, paragraph (c).

Subd. 5. Eligible grant expenditures. A grant awarded under this section may be used only to pay:

(1) a school district or transportation service provider to purchase one or more electric school buses, or convert or repower fossil-fuel-powered school buses to be powered by electricity;

(2) up to 75 percent of the cost a school district or transportation service provider incurs to purchase one or more electric school buses, or to convert or repower fossil-fuel-powered school buses to be powered by electricity;

(3) for prioritized school districts, up to 95 percent of the cost a school district or transportation service provider incurs to purchase one or more electric school buses, or to convert or repower fossil-fuel-powered school buses to be powered by electricity;

(4) up to 75 percent of the cost of deploying, on the school district or transportation service provider's real property, infrastructure required to operate electric school buses, including but not limited to battery exchange stations, electric vehicle infrastructure, or electric vehicle charging stations;

(5) for prioritized school districts, up to 95 percent of the cost of deploying, on the school district or transportation service provider's real property, infrastructure required to operate electric school buses, including but not limited to battery exchange stations, electric vehicle infrastructure, or electric vehicle charging stations; and

(6) the reasonable costs of technical assistance related to electric school bus deployment program planning and to prepare grant applications for federal vehicle electrification grants.

Subd. 6. Application process. (a) The commissioner must develop administrative procedures governing the application and grant award process.

(b) The commissioner must issue a request for proposals to eligible applicants who may wish to apply for a grant under this section on behalf of a school.

(c) An eligible applicant must submit an application for an electric school bus deployment grant to the commissioner on a form prescribed by the commissioner. The form must require an applicant to supply, at a minimum, the following information:

(1) the number of and a description of the electric school buses the school district or transportation service provider intends to purchase;

(2) the total cost to purchase the electric school buses and the incremental cost, if any, of the electric school buses when compared with fossil-fuel-powered school buses;

(3) a copy of the proposed contract agreement between the school district, the electric utility, the electric vehicle service provider, or the transportation service provider that includes provisions addressing responsibility for maintenance of the electric school buses and related electric vehicle infrastructure and battery exchange stations;

(4) whether the school district is a prioritized school district;

(5) areas of the school district that serve significant numbers of students eligible for free and reduced-price school meals, and areas that disproportionately experience poor air quality, as measured by indicators such as the Minnesota Pollution Control Agency's air quality monitoring network, the Minnesota Department of Health's air quality and health monitoring, or other relevant indicators;

(6) the school district's plan to prioritize the deployment of electric school buses in areas of the school district that:

(i) serve students eligible for free and reduced-price school meals;

(ii) experience disproportionately poor air quality; or

(iii) are located within environmental justice areas, as defined in section 216B.1691, subdivision 1, paragraph (e);

(7) areas of the school district that are located within environmental justice areas, as defined in section 216B.1691, subdivision 1, paragraph (e);

(8) the school district's plan, if any, to make the electric school buses serve as a visible learning tool for students, teachers, and visitors to the school, including how vehicle electrification may be integrated into the school district's curriculum;

(9) information that demonstrates the school district's level of need for financial assistance available under this section;

(10) any federal vehicle electrification grants awarded to or applied for by the eligible applicant for the same electric school buses or electric vehicle infrastructure proposed by the eligible applicant in a grant application made under this section;

(11) information that demonstrates the school district's readiness to implement the project and to operate the electric school buses for no less than five years;

(12) with respect to the installation and operation of the infrastructure required to operate electric school buses, the willingness and ability of the electric vehicle service provider or the electric utility to:

(i) pay employees and contractors a prevailing wage rate, as defined in section 177.42, subdivision 6; and

(ii) comply with section 177.43; and

(13) any other information deemed relevant by the commissioner.

(d) An eligible applicant may seek a technical assistance grant under this section to assist the eligible applicant apply for federal vehicle electrification grants. An eligible applicant seeking a technical assistance grant under this section must submit an application to the commissioner on behalf of a school district on a form prescribed by the commissioner. The form must include, at a minimum, the following information:

(1) the names of the federal programs to which the applicant intends to apply;

(2) a description of the technical assistance the applicants need in order to complete the federal application; and

(3) any other information deemed relevant by the commissioner.

(e) In awarding grants under this section, the commissioner must give priority to applications from or on behalf of prioritized school districts, and must endeavor to award no less than 40 percent of the total amount of grants awarded under this section to prioritized school districts.

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

Subd. 7. **Technical assistance.** The department must provide technical assistance to school districts to develop and execute projects applied for or funded by grants awarded under this section.

Subd. 8. **Grant amounts.** (a) In making grant awards under this section, the amount of the grant must be based on the commissioner's assessment of the school district's need for financial assistance.

(b) A grant awarded under this section, when combined with any federal vehicle electrification grants obtained by an eligible applicant for the same electric school buses or electric vehicle infrastructure as proposed by the eligible applicant in a grant application made under this section, must not exceed the total cost of the electric school buses or electric vehicle infrastructure funded by the grant.

Subd. 9. **Application deadline.** No application may be submitted under this section after December 31, 2032.

Subd. 10. **Reporting.** Beginning January 15, 2024, and each year thereafter until January 15, 2034, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy regarding:

(1) grants and amounts awarded to school districts under this section during the previous year; and

(2) any remaining balance available in the electric school bus program account.

Subd. 11. **Cost recovery.** (a) A prudent and reasonable investment on electric vehicle infrastructure installed on a school district's real property that is made by a public utility may be placed in the public utility's rate base and earn a rate of return 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 on electric vehicle infrastructure installed on a school district's real property.

Sec. 7. **[216C.401] ELECTRIC VEHICLE REBATES.**

Subdivision 1. **Definitions.** (a) For purposes of this section and section 216C.402, the terms in this subdivision have the meanings given.

(b) "Dealer" means a person, firm, or corporation that:

(1) possesses a new motor vehicle license under chapter 168;

(2) regularly engages in the business of manufacturing or selling, purchasing, and generally dealing in new and unused motor vehicles;

(3) has an established place of business to sell, trade, and display new and unused motor vehicles; and

(4) possesses new and unused motor vehicles to sell or trade the motor vehicles.

(c) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a, paragraphs (a) and (b), clause (3).

(d) "Eligible new electric vehicle" means an electric vehicle that meets the requirements of subdivision 2, paragraph (a).

(e) "Eligible used electric vehicle" means an electric vehicle that meets the requirements of subdivision 2, paragraph (b).

(f) "Lease" means a business transaction under which a dealer furnishes an eligible electric vehicle to a person for a fee under a bailor-bailee relationship where no incidences of ownership transferred other than the right to use the vehicle for a term of at least 24 months.

(g) "Lessee" means a person who leases an eligible electric vehicle from a dealer.

(h) "New eligible electric vehicle" means an eligible electric vehicle that has not been registered in any state.

Subd. 2. Eligible vehicle. (a) A new electric vehicle is eligible for a rebate under this section if the electric vehicle:

(1) has not been previously owned;

(2) is used by a dealer as a floor model or test drive vehicle and has not been previously registered in Minnesota or any other state;

(3) is returned to a dealer by a purchaser or lessee:

(i) within two weeks of purchase or leasing or when a purchaser's or lessee's financing for the electric vehicle has been disapproved; or

(ii) before the purchaser or lessee takes delivery, even if the electric vehicle is registered in Minnesota;

(4) has not been modified from the original manufacturer's specifications;

(5) has a base manufacturer's suggested retail price that does not exceed \$55,000;

(6) is purchased or leased from a dealer or directly from an original equipment manufacturer that does not have licensed franchised dealers in Minnesota; and

(7) is purchased or leased after the effective date of this act for use by the purchaser and not for resale.

(b) A used electric vehicle is eligible for an electric vehicle rebate under this section if the electric vehicle has previously been owned in Minnesota or another state and has not been modified from the original manufacturer's specifications.

Subd. 3. Eligible purchaser or lessee. A person who purchases or leases an eligible new or used electric vehicle is eligible for a rebate under this section if the purchaser or lessee:

(1) is one of the following:

(i) a resident of Minnesota, as defined in section 290.01, subdivision 7, paragraph (a), when the electric vehicle is purchased or leased;

(ii) a business that has a valid address in Minnesota from which business is conducted;

(iii) a nonprofit corporation incorporated under chapter 317A; or

(iv) a political subdivision of the state;

(2) has not received a rebate or tax credit for the purchase or lease of an electric vehicle from the state of Minnesota; and

(3) registers the electric vehicle in Minnesota.

Subd. 4. **Rebate amounts.** (a) A \$2,500 rebate may be issued under this section to an eligible purchaser to purchase or lease an eligible new electric vehicle.

(b) A \$500 rebate may be issued under this section to an eligible purchaser or lessee of an eligible used electric vehicle.

(c) A purchaser or lessee whose household income at the time the eligible electric vehicle is purchased or leased is less than 150 percent of the current federal poverty guidelines established by the United States Department of Health and Human Services is eligible for a rebate of \$500 to purchase or lease an eligible new electric vehicle and \$100 to purchase or lease an eligible used electric vehicle. The rebate under this paragraph is in addition to the rebate under paragraph (a) or (b), as applicable.

Subd. 5. **Limits.** The number of rebates allowed under this section is limited to:

(1) no more than one rebate per resident per household; and

(2) no more than one rebate per business entity per year.

Subd. 6. **Program administration.** (a) A rebate application under this section must be filed with the commissioner on a form developed by the commissioner.

(b) The commissioner must develop administrative procedures governing the application and rebate award process. Applications must be reviewed and rebates awarded by the commissioner on a first-come, first-served basis.

(c) The commissioner must, in coordination with dealers and other state agencies as applicable, develop a procedure to allow a rebate to be used by an eligible purchaser or lessee at the point of sale so that the rebate amount may be subtracted from the selling price of the eligible electric vehicle.

(d) The commissioner may reduce the rebate amounts provided under subdivision 4 or restrict program eligibility based on the availability of money to award rebates or other factors.

Subd. 7. **Expiration.** This section expires June 30, 2027.

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

Sec. 8. **[216C.402] GRANT PROGRAM; MANUFACTURERS' CERTIFICATION OF AUTO DEALERS TO SELL ELECTRIC VEHICLES.**

Subdivision 1. **Establishment.** A grant program is established in the department to award grants to dealers to offset the costs of obtaining 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 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. 9. **[216C.45] RESIDENTIAL ELECTRIC PANEL UPGRADE GRANT PROGRAM.**

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

(b) "Area median income" means the median income of the geographic area in which a single-family or multifamily building whose owner is applying for a grant under this section is located, as reported by the United States Department of Housing and Urban Development.

(c) "Automatic overcurrent protection device" means a device that protects against excess current by interrupting the flow of current.

(d) "Bus" means a metallic strip or bar that carries current.

(e) "Electric panel" means an enclosed box or cabinet containing a building's electric panels, including subpanels, that consists of buses, automatic overcurrent protection devices, and equipment, with or without switches to control light, heat, and power circuits. Electric panel includes a smart panel.

(f) "Electrical work" has the meaning given in section 326B.31, subdivision 17.

(g) "Eligible applicant" means:

(1) an owner of a single-family building whose occupants have an annual household income no greater than 150 percent of the area median income; or

(2) an owner of a multifamily building in which at least 50 percent of the units are occupied by households whose annual income is no greater than 150 percent of the area median income.

(h) "Multifamily building" means a building containing two or more units.

(i) "Smart panel" means an electrical panel that may be electronically programmed to manage electricity use in a building automatically.

(j) "Unit" means a residential living space in a multifamily building occupied by an individual or a household.

(k) "Upgrade" means:

(1) for a single-family residence:

(i) the installation of equipment, devices, and wiring necessary to increase an electrical panel's capacity to a total rating:

(A) of not less than 200 amperes; or

(B) that allows all the building's energy needs to be provided solely by electricity, as calculated using the National Electrical Code adopted in Minnesota; or

(ii) the installation of a smart panel with or without additional equipment, devices, or wiring; and

(2) for a multifamily building, the installation of equipment, devices, and wiring necessary to increase the capacity of an electric panel, including feeder panels, to a total rating that allows all the building's energy needs to be provided solely by electricity, as calculated using the National Electrical Code adopted in Minnesota.

Subd. 2. **Program establishment.** A residential electric panel upgrade grant program is established in the department to provide financial assistance to owners of single-family residences and multifamily buildings to upgrade residential electric panels.

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 the application and grant award process. The commissioner may contract with a third party to conduct some or all of the program's operations.

Subd. 4. **Grant awards.** A grant may be awarded under this section to:

(1) an eligible applicant; or

(2) with the written permission of an eligible applicant submitted to the commissioner, a contractor performing an upgrade or a third party on behalf of the eligible applicant.

Subd. 5. **Grant amount.** (a) Subject to the limits of paragraphs (b) to (e), a grant awarded under this section may be used to pay 100 percent of the equipment and installation costs of an upgrade.

(b) The commissioner may not award a grant to an eligible applicant under this section which, in combination with a federal grant awarded to the eligible applicant under the federal Inflation Reduction Act of 2022, Public Law 117-189, for the same electric panel upgrade, exceeds 100 percent of the equipment and installation costs of the upgrade.

(c) The maximum grant amount under this section that may be awarded to an eligible applicant who owns a single-family residence is:

(1) \$3,000 for an owner whose annual household income is less than 80 percent of area median income; and

(2) \$2,000 for an owner whose annual household income exceeds 80 percent but is not greater than 150 percent of area median income.

(d) The maximum grant amount that may be awarded under this section to an eligible applicant who owns a multifamily building is the sum of \$5,000, plus \$500 multiplied by the number of units containing a separate electric panel receiving an upgrade in the multifamily building, not to exceed \$50,000 per multifamily building.

(e) The commissioner may approve a grant amount that exceeds the maximum grant amount in paragraph (c) or (d), up to 100 percent of the equipment and installation costs of the upgrade, if the commissioner determines that a larger grant amount is necessary in order to complete the upgrade.

Subd. 6. **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. 7. **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. 8. **Contractor or subcontractor requirements.** Contractors and subcontractors performing electrical work under a grant awarded under this section:

(1) must comply with the provisions of sections 326B.31 to 326B.399;

(2) must certify that the electrical work is performed by a licensed journeyworker electrician or a registered unlicensed individual under the direct supervision of a licensed journeyworker electrician or master electrician employed by the same licensed electrical contractor; and

(3) must pay workers the prevailing wage rate, as defined in section 177.42, and are subject to the requirements and enforcement provisions in sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

Subd. 9. **Report.** Beginning January 1, 2025, and each January 1 through 2033, 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 describing the activities and expenditures under the program established in this section. The report must include, at a minimum:

(1) the number of units in multifamily buildings and the number of single-family residences whose owners received grants;

(2) the geographic distribution of grant recipients; and

(3) the average amount of grants awarded per building in multifamily buildings and in single-family residences.

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

Sec. 10. **TRANSPORTATION ELECTRIFICATION FACILITY UPGRADES; TARIFF FILING.**

No later than November 1, 2023, each public utility must file with the Public Utilities Commission revised tariffs for charges related to the extension, enlargement, or other modifications to the public utility's distribution system that are necessary to support transportation electrification.

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

Sec. 11. **REPEALER.**

Minnesota Statutes 2022, section 16B.24, subdivision 13, is repealed.

ARTICLE 4
ENERGY CONSERVATION AND STORAGE

Section 1. Minnesota Statutes 2022, section 16B.325, is amended to read:

16B.325 SUSTAINABLE BUILDING GUIDELINES.

Subdivision 1. **Development of sustainable building guidelines.** The Department of Administration and the Department of Commerce, with the assistance of other agencies, shall develop sustainable building design guidelines for all new state buildings by January 15, 2003, and for all major renovations of state buildings by February 1, 2009. ~~The primary objectives of these guidelines are to ensure that all new state buildings, and major renovations of state buildings, initially exceed the state energy code, as established in Minnesota Rules, chapter 7676, by at least 30 percent.~~

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

(b) "Capital project" or "project" means the acquisition or betterment of buildings or other fixed assets and other improvements of a capital nature.

(c) "CSBR" means the Center for Sustainable Building Research at the University of Minnesota.

(d) "Guidelines" means the sustainable building design guidelines developed under this section.

(e) "Major renovation" means a project that:

(1) has a renovated area that is at least 10,000 square feet; or

(2) includes, at a minimum, the replacement of the mechanical, ventilation, or cooling system of a building or a section of a building.

(f) "New building" means a newly constructed structure and additions to existing buildings that meet both of the following criteria:

(1) the addition is heated, whether or not the addition's source of energy is from an adjacent building or district heating system; and

(2) the addition is cooled, whether or not the addition's source of energy is from an adjacent building or district cooling system.

(g) "State agency" means a state agency that is appropriated money from the bond proceeds fund or general fund for a project that is subject to the guidelines under this section.

~~Subd. 2. **Lowest possible cost; energy conservation.** The guidelines must focus on achieving the lowest possible lifetime cost for new buildings and major renovations, and allow for changes in the guidelines that encourage continual energy conservation improvements in new buildings and major renovations. The guidelines shall define "major renovations" for purposes of this section. The definition may not allow "major renovations" to encompass less than 10,000 square feet or to encompass less than the replacement of the mechanical, ventilation, or cooling system of the building or a section of the building. The design guidelines must establish sustainability guidelines that include air quality and lighting standards and that create and maintain a healthy environment and facilitate productivity improvements; specify ways to reduce material costs; and must consider the long term operating costs of the building, including the use of renewable energy sources and distributed electric energy generation that uses a renewable source or natural gas or a fuel that is as clean or cleaner than natural gas.~~

Subd. 2a. **Guidelines; purpose.** (a) The primary objectives of the guidelines are to:

(1) reduce energy consumption and statewide greenhouse gas emissions, as defined in section 216H.01, subdivision 2;

(2) improve the quality of the environment;

(3) achieve the lowest possible lifetime cost for new buildings and major renovations; and

(4) encourage design of resilient buildings to adapt to and accommodate projected climate-related changes that are reflected in both acute events and chronic trends, including but not limited to changes in temperature and precipitation levels.

(b) The guidelines must consider the following to meet the objectives in paragraph (a):

(1) the health, well-being, and productivity of building occupants;

(2) material costs and sustainability;

(3) construction and operating costs;

(4) the use of renewable energy sources;

(5) water usage;

(6) diversion of waste from landfills;

(7) air quality and lighting standards;

(8) site design; and

(9) any other factors the commissioner deems relevant.

(c) The guidelines may be revised to encourage continual energy conservation improvements in new buildings and major renovations.

Subd. 3. **Development of guidelines; applicability.** (a) In developing the guidelines, the departments shall use an open process, including providing the opportunity for public comment. The guidelines established under this section are mandatory for all new buildings receiving funding from the bond proceeds fund after January 1, 2004, and for all major renovations receiving funding from the bond proceeds fund after January 1, 2009. The guidelines are also mandatory for all new buildings and major renovations receiving funding from the general fund after January 1, 2023.

(b) The guidelines do not apply to projects that have:

(1) already completed design at the time money is received from the bond proceeds fund or general fund; and

(2) not received an appropriation from the bond proceeds fund before January 1, 2023.

Subd. 4. **Guideline revisions.** ~~The commissioners of administration and commerce shall review the guidelines periodically and as soon as practicable revise the guidelines to incorporate performance standards developed under section 216B.241, subdivision 9.~~

Subd. 4a. **Guidelines; annual review.** On or before February 1, 2024, and each year thereafter, the commissioner of administration must review and amend the guidelines to better meet the goals under subdivision 6. The review must be conducted with the commissioner of commerce and in consultation with other stakeholders.

Subd. 5. **Guideline administration and oversight.** (a) The commissioner of administration, in consultation with the commissioner of commerce, shall contract with CSBR to administer the guidelines. At a minimum, CSBR must:

(1) offer training on an annual basis to state agencies, project team members, and other entities involved in designing projects subject to the guidelines on how projects may meet the guideline requirements;

(2) develop procedures for compliance with the guidelines, in accordance with the criteria under subdivision 7;

(3) periodically conduct postconstruction performance evaluations on projects to evaluate the effectiveness of the guidelines in meeting the goals under subdivision 6;

(4) determine whether project designs comply with the guidelines;

(5) administer a tracking system for all projects subject to the guidelines;

(6) develop measurable goals for the guidelines based in accordance with subdivision 6;

(7) offer technical assistance to state agencies, project team members, and other entities with responsibility for managing and designing projects subject to the guidelines;

(8) provide a report on or before December 1 annually to the commissioner of administration on the following:

(i) the current status of all projects subject to the guidelines and the projects' compliance with the guidelines; and

(ii) an analysis of the effects of the guidelines on the goals under subdivision 6; and

(9) perform any other duties required by the commissioner of administration to administer the guidelines.

(b) State agencies, project team members, and other entities that are responsible for managing or designing projects subject to the guidelines must provide any compliance data requested by CSBR that CSBR deems necessary to fulfill the duties described under this subdivision.

(c) The commissioner of administration is responsible for ensuring that the oversight duties under this subdivision are fulfilled.

Subd. 6. **Measurable goals.** CSBR, in collaboration with the commissioner of administration and the commissioner of commerce, must develop measurable goals for the guidelines based on the objectives and considerations described in subdivision 2a. The commissioner of administration must provide final approval of the goals under this subdivision.

Subd. 7. **Procedures.** (a) The commissioner of administration must develop procedures to administer the guidelines. The commissioner of administration may delegate guideline administration responsibilities to state agencies. The procedures under this subdivision must specify the administrative activities for which state agencies are responsible.

(b) The procedures must include:

(1) criteria to identify whether a project is subject to the guidelines;

(2) information on project team member roles and guideline administration requirements for each role;

(3) a process to notify projects subject to the guidelines of the guideline requirements;

(4) a guideline-related data submission process coordinated by the commissioner of administration;

(5) activities and a timeline to monitor project compliance with the guidelines; and

(6) record-keeping requirements and related retention schedules for materials related to guideline compliance.

Subd. 8. **Guidelines waivers.** (a) The commissioner of administration, in consultation with the commissioner of commerce and other stakeholders, must develop a process to review and approve waivers to the guidelines.

(b) A waiver under this subdivision is only permitted due to technological limitations or when the project's intended use conflicts with the guidelines.

(c) A waiver request for a project owned by a state agency must be reviewed and approved by the commissioner of administration. If the waiver request is for a project owned by the Department of Administration, the waiver request must be approved by the commissioner of management and budget.

Subd. 9. **Report.** The commissioner of administration must report to the legislature by February 1 of each year. The report must include:

(1) information on the current status of all projects subject to the guidelines and the projects' compliance with the guidelines;

(2) an analysis of the effects of the guidelines on the measurable goals under subdivision 6; and

(3) any other information the commissioner of administration deems relevant.

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

Sec. 2. Minnesota Statutes 2022, section 216B.1611, is amended by adding a subdivision to read:

Subd. 5. **Distributed generation capacity; treatment.** (a) No later than November 1, 2023, the commission must issue an order clarifying that for the purpose of interconnecting an on-site customer-owned distributed generation facility, the capacity of the facility must be measured and expressed as:

(1) export capacity rather than nameplate capacity; and

(2) alternating current capacity.

(b) For the purposes of this subdivision, "export capacity" means a distributed generation facility's nameplate capacity net of any limitations on the amount of power the distributed generating facility is capable of exporting to a utility's distribution system resulting from physical equipment that is part of or connected to the generating facility, including but not limited to an inverter, relay, or energy storage system, as defined in section 216B.2422, subdivision 1, paragraph (f), as reported to the utility by the owner of the distributed generation facility.

(c) The owner of a distributed generation facility interconnected to a utility's distribution system may not increase the export capacity of the distributed generation facility beyond the level that was first interconnected to the utility's distribution system without the utility's written approval. The utility must respond in writing to an owner's notice of intent to increase export capacity within 90 days of the date the notice of interest is received, and may reject the request only upon determining that approving the request would reduce safety or the reliability of electric service.

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

Sec. 3. **[216B.1616] ENERGY STORAGE; PEAK SHAVING TARIFF.**

(a) No later than September 15, 2023, the commission must initiate a docket designed to result in a commission order requiring public utilities providing electric service to file a tariff with the commission, based on guidelines established in the order, to compensate customer-owners of on-site energy storage systems, as defined in section 216B.2422, subdivision 1, paragraph (f), for the discharge of stored energy that is net input to the utility during periods of peak electricity demand by utility customers.

(b) Within 90 days of the date the commission issues an order under this subdivision, each public utility must file with the commission for commission approval, disapproval, or modification a tariff that is consistent with the order.

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

Sec. 4. **[216B.1697] ENERGY STORAGE SYSTEMS; DEPLOYMENT TARGETS.**

Subdivision 1. **Definition.** For the purposes of this section, "energy storage system" has the meaning given in section 216B.2422, subdivision 1.

Subd. 2. **Deployment targets.** (a) Each utility required to file a resource plan under section 216B.2422 must deploy energy storage systems of a capacity determined by the commission under paragraph (b). No later than December 31, 2033, the aggregate statewide capacity of energy storage systems deployed by all utilities subject to this section must be at least 3,000 megawatts.

(b) No later than October 1, 2023, the commission must issue an order specifying the amount of energy storage capacity required of each utility subject to this section in order to meet the statewide capacity target and schedule in paragraph (a). The amount of energy storage capacity required of an individual utility must be calculated by

dividing each utility's total electric retail sales to Minnesota customers in 2022 by total electric retail sales to Minnesota customers in 2022 of all utilities subject to this section, and multiplying that quotient by 3,000 megawatts. The commission may establish interim energy storage capacity targets that utilities are required to meet before the 2033 target date.

Subd. 3. **Application.** (a) A utility must file an application with the commission prior to installing each proposed energy storage system. Each application must contain:

(1) the energy storage system's technical specifications, including but not limited to:

(i) the maximum amount of electric output that the energy storage system can provide;

(ii) the length of time the energy storage system can sustain maximum output;

(iii) the location of the project within the utility's distribution system and a description of the analysis conducted to determine the location;

(iv) a description of the utility's electric system needs that the proposed energy storage system addresses;

(v) a description of the types of services the energy storage system is expected to provide; and

(vi) a description of the technology required to construct, operate, and maintain the energy storage system, including any data or communication system necessary to operate the energy storage system;

(2) the estimated cost of the project, including:

(i) capital costs;

(ii) the estimated cost per unit of energy delivered by the energy storage system; and

(iii) an evaluation of the cost-effectiveness of the energy storage system;

(3) the estimated benefits of the energy storage system to the utility's electric system, including but not limited to:

(i) deferred investments in generation, transmission, or distribution capacity;

(ii) reduced need for electricity during times of peak demand;

(iii) improved reliability of the utility's transmission or distribution system; and

(iv) improved integration of the utility's renewable energy resources;

(4) a description indicating how the addition of an energy storage system complements the utility's proposed actions described in the most recent integrated resource plan submitted under section 216B.2422 to meet expected demand with the least expensive combination of resources; and

(5) any additional information required by the commission.

(b) A utility must include in the application an evaluation of the potential to store energy throughout the utility's electric system and must identify geographic areas in the utility's service area where the deployment of energy storage systems has the greatest potential to achieve the economic benefits identified in paragraph (a), clause (3).

Subd. 4. **Commission review.** The commission must review each proposal submitted under this section and may approve, reject, or modify the proposal. The commission must approve a proposal the commission determines: (1) is in the public interest; and (2) reasonably balances the value derived from the deployment of an energy storage system for ratepayers and the utility's operations with the cost to procure, construct, operate, and maintain the energy storage system.

Subd. 5. **Cost recovery.** A public utility may recover from ratepayers all costs prudently incurred by the public utility to deploy an energy storage system approved by the commission under this section, net of any revenues generated by the operation of the energy storage system.

Subd. 6. **Reporting; compliance.** The commission must establish reporting procedures for utilities that are sufficient in content and frequency to keep the commission informed regarding compliance with this section.

Subd. 7. **Commission authority; orders.** The commission may issue orders and conduct proceedings necessary to implement and administer this section.

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

Sec. 5. Minnesota Statutes 2022, section 216B.2402, subdivision 16, is amended to read:

Subd. 16. **Low-income household.** "Low-income household" means a household whose household income:

(1) is ~~60~~ 80 percent or less of the state area median household income; for the geographic area in which the low-income household is located, as calculated by the United States Department of Housing and Urban Development; or

(2) meets the income eligibility standards, as determined by the commissioner, required for a household to receive financial assistance from a federal, state, municipal, or utility program administered or approved by the department.

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

Sec. 6. Minnesota Statutes 2022, 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 incorporate in the utility's resource planning the energy storage targets the utility is required to meet under section 216B.1697 and 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) the factors identified in section 216B.1697, subdivision 3, paragraph (a), clause (3); and

~~(2)~~ (3) evaluating ancillary services.

(b) The assessment must employ appropriate modeling methods to enable the analysis required in paragraph (a).

Sec. 7. Minnesota Statutes 2022, section 216C.05, subdivision 2, is amended to read:

Subd. 2. **Energy policy goals.** It is the energy policy of the state of Minnesota that:

(1) annual energy savings equal to at least 1.5 percent of annual retail energy sales of electricity and natural gas ~~be~~ is achieved through cost-effective energy efficiency;

(2) the per capita use of fossil fuel as an energy input ~~be~~ is reduced by 15 percent by the year 2015, through increased reliance on energy efficiency and renewable energy alternatives;

(3) 25 percent of the total energy used in ~~the state~~ be Minnesota is derived from renewable energy resources by the year 2025; ~~and~~

(4) energy use in existing commercial and residential buildings is reduced by 50 percent by 2035, and is achieved by: (i) using the most effective current energy-saving incentive programs, evaluated by participation and efficacy; and (ii) developing and implementing new programs, prioritizing solutions that achieve the highest overall carbon reduction; and

~~(4)~~ (5) retail electricity rates for each customer class ~~be~~ are at least five percent below the national average.

Sec. 8. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision to read:

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

(b) "Low-income conservation program" means a utility program that offers energy conservation services to low-income households under sections 216B.2403, subdivision 5, and 216B.241, subdivision 7.

(c) "Preweatherization measure" has the meaning given in section 216B.2402, subdivision 20.

(d) "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 reduce energy use in a cost-effective manner.

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

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

Sec. 9. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision to read:

Subd. 1b. **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, including 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. 10. Minnesota Statutes 2022, 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:

(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 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 a project in a multifamily building to proceed even if the project cannot comply with the federal requirement that the project must be completed within the same federal fiscal year in which a 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. 11. **[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) The commissioner may award grants 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, 2025, 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. The report must detail 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. 12. **[216C.331] ENERGY BENCHMARKING.**

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

(b) "Aggregated customer energy use data" means customer energy use data, which is combined into one collective data point per time interval. Aggregated customer energy use data is data with any unique identifiers or other personal information removed that a qualifying utility collects and aggregates in at least monthly intervals for an entire building on a covered property.

(c) "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.

(d) "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.

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

(f) "Customer energy use data" refers to data collected from the utility customer meters that reflect the quantity, quality, or timing of customers' usage.

(g) "Covered property" means any property that is served by an investor-owned utility in the metropolitan area as defined in section 473.121, subdivision 2, or by a municipal energy utility or investor-owned utility in any city outside the metropolitan area with a population of over 50,000 residents, and that has one or more buildings containing in sum 50,000 gross square feet or greater. Covered property does not include:

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

(2) a property that is: (i) classified as manufacturing under the North American Industrial Classification System (NAICS); (ii) an energy-intensive trade-exposed customer, as defined in section 216B.1696; (iii) an electric power generation facility; or (iv) otherwise an industrial building incompatible with benchmarking in the benchmarking tool;

(3) an agricultural building; or

(4) a multitenant building that is served by a utility that cannot supply aggregated customer usage data, and other property types that do not meet the purposes of this section, as determined by the commissioner.

(h) "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.

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

(j) "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.

(k) "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.

(l) "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.

(m) "Local government" means a statutory or home rule municipality or county.

(n) "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.

(o) "Qualifying utility" means a utility serving the covered property, including:

(1) an electric or gas utility, including:

(i) an investor-owned electric or gas utility; or

(ii) a municipally owned electric or gas utility;

(2) a natural gas supplier with five or more active commercial connections, accounts, or customers in the state; or

(3) a district steam, hot water, or chilled water provider.

(p) "Tenant" means a person that occupies or holds possession of a building or part of a building or premises pursuant to a rental or lease agreement.

(q) "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.

(r) "Utility customer" means the building owner or tenant listed on the utility's records as the customer liable for payment of the utility service or additional charges assessed on the utility account.

Subd. 2. **Establishment.** The commissioner must establish and maintain a building energy benchmarking program. 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 an owner adopts energy conservation measures in the owner's building 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 (square feet)</u>
<u>1</u>	<u>100,000 or more</u>
<u>2</u>	<u>50,000 to 99,999</u>

Subd. 4. **Benchmarking requirement.** (a) An owner must annually benchmark all covered property owned as of December 31 in conformity with the schedule in subdivision 7. 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 data identified as missing or incorrect.

(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.

(d) Nothing in this subdivision prohibits an owner of property that is not a covered property from voluntarily benchmarking a property under this section.

Subd. 5. Exemption by individual building. (a) The commissioner may exempt an owner of a covered property from the requirements of subdivision 4 if the owner provides evidence satisfactory to 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; or

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

(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, a 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. Exemption by other government benchmarking program. An owner is exempt from the requirements of subdivision 4 for a covered property if the property is subject to a benchmarking requirement by the state, a city, or other political subdivision with a benchmarking requirement that the commissioner determines is equivalent or more stringent, as determined under subdivision 11, paragraph (b), than the benchmarking requirement established in this section. The exemption under this subdivision applies in perpetuity unless or until the benchmarking requirement is changed or revoked and the commissioner determines the benchmarking requirement is no longer equivalent nor more stringent.

Subd. 7. Benchmarking schedule. (a) 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, 2025, and by every June 1 thereafter; and

(2) all Class 2 properties by June 1, 2026, and by every June 1 thereafter.

(b) Beginning June 1, 2025, for Class 1 properties, and June 1, 2026, for Class 2 properties, an owner who is selling a covered property must provide the following to the new owner at the time of sale:

(1) benchmarking information for the most recent 12-month period, including monthly energy use by source; or

(2) ownership of the digital property record in the benchmarking tool through an online transfer.

Subd. 8. Utility data requirements. (a) In implementing this section, a qualifying utility shall implement the data aggregation standards established by the commission in docket number 19-505, including changes to the standards adopted in an order issued after the effective date of this section. A municipal energy utility serving a covered property under this section shall adopt data aggregation standards that are substantially similar to the standards included in the commission's order in that docket and subsequent relevant orders.

(b) Customer energy use data that a qualifying utility provides an owner pursuant to this subdivision must be:

(1) available on, or able to be requested through, an easily navigable web portal or online request form using up-to-date standards for digital authentication;

(2) provided to the owner within 30 days after receiving the owner's valid written or electronic request;

(3) provided for at least 24 consecutive months of energy consumption or as many months of consumption data that are available if the owner has owned the building for less than 24 months;

(4) directly uploaded to the owner's benchmarking tool account, delivered in the spreadsheet template specified by the benchmarking tool, or delivered in another format approved by the commissioner;

(5) provided to the owner on at least an annual basis until the owner revokes the request for energy use data or sells the covered property; and

(6) provided in monthly intervals, or the shortest available intervals based in billing.

(c) Data necessary to establish, utilize, or maintain information in the benchmarking tool under this section may be collected or shared as provided by this section and are considered public data whether or not the data have been aggregated.

Subd. 9. 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;

(3) collaborate with the Department of Revenue to collect the data necessary for establishing the covered property list annually; and

(4) provide technical guidance to utilities in the establishment of data aggregation and access tools.

(b) Upon request of the commissioner, a county assessor shall provide readily available property data necessary for the development of the covered property list, including but not limited to gross floor area, property type, and owner information by January 15 annually.

(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 by the commissioner to each of the owner's covered properties.

Subd. 10. **Data disclosure to public.** (a) The commissioner must post on the department's website and update by December 1 annually the following information for the previous calendar year:

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

(2) annual summary statistics on energy use for all covered properties, aggregated by covered property class, as defined in subdivision 3, city, and 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 7; and

(4) for each covered property, at a minimum, the address, total energy use, energy use intensity, annual greenhouse gas emissions, and energy performance score, if available.

(b) The commissioner must post the information required under this subdivision for:

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

(2) all Class 2 properties by November 1, 2026, and by every November 1 thereafter.

Subd. 11. **Coordination with other benchmarking programs.** (a) The commissioner shall coordinate with any state agency or local government that implements an energy benchmarking program, including the coordination of reporting requirements.

(b) This section does not restrict a local government from adopting or implementing an ordinance or resolution that imposes more stringent benchmarking requirements. For purposes of this section, a local government benchmarking program is more stringent if the program requires:

(1) buildings to be benchmarked that are not required to be benchmarked under this section; or

(2) benchmarking of information that is not required to be benchmarked under this section.

(c) Benchmarking program requirements of local governments must:

(1) be at least as comprehensive in scope and application as the program operated under this section; and

(2) include annual enforcement of a penalty on covered properties that do not comply with the local government's benchmarking ordinance.

(d) Local governments must notify the commissioner of the local government's existing benchmarking ordinance requirements. Local governments must notify the commissioner of new, changed, or revoked ordinance requirements, which when made by December 31 would apply to the benchmarking schedule for the following year.

(e) The commissioner shall make available for local governments upon request all benchmarking data for covered properties within the local government's jurisdiction by December 1, annually.

Subd. 12. **Building performance disclosure to occupants.** The commissioner must provide disclosure materials for public display within a building to building owners, so that building owners can prominently display the performance of the building. The materials must include the number of stars assigned to the building by the commissioner under subdivision 9, paragraph (c), and a relevant explanation of the rating.

Subd. 13. **Notifications.** 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 the current year.

Subd. 14. **Program implementation.** The commissioner may contract with an independent third party to implement any or all of the commissioner's duties required under this section. To implement the benchmarking program, the commissioner shall assist building owners to increase energy efficiency and reduce greenhouse gas emissions from the owners' buildings, including by providing outreach, training, and technical assistance to building owners to help the owners' buildings come into compliance with the benchmarking program.

Subd. 15. **Enforcement.** By June 15 each year, the commissioner must notify the owner of each covered property required to comply with this section that has failed to comply that the owner has until July 15 to come into compliance, unless the owner requests an extension, in which case the owner has until August 15 to come into compliance. If an owner fails to comply with the requirements of this section by July 15 and fails to request an extension by that date, or is given an extension and fails to comply by August 15, the commissioner may impose a civil fine of \$1,000 on the owner. The commissioner may by rule increase the civil fine to adjust for inflation.

Subd. 16. **Recovery of expenses.** The commission shall allow a public utility to recover reasonable and prudent expenses of implementing this section under section 216B.16, subdivision 6b. The costs and benefits associated with implementing this section may, at the discretion of the utility, be excluded from the calculation of net economic benefits for purposes of calculating the financial incentive to the public utility under section 216B.16, subdivision 6c. The energy and demand savings may, at the discretion of the public utility, be applied toward the calculation of overall portfolio energy and demand savings for purposes of determining progress toward annual goals under section 216B.241, subdivision 1c, and in the financial incentive mechanism under section 216B.16, subdivision 6c.

EFFECTIVE DATE. This section is effective the day following final enactment, except that subdivision 15 is effective June 15, 2026.

Sec. 13. **[216C.378] ENERGY STORAGE INCENTIVE PROGRAM.**

(a) The public utility subject to section 116C.779 must develop and operate a program to provide a grant to customers to reduce the cost to purchase and install an on-site energy storage system, as defined in section 216B.2422, subdivision 1, paragraph (f). The public utility subject to this section must file a plan with the commissioner to operate the program no later than November 1, 2023. The public utility must 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) In order 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 public 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 public utility subject to this section to interconnect a solar energy generating system at the same site as the proposed energy storage system.

(d) The amount of a grant awarded under this section must be based on the number of watt-hours that reflects the duration of the energy storage system at the system's rated capacity, up to a maximum of \$5,000.

(e) 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.

(f) 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.

(g) 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.

Sec. 14. **[216C.46] RESIDENTIAL HEAT PUMP REBATE PROGRAM.**

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

(b) "Eligible applicant" means a person who provides evidence to the commissioner's satisfaction demonstrating that the person has received or has applied for a heat pump rebate available from the federal Department of Energy under the Inflation Reduction Act of 2022, Public Law 117-189.

(c) "Heat pump" means a cold climate rated air-source heat pump composed of (1) a mechanism that heats and cools indoor air by transferring heat from outdoor or indoor air using a fan, (2) a refrigerant-filled heat exchanger, and (3) an inverter-driven compressor that varies the pressure of the refrigerant to warm or cool the refrigerant vapor.

Subd. 2. **Establishment.** A residential heat pump rebate program is established in the department to provide financial assistance to eligible applicants that purchase and install a heat pump in the applicant's Minnesota residence.

Subd. 3. **Application.** (a) An application for a rebate under this section must be made to the commissioner on a form developed by the commissioner. The application must be accompanied by documentation, as required by the commissioner, demonstrating that:

(1) the applicant is an eligible applicant;

(2) the applicant owns the Minnesota residence in which the heat pump is to be installed;

(3) the applicant has had an energy audit conducted of the residence in which the heat pump is to be installed within the last 18 months by a person with a Building Analyst Technician certification issued by the Building Performance Institute, Inc., or an equivalent certification, as determined by the commissioner;

(4) either:

(i) the applicant has installed in the applicant's residence, by a contractor with an Air Leakage Control Installer certification issued by the Building Performance Institute, Inc., or an equivalent certification, as determined by the commissioner, the amount of insulation and the air sealing measures recommended by the auditor; or

(ii) the auditor has otherwise determined that the amount of insulation and air sealing measures in the residence are sufficient to enable effective heat pump performance;

(5) the applicant has purchased a heat pump of the capacity recommended by the auditor or contractor, and has had the heat pump installed by a contractor with sufficient training and experience in installing heat pumps, as determined by the commissioner; and

(6) the total cost to purchase and install the heat pump in the applicant's residence.

(b) The commissioner must develop administrative procedures governing the application and rebate award processes.

Subd. 4. Rebate amount. A rebate awarded under this section must not exceed the lesser of:

(1) \$4,000; or

(2) the total cost to purchase and install the heat pump in an eligible applicant's residence net of the rebate amount received for the heat pump from the federal Department of Energy under the Inflation Reduction Act of 2022, Public Law 117-189.

Subd. 5. Assisting applicants. The commissioner must issue a request for proposal seeking an entity to serve as an energy coordinator to interact directly with applicants and potential applicants to:

(1) explain the technical aspects of heat pumps, energy audits, and energy conservation measures, and the energy and financial savings that can result from implementing each;

(2) identify federal, state, and utility programs available to homeowners to reduce the costs of energy audits, energy conservation, and heat pumps;

(3) explain the requirements and scheduling of the application process;

(4) provide access to certified contractors who can perform energy audits, install insulation and air sealing measures, and install heat pumps; and

(5) conduct outreach to make potential applicants aware of the program.

Subd. 6. Contractor training and support. The commissioner must issue a request for proposals seeking an entity to develop and organize programs to train contractors with respect to the technical aspects and installation of heat pumps in residences. The training curriculum must be at a level sufficient to provide contractors who complete

training with the knowledge and skills necessary to install heat pumps to industry best practice standards, as determined by the commissioner. Training programs must: (1) be accessible in all regions of the state; and (2) provide mentoring and ongoing support, including continuing education and financial assistance, to trainees.

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

Sec. 15. Minnesota Statutes 2022, section 216E.01, is amended by adding a subdivision to read:

Subd. 3a. **Energy storage system.** "Energy storage system" means equipment and associated facilities designed with a nameplate capacity of 5,000 kilowatts or more that is capable of storing generated electricity for a period of time and delivering the electricity for use after storage.

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

Sec. 16. Minnesota Statutes 2022, section 216E.01, subdivision 6, is amended to read:

Subd. 6. **Large electric power facilities.** "Large electric power facilities" means high voltage transmission lines ~~and~~ large electric power generating plants, ~~and~~ energy storage systems.

Sec. 17. Minnesota Statutes 2022, section 216E.03, subdivision 1, is amended to read:

Subdivision 1. **Site permit.** No person may construct a large electric generating plant ~~or an energy storage system~~ without a site permit from the commission. A large electric generating plant ~~or an energy storage system~~ 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. 18. Minnesota Statutes 2022, section 216E.03, subdivision 3, is amended to read:

Subd. 3. **Application.** Any person seeking to construct a large electric power ~~generating plant or a high voltage transmission line~~ facility must apply to the commission for a site or route permit, as applicable. The application shall contain such information as the commission may require. The applicant shall propose at least two sites for a large electric power ~~generating plant~~ facility and two routes for a high-voltage transmission line. Neither of the two proposed routes may be designated as a preferred route and all proposed routes must be numbered and designated as alternatives. The commission shall determine whether an application is complete and advise the applicant of any deficiencies within ten days of receipt. An application is not incomplete if information not in the application can be obtained from the applicant during the first phase of the process and that information is not essential for notice and initial public meetings.

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

Sec. 19. Minnesota Statutes 2022, section 216E.03, subdivision 5, as amended by Laws 2023, chapter 7, section 25, 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~~ facility 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 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, excluding any alternate site for a solar energy generating system that was not proposed by an applicant.

(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. 20. Minnesota Statutes 2022, section 216E.03, subdivision 6, is amended to read:

Subd. 6. **Public hearing.** The commission shall hold a public hearing on an application for a site or route permit for a large electric power ~~generating plant or a route permit for a high voltage transmission line facility~~. All hearings held for designating a site or route shall be conducted by an administrative law judge from the Office of Administrative Hearings pursuant to the contested case procedures of chapter 14. Notice of the hearing shall be given by the commission at least ten days in advance but no earlier than 45 days prior to the commencement of the hearing. Notice shall be by publication in a legal newspaper of general circulation in the county in which the public hearing is to be held and by certified mail to chief executives of the regional development commissions, counties, organized towns, townships, and the incorporated municipalities in which a site or route is proposed. Any person may appear at the hearings and offer testimony and exhibits without the necessity of intervening as a formal party to the proceedings. The administrative law judge may allow any person to ask questions of other witnesses. The administrative law judge shall hold a portion of the hearing in the area where the power plant or transmission line is proposed to be located.

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

Sec. 21. Minnesota Statutes 2022, section 216E.03, subdivision 7, as amended by Laws 2023, chapter 7, section 26, 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 facilities~~ 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;

(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 (i) the protection and enhancement of environmental quality, and (ii) 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 Minnesota, including the quantity and quality of construction and permanent jobs and their 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 local employment and economic impacts.

(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. 22. Minnesota Statutes 2022, section 216E.04, subdivision 2, as amended by Laws 2023, chapter 7, section 29, 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 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; and
- (9) energy storage systems.

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

Sec. 23. Minnesota Statutes 2022, section 216E.05, subdivision 2, is amended to read:

Subd. 2. **Applicable projects.** Applicants may seek approval from local units of government to construct the following projects:

- (1) large electric power generating plants with a capacity of less than 80 megawatts;
- (2) large electric power generating plants of any size that burn natural gas and are intended to be a peaking plant;
- (3) high-voltage transmission lines of between 100 and 200 kilovolts;
- (4) substations with a voltage designed for and capable of operation at a nominal voltage of 100 kilovolts or more;
- (5) a high-voltage transmission line service extension to a single customer between 200 and 300 kilovolts and less than ten miles in length; ~~and~~
- (6) 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
- (7) energy storage systems.

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

Sec. 24. Minnesota Statutes 2022, section 216E.06, is amended to read:

216E.06 EMERGENCY PERMIT.

(a) Any utility whose electric power system requires the immediate construction of a large electric power ~~generating plant or high voltage transmission line~~ facility due to a major unforeseen event may apply to the commission for an emergency permit. The application shall provide notice in writing of the major unforeseen event and the need for immediate construction. The permit must be issued in a timely manner, no later than 195 days after the commission's acceptance of the application and upon a finding by the commission that (1) a demonstrable emergency exists, (2) the emergency requires immediate construction, and (3) adherence to the procedures and time schedules specified in section 216E.03 would jeopardize the utility's electric power system or would jeopardize the utility's ability to meet the electric needs of its customers in an orderly and timely manner.

(b) A public hearing to determine if an emergency exists must be held within 90 days of the application. The commission, after notice and hearing, shall adopt rules specifying the criteria for emergency certification.

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

Sec. 25. Minnesota Statutes 2022, section 216E.07, is amended to read:

216E.07 ANNUAL HEARING.

The commission shall hold an annual public hearing at a time and place prescribed by rule in order to afford interested persons an opportunity to be heard regarding any matters relating to the siting and routing of large electric power ~~generating power plants and routing of high voltage transmission lines~~ facilities. At the meeting, the commission shall advise the public of the permits issued by the commission in the past year. The commission shall provide at least ten days but no more than 45 days' notice of the annual meeting by mailing or serving electronically, as provided in section 216.17, a notice to those persons who have requested notice and by publication in the EQB Monitor and the commission's weekly calendar.

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

Sec. 26. Minnesota Statutes 2022, section 216E.10, is amended to read:

216E.10 APPLICATION TO LOCAL REGULATION AND OTHER STATE PERMITS.

Subdivision 1. **Site or route permit prevails over local provisions.** To assure the paramount and controlling effect of the provisions herein over other state agencies, regional, county, and local governments, and special purpose government districts, the issuance of a site permit or route permit and subsequent purchase and use of such site or route locations for large electric power ~~generating plant and high voltage transmission line~~ facility purposes shall be the sole site or route approval required to be obtained by the utility. Such permit shall supersede and preempt all zoning, building, or land use rules, regulations, or ordinances promulgated by regional, county, local and special purpose government.

Subd. 2. **Other state permits.** Notwithstanding anything herein to the contrary, utilities shall obtain state permits that may be required to construct and operate large electric power ~~generating plants and high voltage transmission lines~~ facilities. A state agency in processing a utility's facility permit application shall be bound to the decisions of the commission, with respect to the site or route designation, and with respect to other matters for which authority has been granted to the commission by this chapter.

Subd. 3. **State agency participation.** (a) State agencies authorized to issue permits required for construction or operation of large electric power generating plants or high-voltage transmission lines shall participate during routing and siting at public hearings and all other activities of the commission on specific site or route designations and design considerations of the commission, and shall clearly state whether the site or route being considered for designation or permit and other design matters under consideration for approval will be in compliance with state agency standards, rules, or policies.

(b) An applicant for a permit under this section or under chapter 216G shall notify the commissioner of agriculture if the proposed project will impact cultivated agricultural land, as that term is defined in section 216G.01, subdivision 4. The commissioner may participate and advise the commission as to whether to grant a permit for the project and the best options for mitigating adverse impacts to agricultural lands if the permit is granted. The Department of Agriculture shall be the lead agency on the development of any agricultural mitigation plan required for the project.

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

Sec. 27. Minnesota Statutes 2022, 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. 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~~ mitigate the impact of climate change by increasing energy efficiency, improving resiliency, and reducing greenhouse gas emissions of new buildings and of existing buildings undergoing additions, alterations, and changes of use.

(e) Beginning in 2024, the commissioner shall act on the new model commercial energy code by adopting each new published edition of ASHRAE 90.1 or a more efficient standard. The commercial energy code in effect in 2036 and thereafter must achieve an 80 percent reduction in annual net energy consumption or greater, using the ASHRAE 90.1-2004 as a baseline. The commissioner shall adopt commercial energy codes from 2024 to 2036 that incrementally move toward achieving the 80 percent reduction in annual net energy consumption. By January 15 of the year following each new code adoption, the commissioner shall report on the progress made under this section to the legislative committees with jurisdiction over the energy code.

Sec. 28. **RULEMAKING AUTHORIZED.**

(a) The commission is authorized to develop and adopt rules for siting energy storage systems and to reflect the provisions of this act.

(b) Until the commission adopts rules under this section, the commission shall utilize applicable provisions of Minnesota Rules, chapter 7850, to site energy storage systems, except that Minnesota Rules, part 7850.4400, subpart 4, does not apply to energy storage systems.

(c) For the purposes of this section, "energy storage system" has the meaning given in Minnesota Statutes, section 216E.01, subdivision 3a.

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

Sec. 29. **REVISOR INSTRUCTION.**

The revisor of statutes shall make any necessary changes in Minnesota Rules resulting from the changes made to Minnesota Statutes, chapter 216E, in this act.

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

ARTICLE 5
PUBLIC UTILITIES COMMISSION PROCEDURES

Section 1. Minnesota Statutes 2022, section 216B.17, subdivision 1, is amended to read:

Subdivision 1. **Investigation.** On its the commission'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 a complainant files with the commission 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 who files with the consumer affairs office a complaint against a public utility.

(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, harms a complainant.

Complaint does not include an objection to or a request to modify any 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; and (2) provide written notice of (i) the complainant's right to appeal the resolution to the commission, and (ii) the 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. Nothing in this section affects any other rights existing under this chapter or other law.

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 that the commission 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 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 be resolved through an informal proceeding before the commission or referred to the Office of Administrative Hearings for a contested case proceeding, the executive secretary must issue any procedural schedules, notices, or orders required to initiate an informal proceeding or a contested case.

(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 the median income in Minnesota.

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. **[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 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.

(c) "Party" means a person by or against whom a proceeding before the commission is commenced or a person permitted to intervene in a proceeding, other than public hearings, concerning one or more public utilities.

(d) "Proceeding" means a process or procedural means the commission engages in under this chapter to attempt to resolve an issue affecting one or more public utilities and that results in a commission order.

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

Subd. 2. **Participants; eligibility.** Any of the following participants is eligible to receive compensation under this section:

(1) a nonprofit organization that:

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

(ii) is incorporated or organized in Minnesota;

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

(iv) the commission determines under subdivision 3, paragraph (c), would 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 incurred to participate in a proceeding before the commission if the participant is eligible under subdivision 2 and 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) In 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) In 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 beginning of the applicable proceeding;

(2) has payroll expenses less than \$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) In reviewing a compensation request, the commission must consider whether the costs presented in the participant's claim are reasonable. If the commission determines that an eligible participant materially assisted the commission's deliberation, the commission shall award all or part of the requested compensation, up to the maximum amounts provided under subdivision 4.

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 and be awarded compensation of up to \$50,000 for costs incurred in each calendar year; and

(2) in an integrated resource plan proceeding under section 216B.2422 or a proceeding that has been referred to the Office of Administrative Hearings for a contested case proceeding, a participant may request and be awarded up to \$75,000.

(b) No single participant may be awarded 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 give priority to requests from participants that received less than \$150,000 in total compensation during the previous two years and from participants who represent residential ratepayers, particularly those residential ratepayers who the participant can demonstrate have been underrepresented in past commission proceedings.

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 organization'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, not including overhead costs;

(7) participant revenues dedicated for the proceeding;

(8) the total compensation request; and

(9) 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 or participant 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 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 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, 2026, 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. The report must include but is 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 of the participation of 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. 4. REPEALER.

Minnesota Statutes 2022, section 216B.16, subdivision 10, is repealed.

ARTICLE 6
CLIMATE

Section 1. **[16B.312] CONSTRUCTION MATERIALS; ENVIRONMENTAL ANALYSIS.**

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

(b) "Carbon steel" means steel in which the main alloying element is carbon and whose properties are chiefly dependent on the percentage of carbon present.

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

(d) "Electric arc furnace" means a furnace that produces molten alloy metal and heats the charge materials with electric arcs from carbon electrodes.

(e) "Eligible material" means:

(1) carbon steel rebar;

(2) structural steel;

(3) concrete; or

(4) asphalt paving mixtures.

(f) "Eligible project" means:

(1) new construction of a state building larger than 50,000 gross square feet of occupied or conditioned space;

(2) renovation of more than 50,000 gross square feet of occupied or conditioned space in a state building whose renovation cost exceeds 50 percent of the building's assessed value; or

(3) new construction or reconstruction of two or more lane-miles of a trunk highway.

(g) "Environmental product declaration" means a supply chain specific type III environmental product declaration that:

(1) contains a material production life cycle 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 by a third party; and

(3) meets the ISO 14025 standard developed and maintained by the International Organization for Standardization (ISO).

(h) "Global warming potential" has the meaning given in section 216H.10, subdivision 6.

(i) "Greenhouse gas" has the meaning given to "statewide greenhouse gas emissions" in section 216H.01, subdivision 2.

(j) "Integrated steel production" means the production of iron and subsequently steel primarily from iron ore or iron ore pellets.

(k) "Material production life cycle" means an analysis that includes the environmental impacts of all stages of a specific product's production, from mining and processing the product's raw materials to the process of manufacturing the product.

(l) "Rebar" means a steel reinforcing bar or rod encased in concrete.

(m) "Secondary steel production" means the production of steel from primarily ferrous scrap and other metallic inputs that are melted and refined in an electric arc furnace.

(n) "State building" means a building owned by the state of Minnesota or a Minnesota state agency.

(o) "Structural steel" means steel that is classified by the shape of the steel's cross-sections, such as I, T, and C shapes.

(p) "Supply chain specific" means an environmental product declaration that includes specific data for the production processes of the materials and components composing a product that contribute at least 80 percent of the product's material production life cycle global warming potential, as defined in ISO standard 21930.

Subd. 2. Standard; maximum global warming potential. (a) The commissioner shall, after reviewing the recommendations from the Environmental Standards Procurement Task Force made under subdivision 5, paragraph (c), establish and publish a maximum acceptable global warming potential for each eligible material used in an eligible project, in accordance with the following schedule:

(1) for concrete used in buildings, no later than January 15, 2026; and

(2) for carbon steel rebar and structural steel and, after conferring with the commissioner of transportation, for asphalt paving mixtures and concrete pavement, no later than January 15, 2028.

(b) The commissioner shall, after considering nationally or internationally recognized databases of environmental product declarations for an eligible material, establish the maximum acceptable global warming potential for the eligible material.

(c) The commissioner may set different maximum global warming potentials for different specific products and subproduct categories that are examples of the same eligible material based on distinctions between eligible material production and manufacturing processes, such as integrated versus secondary steel production.

(d) The commissioner must establish maximum global warming potentials that are consistent with criteria in an environmental product declaration.

(e) Not later than three years after establishing the maximum global warming potential for an eligible material under paragraph (a) and not longer than every three years thereafter the commissioner, after conferring with the commissioner of transportation with respect to asphalt paving mixtures and concrete pavement, shall review the maximum acceptable global warming potential for each eligible material and for specific eligible material products. The commissioner may adjust any of the values downward to reflect industry improvements if, based on the process described in paragraph (b), the commissioner determines the industry average has declined.

Subd. 3. Procurement process. The Department of Administration and the Department of Transportation shall, after reviewing the recommendations of the Environmental Standards Procurement Task Force made under subdivision 5, paragraph (c), establish processes for incorporating the maximum allowable global warming potential of eligible materials into bidding processes by the effective dates listed in subdivision 2.

Subd. 4. Pilot program. (a) No later than July 1, 2024, the Department of Administration must establish a pilot program that seeks to obtain from vendors an estimate of the material production life cycle greenhouse gas emissions of products selected by the departments from among those procured. The pilot program must encourage, but may not require, a vendor to submit the following data for each selected product that represents at least 90 percent of the total cost of the materials or components composing the selected product:

(1) the quantity of the product purchased by the department;

(2) a current environmental product declaration for the product;

(3) the name and location of the product's manufacturer;

(4) a copy of the vendor's Supplier Code of Conduct, if any;

(5) the names and locations of the product's actual production facilities; and

(6) an assessment of employee working conditions at the product's production facilities.

(b) The Department of Administration must construct or provide access to a publicly accessible database, which shall be posted on the department's website and contain the data reported to the department under this subdivision.

Subd. 5. Environmental Standards Procurement Task Force. (a) No later than October 1, 2023, 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 material production life cycle environmental impacts of the 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 materials.

(b) The task force must examine, at a minimum, the following:

(1) which construction materials should be subject to the program requirements and which construction materials should be considered to be added, including lumber, aluminum, glass, and insulation;

(2) what factors should be considered in establishing greenhouse gas emissions standards, including distinctions between eligible material production and manufacturing processes, such as integrated versus secondary steel production;

(3) a schedule for the development of standards for specific materials and for incorporating the standards into the purchasing process, including distinctions between eligible material production and manufacturing processes;

(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 to ensure that lowering environmental product declaration values does not negatively impact the durability or longevity of construction materials or built structures;

(7) how to create and manage a database for environmental product declaration data that is consistent with data governance procedures of the state and is compatible for data sharing with other states and federal agencies;

(8) how to account for differences among geographical regions with respect to the availability of covered materials, fuel, and other necessary resources, and the quantity of covered materials that the department uses or plans to use;

(9) how the issues in clauses (1) to (5) are addressed by existing programs in other states and countries;

(10) coordinating with the federal Buy Clean Task Force established under Executive Order 14057 and representatives of the United States Departments of Commerce, Energy, Housing and Urban Development, and Transportation; Environmental Protection Agency; General Services Administration; White House Office of Management and Budget; and the White House Domestic Climate Policy Council; and

(11) any other issues the task force deems relevant.

(c) The task force shall make recommendations to the commissioners of administration and transportation regarding:

(1) how to implement requirements that maximum global warming impacts for eligible materials be integrated into the bidding process for eligible projects;

(2) incentive structures that can be included in bidding processes to encourage the use of materials whose global warming potential is below the maximum established under subdivision 2;

(3) how a successful bidder for a contract notifies the commissioner of the specific environmental product declaration for a material used on a project;

(4) a process for waiving the requirements to procure materials below the maximum global warming potential resulting from product supply problems, geographic impracticability, or financial hardship;

(5) a system for awarding grants to manufacturers of eligible materials located in Minnesota to offset the cost of obtaining environmental product declarations or otherwise collect environmental product declaration data from manufacturers based in Minnesota;

(6) whether to use an industry average or a different method to set the maximum allowable global warming potential, or whether that average could be used for some materials but not others; and

(7) any other items the task force deems necessary in order to implement this section.

(d) Members of the task force must include but are not limited to representatives of:

(1) the Departments of Administration and Transportation;

(2) the Center for Sustainable Building Research at the University of Minnesota;

(3) the Aggregate and Ready Mix Association of Minnesota;

(4) the Concrete Paving Association of Minnesota;

(5) the Minnesota Asphalt Pavement Association;

(6) the Minnesota Board of Engineering;

(7) the Minnesota iron mining industry;

(8) building and transportation construction firms;

(9) suppliers of eligible materials;

(10) organized labor in the construction trades;

(11) organized labor in the manufacturing or industrial sectors;

(12) environmental advocacy organizations; and

(13) environmental justice organizations.

(e) The Department of Administration must provide meeting space and serve as staff to the task force.

(f) The commissioner of administration or the commissioner's designee shall serve as chair of the task force. The task force must meet at least four times annually and may convene additional meetings at the call of the chair.

(g) The commissioner of administration shall 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 December 1, 2025, and annually thereafter for as long as the task force continues its operations.

(h) The task force is subject to section 15.059, subdivision 6.

(i) The task force expires on January 1, 2029.

Subd. 6. **Environmental product declarations; grant program.** A grant program is established in the Department of Administration to award grants to assist manufacturers to obtain environmental product declarations. The commissioner of administration shall develop procedures for processing grant applications and making grant awards. Grant applicants must submit an application to the commissioner on a form prescribed by the commissioner. The commissioner shall act as fiscal agent for the grant program and is responsible for receiving and reviewing grant applications and awarding grants under this subdivision.

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

Sec. 2. **[216C.441] MINNESOTA CLIMATE INNOVATION FINANCE AUTHORITY.**

Subdivision 1. **Establishment; purpose.** (a) There is created a public body corporate and politic to be known as the "Minnesota Climate Innovation Finance Authority," whose purpose is to accelerate the deployment of clean energy projects, greenhouse gas emissions reduction projects, and other qualified projects through the strategic deployment of public funds in the form of grants, loans, credit enhancements, and other financing mechanisms in order to leverage existing public and private sources of capital to reduce the upfront and total cost of qualified projects and to overcome financial barriers to project adoption, especially in low-income communities.

(b) The goals of the authority include but are not limited to:

(1) reducing Minnesota's contributions to climate change by accelerating the deployment of clean energy projects;

(2) ensuring that all Minnesotans share the benefits of clean and renewable energy and the opportunity to fully participate in the clean energy economy by promoting:

(i) the creation of clean energy jobs for Minnesota workers, particularly in environmental justice communities and communities in which fossil fuel electric generating plants are retiring; and

(ii) the principles of environmental justice in the authority's operations and funding decisions; and

(3) maintaining energy reliability while reducing the economic burden of energy costs, especially on low-income households.

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

(b) "Authority" means the Minnesota Climate Innovation Finance Authority.

(c) "Board" means the Minnesota Climate Innovation Finance Authority's board of directors established in subdivision 10.

(d) "Clean energy project" has the meaning given to "qualified project" in paragraph (n), clauses (1) to (7).

(e) "Community navigator" means an organization that works to facilitate access to clean energy project financing by community groups.

(f) "Credit enhancement" means a pool of capital set aside to cover potential losses on loans and other investments made by financing entities. Credit enhancement includes but is not limited to loan loss reserves and loan guarantees.

(g) "Energy storage system" has the meaning given in section 216B.2422, subdivision 1, paragraph (f).

(h) "Environmental justice" means that:

(1) communities of color, Indigenous communities, and low-income communities have a healthy environment and are treated fairly when environmental statutes, rules, and policies are developed, adopted, implemented, and enforced; and

(2) in all decisions that have the potential to affect the environment of an environmental justice community or the public health of an environmental justice community's residents, due consideration is given to the history of the area's and the area's residents' cumulative exposure to pollutants and to any current socioeconomic conditions that increase the physical sensitivity of the area's residents to additional exposure to pollutants.

(i) "Environmental justice community" means a community in Minnesota that, based on the most recent data published by the United States Census Bureau, meets one or more of the following criteria:

(1) 40 percent or more of the community's total population is nonwhite;

(2) 35 percent or more of households in the community have an income that is at or below 200 percent of the federal poverty level;

(3) 40 percent or more of the community's residents over the age of five have limited English proficiency; or

(4) the community is located within Indian country, as defined in United States Code, title 18, section 1151.

(j) "Greenhouse gas emissions" means emissions of carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride emitted by anthropogenic sources.

(k) "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.

(l) "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.

(m) "Project labor agreement" means a prehire collective bargaining agreement with a council of building and construction trades labor organizations (1) prohibiting strikes, lockouts, and similar disruptions, and (2) providing for a binding procedure to resolve labor disputes on the project.

(n) "Qualified project" means a project, technology, product, service, or measure promoting energy efficiency, clean energy, electrification, or water conservation and quality that:

(1) substantially reduces greenhouse gas emissions;

(2) reduces energy use without diminishing the level of service;

(3) increases the deployment of renewable energy projects, energy storage systems, district heating, smart grid technologies, or microgrid systems;

(4) replaces existing fossil-fuel-based technology with an end-use electric technology;

(5) supports the development and deployment of electric vehicle charging stations and associated infrastructure, electric buses, and electric fleet vehicles;

(6) reduces water use or protects, restores, or preserves the quality of surface waters; or

(7) incentivizes customers to shift demand in response to changes in the price of electricity or when system reliability is not jeopardized.

(o) "Renewable energy" has the meaning given in section 216B.1691, subdivision 1, paragraph (c), clauses (1), (2), and (4), and includes fuel cells generated from renewable energy.

(p) "Securitization" means the conversion of an asset composed of individual loans into marketable securities.

(q) "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. 3. **General powers.** (a) For the purpose of exercising the specific powers granted in this section, the authority has the general powers granted in this subdivision.

(b) The authority may:

(1) hire an executive director and staff to conduct the authority's operations;

(2) sue and be sued;

(3) have a seal and alter the seal;

(4) acquire, hold, lease, manage, and dispose of real or personal property for the authority's corporate purposes;

(5) enter into agreements, including cooperative financing agreements, contracts, or other transactions, with any federal or state agency, county, local unit of government, regional development commission, person, domestic or foreign partnership, corporation, association, or organization;

(6) acquire by purchase real property, or an interest therein, in the authority's own name where acquisition is necessary or appropriate;

(7) provide general technical and consultative services related to the authority's purpose;

(8) promote research and development in matters related to the authority's purpose;

(9) analyze greenhouse gas emissions reduction project financing needs in the state and recommend measures to alleviate any shortage of financing capacity;

(10) contract with any governmental or private agency or organization, legal counsel, financial advisor, investment banker, or others to assist in the exercise of the authority's powers;

(11) enter into agreements with qualified lenders or others insuring or guaranteeing to the state the payment of qualified loans or other financing instruments; and

(12) accept on behalf of the state any gift, grant, or interest in money or personal property tendered to the state for any purpose pertaining to the authority's activities.

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

(1) serve as a financial resource to reduce the upfront and total costs of implementing qualified projects;

(2) ensure that all financed projects reduce greenhouse gas emissions;

(3) ensure that financing terms and conditions offered are well-suited to qualified projects;

(4) strategically prioritize the use of the authority's funds to leverage private investment in qualified projects, with the aim of achieving a high ratio of private to public money invested through funding mechanisms that support, enhance, and complement private lending and investment;

(5) coordinate with existing federal, state, local, utility, and other programs to ensure that the authority's resources are being used most effectively to add to and complement those programs;

(6) stimulate demand for qualified projects by:

(i) contracting with the department's Energy Information Center and community navigators to provide information to project participants about federal, state, local, utility, and other authority financial assistance for qualifying projects, and technical information on energy conservation and renewable energy measures;

(ii) forming partnerships with contractors and informing contractors about the authority's financing programs;

(iii) developing innovative marketing strategies to stimulate project owner interest, especially in underserved communities; and

(iv) incentivizing financing entities to increase activity in underserved markets;

(7) finance projects in all regions of the state;

(8) develop participant eligibility standards and other terms and conditions for financial support provided by the authority;

(9) develop and administer:

(i) policies to collect reasonable fees for authority services; and

(ii) risk management activities to support ongoing authority activities;

(10) develop consumer protection standards governing the authority's investments to ensure that financial support is provided responsibly and transparently, and is in the financial interest of participating project owners;

(11) develop methods to accurately measure the impact of the authority's activities, particularly on low-income communities and on greenhouse gas emissions reductions;

(12) hire an executive director and sufficient staff with the appropriate skills and qualifications to carry out the authority's programs, making an affirmative effort to recruit and hire a director and staff who are from, or share the interests of, the communities the authority must serve;

(13) apply for, either as a direct or subgrantee applicant, and accept Greenhouse Gas Reduction Fund grants authorized by the federal Clean Air Act, United States Code, title 42, section 7434, paragraph (a), clauses (2) and (3). If the application deadlines for these grants are earlier than is practical for the authority to meet, the commissioner shall apply on behalf of the authority. In all cases, applications for these funds by or on behalf of the authority must be coordinated with all known Minnesota applicants; and

(14) ensure that authority contracts with all third-party administrators, contractors, and subcontractors contain required covenants, representations, and warranties specifying that contracted third parties are agents of the authority, and that all acts of contracted third parties are considered acts of the authority, provided that the act is within the contracted scope of work.

(b) The authority may:

(1) employ credit enhancement mechanisms that reduce financial risk for financing entities by providing assurance that a limited portion of a loan or other financial instrument is assumed by the authority via a loan loss reserve, loan guarantee, or other mechanism;

(2) co-invest in a qualified project by providing senior or subordinated debt, equity, or other mechanisms in conjunction with other investment, co-lending, or financing;

(3) aggregate small and geographically dispersed qualified projects in order to diversify risk or secure additional private investment through securitization or similar resale of the authority's interest in a completed qualified project;

(4) expend up to 25 percent of money appropriated to the authority for start-up purposes, which may be used for financing programs and project investments authorized under this section prior to adoption of the strategic plan required under subdivision 7 and the investment strategy under subdivision 8; and

(5) require a specific project to agree to implement a project labor agreement as a condition of receiving financing from the authority.

Subd. 5. Underserved market analysis. (a) Before developing a financing program, the authority must conduct an analysis of the financial market the authority is considering entering in order to determine the extent to which the market is underserved and to ensure that the authority's activities supplement, and do not duplicate or supplant, the efforts of financing entities currently serving the market. The analysis must address the nature and extent of any barriers or gaps that may be preventing financing entities from adequately serving the market, and must examine present and projected future efforts of existing financing entities, federal, state, and local governments, and of utilities and others to serve the market.

(b) In determining whether the authority should enter a market, the authority must consider:

(1) whether serving the market advances the authority's policy goals;

(2) the extent to which the market is currently underserved;

(3) the unique tools the authority would deploy to overcome existing market barriers or gaps;

(4) how the authority would market the program to potential participants; and

(5) potential financing partners and the role financing partners would play in complementing the authority's activities.

(c) Before providing any direct loans to residential borrowers, the authority must issue a request for information to existing known financing entities, specifying the market need and the authority's goals in meeting the underserved market segment, and soliciting each financing entity's:

(1) current financing offerings for that specific market;

(2) prior efforts to meet that specific market; and

(3) plans and capabilities to serve that specific market.

(d) The authority may only provide direct loans to residential borrowers if the authority certifies that no financing entity is currently able to meet the specific underserved market need and the authority's goals, and that the authority's entry into the market does not supplant or duplicate any existing financing activities in that specific market.

Subd. 6. Authority lending practices; labor and consumer protection standards. (a) In determining the projects in which the authority will participate, the authority must give preference to projects that:

(1) maximize the creation of high-quality employment and apprenticeship opportunities for local workers, consistent with the public interest, especially workers from environmental justice communities, labor organizations, and Minnesota communities hosting retired or retiring electric generation facilities, including workers previously employed at retiring facilities;

(2) utilize energy technologies produced domestically that received an advanced manufacturing tax credit under section 45X of the Internal Revenue Code, as allowed under the federal Inflation Reduction Act of 2022, Public Law 117-169;

(3) certify, for all contractors and subcontractors, that the rights of workers to organize and unionize are recognized; and

(4) agree to implement a project labor agreement.

(b) The authority must require, for all projects for which the authority provides financing, that:

(1) if the budget is \$100,000 or more, all contractors and subcontractors:

(i) must pay no less than the prevailing wage rate, as defined in section 177.42, subdivision 6; and

(ii) are subject to the requirements and enforcement provisions under sections 177.27, 177.30, 177.32, 177.41 to 177.43, and 177.45, including the posting of prevailing wage rates, prevailing hours of labor, and hourly basic rates of pay for all trades on the project in at least one conspicuous location at the project site;

(2) financing is not offered without first ensuring that the participants meet the authority's underwriting criteria; and

(3) any loan made to a homeowner for a project on the homeowner's residence complies with section 47.59 and the following federal laws:

(i) the Truth in Lending Act, United States Code, title 15, section 1601 et seq.;

(ii) the Fair Credit Reporting Act, United States Code, title 15, section 1681;

(iii) the Equal Credit Opportunity Act, United States Code, title 15, section 1691 et seq.; and

(iv) the Fair Debt Collection Practices Act, United States Code, title 15, section 1692.

(c) The authority and any third-party administrator, contractor, subcontractor, or agent that conducts lending, financing, investment, marketing, administration, servicing, or installation of measures in connection with a qualified project financed in whole or in part with authority funds is subject to sections 325D.43 to 325D.48; 325F.67 to 325F.71; 325G.06 to 325G.14; 325G.29 to 325G.37; and 332.37.

(d) For the purposes of this section, "local workers" means Minnesota residents who permanently reside within 150 miles of the location of a proposed project in which the authority is considering to participate.

Subd. 7. **Strategic plan.** (a) By December 15, 2024, and each December 15 in even-numbered years thereafter, the authority must develop and adopt a strategic plan that prioritizes the authority's activities over the next two years. A strategic plan must:

(1) identify targeted underserved markets for qualified projects in Minnesota;

(2) develop specific programs to overcome market impediments through access to authority financing and technical assistance; and

(3) develop outreach and marketing strategies designed to make potential project developers, participants, and communities aware of financing and technical assistance available from the authority, including the deployment of community navigators.

(b) Elements of the strategic plan must be informed by the authority's analysis of the market for qualified projects and by the authority's experience under the previous strategic plan, including the degree to which performance targets were or were not achieved by each financing program. In addition, the authority must actively seek input regarding activities that should be included in the strategic plan from stakeholders, environmental justice communities, the general public, and participants, including via meetings required under subdivision 9.

(c) The authority must establish annual targets in a strategic plan for each financing program regarding the number of projects, level of authority investments, greenhouse gas emissions reductions, and installed generating capacity or energy savings the authority hopes to achieve, including separate targets for authority activities undertaken in environmental justice communities.

(d) The authority's targets and strategies must be designed to ensure that no less than 40 percent of the direct benefits of authority activities flow to environmental justice communities as defined under subdivision 2, by the United States Department of Energy, or as modified by the department.

Subd. 8. **Investment strategy; content; process.** (a) No later than December 15, 2024, and every four years thereafter, the authority must adopt a long-term investment strategy to ensure the authority's paramount goal to reduce greenhouse gas emissions is reflected in all of the authority's operations. The investment strategy must address:

(1) the types of qualified projects the authority should focus on;

(2) gaps in current qualified project financing that present the greatest opportunities for successful action by the authority;

(3) how the authority can best position itself to maximize the authority's impact without displacing, subsidizing, or assuming risk that should be shared with financing entities;

(4) financing tools that will be most effective in achieving the authority's goals;

(5) partnerships the authority should establish with other organizations to increase the likelihood of success; and

(6) how values of equity, environmental justice, and geographic balance can be integrated into all investment operations of the authority.

(b) In developing an investment strategy, the authority must consult, at a minimum, with similar organizations in other states, lending authorities, state agencies, utilities, environmental and energy policy nonprofits, labor organizations, and other organizations that can provide valuable advice on the authority's activities.

(c) The long-term investment strategy must contain provisions ensuring that:

(1) authority investments are not made solely to reduce private risk; and

(2) private financing entities do not unilaterally control the terms of investments to which the authority is a party.

(d) The board must submit a draft long-term investment strategy for comment to each of the groups and individuals the board consults under paragraph (b) and to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy finance and policy, and must post the draft strategy on the authority's website. The authority must accept written comments on the draft strategy for at least 30 days and must consider the comments in preparing the final long-term investment strategy.

Subd. 9. **Public communications and outreach.** The authority must:

(1) maintain a public website that provides information about the authority's operations, current financing programs, and practices, including rates, terms, and conditions; the number and amount of investments by project type; the number of jobs created; the financing application process; and other information;

(2) periodically issue an electronic newsletter to stakeholders and the public containing information on the authority's products, programs, and services and key authority events and decisions; and

(3) hold quarterly meetings accessible online to update the general public on the authority's activities, report progress being made in regard to the authority's strategic plan and long-term investment strategy, and invite audience questions regarding authority programs.

Subd. 10. **Board of directors.** (a) The Minnesota Climate Innovation Finance Authority board of directors shall consist of the following 13 members:

(1) the commissioner of commerce, or the commissioner's designee;

(2) the commissioner of labor and industry, or the commissioner's designee;

(3) the commissioner of the Minnesota Pollution Control Agency, or the commissioner's designee;

(4) the commissioner of employment and economic development, or the commissioner's designee;

(5) the commissioner of the Minnesota Housing Finance Agency, or the commissioner's designee;

(6) the chair of the Minnesota Indian Affairs Council, or the chair's designee; and

(7) seven additional members appointed by the governor, as follows:

(i) one member representing either a municipal electric utility or a cooperative electric association;

(ii) one member, appointed after the governor consults with labor organizations in the state, must be a representative of a labor union with experience working on clean energy projects;

(iii) one member with expertise in the impact of climate change on Minnesota communities, particularly low-income communities;

(iv) one member with expertise in financing projects at a community bank, credit union, community development institution, or local government;

(v) one member with expertise in sustainable development and energy conservation;

(vi) one member with expertise in environmental justice; and

(vii) one member with expertise in investment fund management or financing and deploying clean energy technologies.

(b) At least two members appointed to the board must permanently reside outside the metropolitan area, as defined in section 473.121, subdivision 2. The board must collectively reflect the geographic and ethnic diversity of the state.

(c) Board members appointed under paragraph (a), clause (6), shall serve a term of four years, except that the initial appointments made under clause (6), items (i) to (iii), shall be for two-year terms, and the initial appointments made under clause (6), items (iv) to (vi), shall be for three-year terms.

(d) Members appointed to the board must:

(1) provide evidence of a commitment to the authority's purposes and goals; and

(2) not hold any personal or professional conflicts of interest related to the authority's activities, including with respect to the member's financial investments and employment or the financial investments and employment of the member's immediate family members.

(e) The governor must make the appointments required under this section no later than October 1, 2023.

(f) The initial meeting of the board of directors must be held no later than November 17, 2023. At the initial meeting, the board shall elect a chair and vice-chair by majority vote of the members present.

(g) The authority shall contract with the department to provide administrative and technical services to the board and to prospective borrowers, especially those serving or located in environmental justice communities.

(h) Compensation of board members, removal of members, and filling of vacancies are governed by section 15.0575.

(i) Board members may be reappointed for up to two full terms.

(j) A majority of board members, excluding vacancies, constitutes a quorum for the purpose of conducting business and exercising powers, and for all other purposes. Action may be taken by the authority upon a vote of a majority of the quorum present.

(k) Board members and officers are not personally liable, either jointly or severally, for any debt or obligation created or incurred by the authority.

Subd. 11. **Report; audit.** Beginning February 1, 2024, the authority must annually submit a comprehensive report on the authority's activities during the previous 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, by project type;

(2) the amount of private and public capital leveraged by authority investments, by project type;

(3) the number of qualified projects supported, by project type and location within Minnesota, including in environmental justice communities;

(4) the estimated number of jobs created for local workers and nonlocal workers, the ratio of projects subject to and exempt from prevailing wage requirements under subdivision 6, paragraph (b), and tax revenue generated as a result of the authority's activities;

(5) estimated reductions in greenhouse gas emissions resulting from the authority's activities;

(6) the number of clean energy projects financed in low- and moderate-income households;

(7) a narrative describing the progress made toward the authority's equity, social, and labor standards goals; and

(8) a financial audit conducted by an independent party.

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

Sec. 3. Minnesota Statutes 2022, section 216H.02, subdivision 1, is amended to read:

Subdivision 1. **Greenhouse gas emissions-reduction goal.** (a) It is the goal of the state to reduce statewide greenhouse gas emissions across all sectors producing ~~those greenhouse gas emissions to a level at least 15 percent below 2005 levels by 2015, to a level at least 30 percent below 2005 levels by 2025, and to a level at least 80 percent below 2005 levels by 2050.~~ by at least the following amounts, compared with the level of emissions in 2005:

(1) 15 percent by 2015;

(2) 30 percent by 2025;

(3) 50 percent by 2030; and

(4) to net zero by 2050.

(b) To the maximum extent practicable, actions taken to achieve these goals must avoid causing disproportionate adverse impacts to residents of communities that are or have been incommensurately exposed to pollution affecting human health and environmental quality.

(c) The ~~levels shall~~ targets must be reviewed ~~based on the climate change action plan study~~ annually by the commissioner of the Pollution Control Agency, taking into account the latest scientific research on the impacts of climate change and strategies to reduce greenhouse gas emissions published by the Intergovernmental Panel on Climate Change. The commissioner must forward any recommended changes to the targets to the chairs and ranking minority members of legislative committees with primary jurisdiction over climate change and environmental policy.

(d) For the purposes of the subdivision, "net zero" means:

(1) statewide greenhouse gas emissions equal to zero; or

(2) the balance of annual statewide greenhouse gas emissions, minus any terrestrial sequestration of statewide greenhouse gas emissions, equals zero or less.

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

Sec. 4. **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) "eligible applicant" means a political subdivision, an organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code, or an educational institution;

(4) "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;

(5) "local jurisdiction" means the geographic area in which grant activities take place; and

(6) "political subdivision" means:

(i) a county; home rule charter or statutory city or town; regional development commission established under Minnesota Statutes, section 462.387; or any other local political subdivision; or

(ii) a Tribal government, as defined in Minnesota Statutes, section 116J.64, subdivision 4.

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 support local jurisdictions to address climate change by developing and implementing plans of action or creating new organizations and institutions to devise policies and programs that:

(1) enable local jurisdictions to adapt to extreme weather events and a changing climate; or

(2) reduce the local jurisdiction'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 for soliciting and reviewing applications and for awarding 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 local jurisdiction where the proposed grant activities take place.

Subd. 4. **Awarding grants.** (a) In 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 local jurisdiction's efforts to address climate change.

(b) The commissioner shall endeavor to award grants under this section to applicants in all regions of the state.

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 in a local jurisdiction whose population equals or exceeds 20,000 must be matched 50 percent with local funds.

(c) A grant awarded under this section for activities taking place in a local jurisdiction whose population is under 20,000 must be matched a minimum of five percent with local funds or equivalent in-kind services.

Subd. 6. **Contract; greenhouse gas emissions data.** The commissioner shall contract with an independent consultant to estimate the annual amount of greenhouse gas emissions generated within political subdivisions awarded a grant under this section that the commissioner determines need the data in order to carry out the proposed grant activities. The information must contain emissions data for the most recent three years available, and must conform with the ICLEI United States Community Protocol for Accounting and Reporting of Greenhouse Gas Emissions, including, at a minimum, the Basic Emissions Generating Activities described in the protocol.

Subd. 7. **Technical assistance.** The Pollution Control Agency shall provide directly or contract with an entity outside the agency to provide technical assistance to applicants proposing to develop an action plan under this section, including greenhouse gas emissions estimates developed under subdivision 6, and examples of actions taken and plans developed by other local communities in Minnesota and elsewhere.

Subd. 8. **Eligible expenditures.** Appropriations made to support the activities of this section may be used only to:

(1) provide grants as specified in this section;

(2) pay a consultant for contracted services provided under subdivisions 6 and 7; and

(3) reimburse the reasonable expenses incurred by the Pollution Control Agency to provide technical assistance to applicants and to administer the grant program.

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

ARTICLE 7 SOLAR

Section 1. Minnesota Statutes 2022, 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 in 2023; ~~and~~

(4) ~~\$5,000,000~~ \$10,000,000 in 2024.;

(5) \$15,000,000 in 2025;

(6) \$15,000,000 in 2026; and

(7) \$15,000,000 in 2027.

(e) Notwithstanding the Department of Commerce's November 14, 2018, decision in Docket No. E002/M-13-1015 regarding operation of the utility's solar energy production incentive program, of the amounts allocated under paragraph (d), clauses (3), (4), and (5), \$5,000,000 in each year must be reserved for solar energy systems whose

installation meets the eligibility standards for the low-income program established in the November 14, 2018, decision or successor decisions of the department. All other program operations of the solar energy production incentive program are governed by the provisions of the November 14, 2018, decision or successor decisions of the department.

~~(e)~~ (f) 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)~~ (g) Any unspent amount remaining on January 1, ~~2025~~ 2028, must be transferred to the renewable development account.

~~(g)~~ (h) 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)~~ (i) 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.

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

Sec. 2. **[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 Minnesota 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 shall serve as fiscal agent and shall manage the account.

Subd. 3. **Distribution of funds; conditions.** Money from the account is appropriated to the commissioner and may be distributed to the owner of a solar energy generating system planned to be deployed at 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 implementation of the corrective action results in a need for (i) the project to be redesigned, or (ii) construction to be interrupted or altered; or

(2) the agency issues a corrective action determination whose work plan results in temporary cessation or partial or complete removal of the solar energy generating system after it 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 (1) describe the nature of the impact of the work plan that results in economic losses to the owner, and (2) include a reasonable estimate of the amount of those losses.

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

(c) The commissioner shall review the owner's filing within 60 days of submission and shall 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 removal of the solar energy generating system or any associated infrastructure, and any costs to reinstall equipment;

(2) costs of redesign or new equipment or infrastructure made necessary by the activities of 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 was to be generated by the solar energy generating system and purchased under the power purchase agreement.

Subd. 6. **Report.** Beginning July 1, 2026, and every three years thereafter, the agency must submit a written report to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over environment and energy assessing the likelihood of the agency approving a corrective action determination to remediate Area C.

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

Sec. 3. Minnesota Statutes 2022, section 216B.164, is amended by adding a subdivision to read:

Subd. 12. **Customer's access to electricity usage data.** A utility must provide a customer's electricity usage data to the customer within ten days of the date the utility receives a request from the customer that is accompanied by evidence that the energy usage data is relevant to the interconnection of a qualifying facility on behalf of the customer. For the purposes of this subdivision, "electricity usage data" includes but is not limited to: (1) the total amount of electricity used by a customer monthly; (2) usage by time period if the customer operates under a tariff where costs vary by time of use; and (3) usage data that is used to calculate a customer's demand charge.

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

Sec. 4. Minnesota Statutes 2022, 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 Each~~ public utility ~~subject to section 116C.779 providing electric service at retail to customers in Minnesota~~ shall file by ~~September 30, 2013~~ January 15, 2024, 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~~ five 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 ~~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. The purchase shall be at 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. 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; ~~and~~
- (9) require an owner of a solar garden to submit a report that meets the requirements of section 216C.51, subdivisions 2 and 3, each year the solar garden is in operation.

~~(b)~~ (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.

~~(c)~~ (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, 2023, and the effective date of this section, 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 utility approves a solar garden 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 that the utility approved as a community access project fails to meet the conditions under subdivision 4, the solar garden:

(1) is no longer subject to 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 community access project designation 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 may 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. 5. Minnesota Statutes 2022, section 216C.08, is amended to read:

216C.08 JURISDICTION.

The commissioner has sole authority and responsibility for the administration of sections 216C.05 to 216C.30 and 216C.375. Other laws notwithstanding, the authority granted the commissioner shall supersede the authority given any other agency whenever overlapping, duplication, or additional administrative or legal procedures might occur in the administration of sections 216C.05 to 216C.30 and 216C.375. The commissioner shall consult with other state departments or agencies in matters related to energy and shall contract with them to provide appropriate services to effectuate the purposes of sections 216C.05 to 216C.30 and 216C.375. Any other department, agency, or official of this state or political subdivision thereof which would in any way affect the administration or enforcement of sections 216C.05 to 216C.30 and 216C.375 shall cooperate and coordinate all activities with the commissioner to assure orderly and efficient administration and enforcement of sections 216C.05 to 216C.30 and 216C.375.

The commissioner shall designate a liaison officer whose duty shall be to insure the maximum possible consistency in procedures and to eliminate duplication between the commissioner and the other agencies that may be involved in energy.

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

Sec. 6. Minnesota Statutes 2022, section 216C.09, is amended to read:

216C.09 COMMISSIONER DUTIES.

(a) The commissioner shall:

(1) manage the department as the central repository within the state government for the collection of data on energy;

(2) prepare and adopt an emergency allocation plan specifying actions to be taken in the event of an impending serious shortage of energy, or a threat to public health, safety, or welfare;

(3) undertake a continuing assessment of trends in the consumption of all forms of energy and analyze the social, economic, and environmental consequences of these trends;

(4) carry out energy conservation measures as specified by the legislature and recommend to the governor and the legislature additional energy policies and conservation measures as required to meet the objectives of sections 216C.05 to 216C.30 and 216C.375;

(5) collect and analyze data relating to present and future demands and resources for all sources of energy;

(6) evaluate policies governing the establishment of rates and prices for energy as related to energy conservation, and other goals and policies of sections 216C.05 to 216C.30 and 216C.375, and make recommendations for changes in energy pricing policies and rate schedules;

(7) study the impact and relationship of the state energy policies to international, national, and regional energy policies;

(8) design and implement a state program for the conservation of energy; this program shall include but not be limited to, general commercial, industrial, and residential, and transportation areas; such program shall also provide for the evaluation of energy systems as they relate to lighting, heating, refrigeration, air conditioning, building design and operation, and appliance manufacturing and operation;

(9) inform and educate the public about the sources and uses of energy and the ways in which persons can conserve energy;

(10) dispense funds made available for the purpose of research studies and projects of professional and civic orientation, which are related to either energy conservation, resource recovery, or the development of alternative energy technologies which conserve nonrenewable energy resources while creating minimum environmental impact;

(11) charge other governmental departments and agencies involved in energy-related activities with specific information gathering goals and require that those goals be met;

(12) design a comprehensive program for the development of indigenous energy resources. The program shall include, but not be limited to, providing technical, informational, educational, and financial services and materials to persons, businesses, municipalities, and organizations involved in the development of solar, wind, hydropower, peat, fiber fuels, biomass, and other alternative energy resources. The program shall be evaluated by the alternative energy technical activity; and

(13) dispense loans, grants, or other financial aid from money received from litigation or settlement of alleged violations of federal petroleum-pricing regulations made available to the department for that purpose.

(b) Further, the commissioner may participate fully in hearings before the Public Utilities Commission on matters pertaining to rate design, cost allocation, efficient resource utilization, utility conservation investments, small power production, cogeneration, and other rate issues. The commissioner shall support the policies stated in section 216C.05 and shall prepare and defend testimony proposed to encourage energy conservation improvements as defined in section 216B.241.

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

Sec. 7. Minnesota Statutes 2022, section 216C.375, is amended to read:

216C.375 SOLAR FOR SCHOOLS PROGRAM.

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) "Electricity expenses" means expenses associated with:

(1) purchasing electricity from a utility; or

(2) purchasing and installing a solar energy system, including financing and power purchase agreement payments, operation and maintenance contract payments, and interest charges.

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

~~(e)~~ (e) "School" means:

(1) a school that operates as part of ~~an independent or special~~ a school district;

(2) a Tribal contract school; or

~~(3)~~ (3) a state college or university that is under the jurisdiction of the Board of Trustees of the Minnesota State Colleges and Universities.

~~(f)~~ (f) "School district" means:

(1) an independent or school district, as defined in section 120A.05, subdivision 10;

(2) a special school district, as defined in section 120A.05, subdivision 14; or

(3) a cooperative unit, as defined in section 123A.24, subdivision 2.

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

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

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

Subd. 2. **Establishment; purpose.** A solar for schools program is established in the Department of Commerce. The purpose of the program is to provide grants to stimulate the installation of solar energy systems on or adjacent to school buildings by reducing the ~~cost~~ school's electricity expenses, and to enable schools to use the solar energy system as a teaching tool that can be integrated into the school's curriculum.

Subd. 3. **Establishment of account.** A solar for schools program account is established in the special revenue fund. Money received from the general fund and from the renewable development account established under section 116C.779, subdivision 1, must be transferred to the commissioner of commerce and credited to the account. The

account consists of money received from the general fund and the renewable development account, provided by law, donated, allocated, transferred, or otherwise provided to the account. Earnings, including interest, dividends, and any other earnings arising from the assets of the account, must be credited to the account. Except as otherwise provided in this paragraph, money deposited in the account remains in the account until expended. Any money that remains in the account on June 30, ~~2027~~ 2034, cancels to the general fund.

Subd. 4. **Appropriation; expenditures.** (a) Money in the account is appropriated to the commissioner and may 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.

(b) Grant awards made with funds ~~in the account~~ from the general fund must be used only for grants for solar energy systems installed on or adjacent to school buildings receiving retail electric service from a utility that is not subject to section 116C.779, subdivision 1.

(c) Grant awards made with funds from the renewable development account must be used only for grants for solar energy systems installed on or adjacent to school buildings receiving retail electric service from a utility that is subject to section 116C.779, subdivision 1.

Subd. 5. **Eligible system.** (a) A grant may be awarded to a school under this section only if the solar energy system that is the subject of the grant:

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

(2) if installed on or adjacent to a school building receiving retail electric service from a utility that is not subject to section 116C.779, subdivision 1, has a capacity that does not exceed the lesser of: (i) 40 kilowatts alternating current or, with the consent of the interconnecting electric utility, up to 1,000 kilowatts alternating current; or (ii) 120 percent of the estimated annual electricity consumption of the school building at which the solar energy system is installed; and

(3) if installed on or adjacent to a school building receiving retail electric service from a utility that is subject to section 116C.779, subdivision 1, has a capacity that does not exceed the lesser of 1,000 kilowatts alternating current or 120 percent of the estimated annual electricity consumption of the school building at which the solar energy system is installed;

(4) has real-time and cumulative display devices, located in a prominent location accessible to students and the public, that indicate the system's electrical performance.

(b) A school that receives a rebate or other financial incentive under section 216B.241 for a solar energy system and that demonstrates considerable need for financial assistance, as determined by the commissioner, is eligible for a grant under this section for the same solar energy system.

Subd. 6. **Application process.** (a) The commissioner must issue a request for proposals to utilities, schools, and developers who may wish to apply for a grant under this section on behalf of a school.

(b) A utility or developer must submit an application to the commissioner on behalf of a school 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 school building on which the solar energy generating system is to be installed and information regarding any distributed energy resource, including subscription to a community solar garden, that currently provides electricity to the school building;

(3) a description of any solar thermal devices proposed as part of the solar energy system;

(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;

(5) a copy of the proposed contract agreement between the school and the ~~public utility~~ to which the solar energy system is interconnected or the developer that includes provisions addressing responsibility for maintenance of the solar energy system;

(6) the school's plan to make the solar energy system serve as a visible learning tool for students, teachers, and visitors to the school, including how the solar energy system may be integrated into the school's curriculum and provisions for real-time monitoring of the solar energy system performance for display in a prominent location within the school or on-demand in the classroom;

(7) information that demonstrates the school's level of need for financial assistance available under this section;

(8) information that demonstrates the school's readiness to implement the project, including but not limited to the availability of the site on which the solar energy system is to be installed and the level of the school's engagement with the utility providing electric service to the school building on which the solar energy system is to be installed on issues relevant to the implementation of the project, including metering and other issues;

(9) with respect to the installation and operation of the solar energy system, the willingness and ability of the developer or the public utility to:

(i) pay employees and contractors a prevailing wage rate, as defined in section 177.42, subdivision 6; and

(ii) adhere to the provisions of section 177.43;

(10) ~~how the developer or public utility plans to reduce the school's initial capital expense to purchase and install projected reductions in electricity expenses resulting from purchasing and installing the solar energy system by providing financial assistance to the school;~~ and

(11) any other information deemed relevant by the commissioner.

(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.

(e) The school, the developer, or the utility to which the solar energy generating system is interconnected must annually submit to the commissioner on a form prescribed by the commissioner a report containing the following information for each of the 12 previous months:

(1) the total number of kilowatt-hours of electricity consumed by the school;

(2) the total number of kilowatt-hours generated by the solar energy generating system;

(3) the amount paid by the school to its utility for electricity; and

(4) any other information requested by the commissioner.

Subd. 7. **Energy conservation review.** At the commissioner's request, a school awarded a grant under this section ~~shall~~ must provide the commissioner information regarding energy conservation measures implemented at the school building at which the solar energy system is installed. The commissioner may make recommendations to the school regarding cost-effective conservation measures it can implement and may provide technical assistance and direct the school to available financial assistance programs.

Subd. 8. **Technical assistance.** The commissioner must provide technical assistance to schools to develop and execute projects under this section.

Subd. 9. **Grant payments.** The commissioner must award a grant from the account established under subdivision 3 to a school for the necessary costs associated with the purchase and installation of a solar energy system. The amount of the grant must be based on the commissioner's assessment of the school's need for financial assistance.

Subd. 10. **Application deadline.** No application may be submitted under this section after December 31, ~~2025~~ 2032.

Subd. 11. **Reporting.** Beginning January 15, 2022, and each year thereafter until January 15, ~~2028~~ 2035, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy regarding: (1) grants and amounts awarded to schools under this section during the previous year; ~~(2) financial assistance, including amounts per award, provided to schools under section 216C.376 during the previous year; and (3) any remaining balances available under this section and section 216C.376;~~ (2) the amount of electricity generated by solar energy generating systems awarded a grant under this section; and (3) the impact on school electricity expenses.

Subd. 12. **Renewable energy credits.** Renewable energy credits associated with the electricity generated by a solar energy generating system installed under this section in the electric service area of a public utility subject to section 116C.779 are the property of the public utility for the life of the solar energy generating system.

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:

(1) 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; or

(2) a federally recognized Indian Tribe in Minnesota.

(d) "Municipal electric utility" means a utility that (1) provides electric service to retail customers in Minnesota, and (2) is governed by a city council or a local utilities commission.

(e) "Public building" means:

(1) a building owned and operated by a local unit of government; or

(2) a building owned by a federally recognized Indian Tribe in Minnesota whose primary purpose is Tribal government operations.

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

Subd. 2. Establishment; purpose. A solar on public buildings grant program is established in the department. 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. Appropriation; expenditures. Money in the account established under subdivision 3 is appropriated to the commissioner for the purposes of this section and must be used only:

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

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

Subd. 5. Eligible system. (a) A grant may be awarded to a local unit of government under this section only if the solar energy generating system that is the subject of the grant:

(1) is installed (i) on or adjacent to a public building that consumes the electricity generated by the solar energy generating system, and (ii) 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, measured over the most recent three calendar years, of the public building 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 generating 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. 6. 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 generating 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 life cycle cost, including removal and disposal at the end of the system's life;

(5) a copy of the proposed contract agreement between the local unit of government and the utility or developer that includes provisions addressing responsibility for maintenance, removal, and disposal of the solar energy generating system; and

(6) if the applicant is other than the utility providing electric service to the public building at which the solar energy generating system is to be installed, a written statement from that utility that no issues that would prevent interconnection of the solar energy generating system as proposed are foreseen.

(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. 7. 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 where 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. 8. Technical assistance. The commissioner must provide technical assistance to local units of government to develop and execute projects under this section.

Subd. 9. Grant payments. The commissioner must award a grant from the account established under subdivision 3 to a local unit of government for the necessary and reasonable costs associated with the purchase and installation of a solar energy generating system. In determining the amount of a grant award, the commissioner shall take into consideration the financial capacity of the local unit of government awarded the grant.

Subd. 10. Application deadline. An application must not be submitted under this section after June 30, 2026.

Subd. 11. Contractor conditions. A contractor or subcontractor performing construction work on a project supported by a grant awarded under this section:

(1) must pay employees working on the project no less than the prevailing wage rate, as defined in section 177.42; and

(2) is subject to the requirements and enforcement provisions of sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

Subd. 12. Reporting. Beginning January 15, 2024, and each year thereafter until January 15, 2027, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy finance and policy regarding grants and amounts awarded to local units of government under this section during the previous year and any remaining balances available in the account established under this section.

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

Sec. 9. **[216C.379] DISTRIBUTED ENERGY RESOURCES SYSTEM UPGRADE PROGRAM.**

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

(b) "Capacity constrained location" means a location on an electric utility's distribution system that the utility has reasonably determined requires significant distribution or network upgrades before additional distributed energy resources can interconnect.

(c) "Distribution upgrades" means the additions, modifications, and upgrades made to an electric utility's distribution system to facilitate interconnection of distributed energy resources.

(d) "Interconnection" means the process governed by the Minnesota Distributed Energy Resources Interconnection Process and Agreement, as approved in the Minnesota Public Utilities Commission's order issued April 19, 2019.

(e) "Net metered facility" has the meaning given in section 216B.164.

(f) "Network upgrades" means additions, modifications, and upgrades to the transmission system required at or beyond the point at which the distributed energy resource interconnects with an electric utility's distribution system to accommodate the interconnection of the distributed energy resource with the electric utility's distribution system. Network upgrades do not include distribution upgrades.

Subd. 2. **Establishment; purpose.** A distributed energy resources system upgrade program is established in the department. The purpose of the program is to provide funding to the utility subject to section 116C.779 to complete infrastructure upgrades necessary to enable electricity customers to interconnect distributed energy resources. The program must be designed to achieve the following goals to the maximum extent feasible:

(1) make upgrades at capacity constrained locations on the utility's distribution system so that the number and capacity of distributed energy resources projects with a capacity of up to 40 kilowatts alternating current that can be interconnected is sufficient to serve projected demand;

(2) enable all distributed energy resources projects with a nameplate capacity of up to 40 kilowatts alternating current to be reviewed and approved by the utility within 43 business days;

(3) minimize interconnection barriers for electricity customers seeking to construct net metered facilities for on-site electricity use; and

(4) advance innovative solutions that can minimize the cost of distribution and network upgrades required for interconnection, including but not limited to energy storage, control technologies, smart inverters, distributed energy resources management systems, and other innovative technologies and programs.

Subd. 3. **Required plan.** (a) By November 1, 2023, the utility subject to section 116C.779 must file with the commissioner a plan for the distributed energy resources system upgrade program. The plan must contain:

(1) a description of how the utility proposes to use money in the distributed energy resources system upgrade program account to upgrade the utility's distribution system so that the number and capacity of distributed energy resources that can be interconnected is sufficient to serve projected demand;

(2) the locations where the utility proposes to make investments under the program;

(3) the number and capacity of distributed energy resources projects the utility expects to interconnect as a result of the program;

(4) a plan for reporting on the program's outcomes; and

(5) any additional information required by the commissioner.

(b) The utility subject to section 116C.779 is prohibited from implementing the program until the commissioner approves the plan submitted under this subdivision. No later than March 31, 2024, the commissioner must approve a plan under this subdivision that the commissioner determines is in the public interest. Any proposed modification to the plan approved under this subdivision must be approved by the commissioner.

Subd. 4. Project priorities. In developing the plan required by subdivision 3, the utility must prioritize making investments under this program:

(1) at capacity constrained locations on the distribution grid;

(2) in communities with demonstrated customer interest in distributed energy resources as measured by completed, pending, and anticipated interconnection applications; and

(3) in communities with a climate action plan, clean energy goal, or policies that:

(i) seek to mitigate the impacts of climate change on the city; or

(ii) reduce the city's contributions to the causes of climate change.

Subd. 5. Eligible costs. The commissioner may pay the following reasonable costs of the utility subject to section 116C.779 under a plan approved in accordance with subdivision 3 from money available in the distributed energy resources system upgrade program account:

(1) distribution upgrades and network upgrades;

(2) energy storage; control technologies, including but not limited to a distributed energy resources management system; or other innovative technology used to achieve the purposes of this section;

(3) pilot programs operated by the utility to implement innovative technology solutions; and

(4) costs incurred by the department to administer this section.

Subd. 6. Capacity reserved. The utility subject to section 116C.779 must reserve any increase in capacity made available by upgrades paid for under this section for net metered facilities and distributed energy resources with a nameplate capacity of up to 40 kilowatts alternating current. The commissioner may modify the requirements of this subdivision when the commissioner finds doing so is in the public interest.

Subd. 7. Establishment of account. (a) A distributed energy resources system upgrade program account is established in the special revenue fund. 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.

(b) Money from the account is appropriated to the commissioner for the purposes of this section.

Subd. 8. **Reporting of certain incidents.** The utility subject to section 116C.779 must report to the commissioner within 60 days if any distributed energy resources project with a capacity up to 40 kilowatts alternating current is unable to interconnect at a location for which upgrade funding was provided under this program due to safety or reliability issues, or the additional cost of distribution or network upgrades required. The utility must make available to the commissioner all engineering analyses, studies, and information related to any such instances. The commissioner may modify or waive this requirement after December 31, 2025.

Sec. 10. [500.216] LIMITS ON CERTAIN RESIDENTIAL SOLAR ENERGY SYSTEMS PROHIBITED.

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

(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. **Applicability.** This section applies to:

(1) 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 for the maintenance, repair, replacement, and insurance of the entire building; and

(2) multifamily attached dwellings whose owner is the sole owner of the entire building in which the dwelling is located and who is solely responsible for the maintenance, repair, replacement, and insurance of the entire building.

Subd. 3. **General rule.** Except as otherwise provided in this section and 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, a private entity must not prohibit or refuse to permit the owner of a single-family dwelling to install, maintain, or use a roof-mounted solar energy system.

Subd. 4. **Allowable conditions.** (a) A private entity may require 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, perform maintenance, 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 installing, maintaining, or using solar energy systems, provided that the restrictions do not: (1) decrease the solar energy system's projected energy generation by more than ten percent; or (2) increase the solar energy system's cost by more than (i) 20 percent for a solar water heater, or (ii) \$1,000 for a solar photovoltaic system, when compared with the solar energy system's energy generation and the cost of labor and materials originally proposed without the restrictions, as certified by the solar energy system's designer or installer. 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: (1) 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 (2) where applicable, rules of the Public Utilities Commission regarding safety and reliability.

(e) If approval by a private entity is required prior to installing or using 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. In no event does a private entity have less than 60 days to approve or disapprove an application for a solar energy system.

(f) An application for approval must be made in writing and must contain certification that the applicant must meet any conditions required by a private entity under subdivision 4. An application must include a copy of the interconnection application submitted to the applicable electric utility.

(g) A private entity must approve or deny an application in writing. If an application is not denied in writing within 60 days of the date the application was received, the application is deemed approved unless the delay is the result of a reasonable request for additional information. If a private entity determines that additional information is needed from the applicant in order to approve or disapprove the application, the private entity must request the additional information in writing within 60 days from the date of receipt of the application. If the private entity makes a request for additional information within 15 days from the date the private entity initially received the application, the private entity shall have 60 days from the date of receipt of the additional information in which to approve or disapprove the application. If the private entity makes a written request to the applicant for additional information more than 15 days after the private entity initially received the application, the private entity has 15 days after the private entity receives the additional information requested from the applicant in which to approve or disapprove the application, but in no event does the private entity have less than 60 days from the date the private entity initially received the application in which to approve or disapprove the application.

Sec. 11. Minnesota Statutes 2022, section 515B.2-103, is amended to read:

515B.2-103 CONSTRUCTION AND VALIDITY OF DECLARATION AND BYLAWS.

(a) All provisions of the declaration and bylaws are severable.

(b) The rule against perpetuities may not be applied to defeat any provision of the declaration or this chapter, or any instrument executed pursuant to the declaration or this chapter.

(c) In the event of a conflict between the provisions of the declaration and the bylaws, the declaration prevails except to the extent that the declaration is inconsistent with this chapter.

(d) The declaration and bylaws must comply with ~~section~~ sections 500.215 and 500.216.

Sec. 12. Minnesota Statutes 2022, 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), 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) Notwithstanding subsection (a), powers exercised under this section must comply with ~~section~~ sections 500.215 and 500.216.

(d) 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)(1) and the proxy expressly references this notice.

(e) 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)(1) and (d)(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) 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.

Sec. 13. **TRANSFER OF UNENCUMBERED WITHHELD FUNDS.**

Any unencumbered funds withheld by the public utility subject to Minnesota Statutes, section 116C.779, subdivision 1, to provide financial assistance to schools to purchase and install solar energy systems, as required under Minnesota Statutes 2022, section 216C.376, subdivision 5, paragraph (a), that are unexpended as of the effective date of this act must be transferred to the solar for schools program account established under Minnesota Statutes, section 216C.375, subdivision 3.

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

Sec. 14. **REPEALER.**

Minnesota Statutes 2022, section 216C.376, is repealed.

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

ARTICLE 8
MISCELLANEOUS

Section 1. Minnesota Statutes 2022, 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) Construction projects receiving funds from this account are subject to the requirement to pay the prevailing wage rate, as defined in section 177.42 and the requirements and enforcement provisions in sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to construction contracts entered into on or after that date.

Sec. 2. **[123B.661] AIR VENTILATION PROGRAM ACT.**

Sections 123B.661 to 123B.663 may be cited as the "Air Ventilation Program Act."

Sec. 3. **[123B.662] DEFINITIONS.**

Subdivision 1. **General.** For purposes of sections 123B.661 to 123B.663, the terms in this section have the meanings given unless the language or context clearly indicates that a different meaning is intended.

Subd. 2. **ANSI.** "ANSI" means American National Standards Institute.

Subd. 3. **ASHRAE.** "ASHRAE" means American Society of Heating Refrigeration Air Conditioning Engineers.

Subd. 4. **Certified TAB technician.** "Certified TAB technician" means a technician certified to perform testing, adjusting, and balancing of HVAC systems by the Associated Air Balance Council, National Environmental Balancing Bureau, or the Testing, Adjusting and Balancing Bureau.

Subd. 5. **HVAC.** "HVAC" means heating, ventilation, and air conditioning.

Subd. 6. **Licensed professional engineer.** "Licensed professional engineer" means a professional engineer licensed under sections 326.02 to 326.15 who holds an active license, is in good standing, and is not subject to any disciplinary or other actions with the Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience and Interior Design.

Subd. 7. **MERV.** "MERV" means minimum efficiency reporting value established by ASHRAE Standard 52.2-2017 - Method of Testing General Ventilation Air-Cleaning Devices for Removal Efficiency by Particle Size.

Subd. 8. **Program.** "Program" means the air ventilation program.

Subd. 9. **Program administrator.** "Program administrator" means the commissioner of commerce or the commissioner's representative.

Subd. 10. **Qualified adjusting personnel.** "Qualified adjusting personnel" means one of the following:

(1) a certified TAB technician; or

(2) a skilled and trained workforce under the supervision of a certified TAB technician.

Subd. 11. **Qualified testing personnel.** "Qualified testing personnel" means one of the following:

(1) a certified TAB technician; or

(2) a skilled and trained workforce under the supervision of a certified TAB technician.

Subd. 12. **Registered apprenticeship program.** "Registered apprenticeship program" means an apprenticeship program that is registered under chapter 178 or Code of Federal Regulations, title 29, part 29.

Subd. 13. **Skilled and trained workforce.** "Skilled and trained workforce" means a workforce in which at least 80 percent of the construction workers are either graduates of a registered apprenticeship program for the applicable occupation or are registered as apprentices in a registered apprenticeship program for the applicable occupation.

Subd. 14. **TAB.** "TAB" means testing, adjusting, and balancing of an HVAC system.

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

Sec. 4. **[123B.663] AIR VENTILATION PILOT PROGRAM GRANTS AND GUIDELINES.**

Subdivision 1. **Grant program.** The Department of Commerce shall establish and administer the air ventilation program to award grants to school boards to reimburse the school boards for the following activities:

(1) completion of a heating, ventilation, and air conditioning assessment report;

(2) subsequent testing, adjusting balancing work performed as a result of assessment; and

(3) ventilation equipment upgrades, replacements, or other measures recommended by the assessment to improve health, safety, and HVAC system efficiency.

Subd. 2. **Grant awards.** (a) The program administrator shall award a grant if the school board meets the following requirements:

(1) completes a heating, ventilation, and air conditioning assessment report by qualified testing personnel or qualified adjusting personnel. The report must be verified by a licensed professional engineer and include costs of adjustments or repairs necessary to meet minimum ventilation and filtration requirements and determine whether any cost-effective energy efficiency upgrades or replacements are warranted or recommended;

(2) all work required after conducting the assessment must be performed by a skilled and trained workforce;

(3) upon completion of the work for which a school board is seeking reimbursement, the school board must conduct an HVAC verification report that includes the name and address of the school facility and individual or contractor preparing and certifying the report and a description of the assessment, maintenance, adjustment, repair, upgrade, and replacement activities and outcomes; and

(4) verification that the school board has complied with all requirements. Verification must include documentation that either MERV 13 filters have been installed or verification that the maximum MERV-rated filter that the system is able to effectively handle has been installed; documentation of the MERV rating; the verified ventilation rates for occupied areas of the school and whether those rates meet the requirements set forth in ANSI/ASHRAE Standard 62.1-2019, with an accompanying explanation for any ventilation rates that do not meet applicable requirements documenting why the current system is unable to meet requirements; the verified exhaust for occupied areas and whether those rates meet the requirements set forth in the system design intent; documentation of system deficiencies; recommendations for additional maintenance, replacement, or upgrades to improve energy efficiency, safety, or performance; documentation of initial operating verifications, adjustments, and final operating verifications; documentation of any adjustments or repairs performed; verification of installation of carbon dioxide monitors, including the make and model of monitors; and verification that all work has been performed by qualified personnel, including the contractor's name, certified TAB technician name and certification number, and verification that all construction work has been performed by a skilled and trained workforce.

(b) Grants shall be prioritized to give direct support to schools and school children in communities with high rates of poverty, as determined by receipt of federal Title I funding.

(c) Grants shall be awarded to reimburse schools for 50 percent of costs incurred for work performed under paragraph (a), clauses (1) to (3), with a maximum grant award of \$.....

(d) The school board shall maintain a copy of the HVAC verification report and make it available to students, parents, school personnel, and to any member of the public or the program administrator upon request.

Subd. 3. Program guidelines and rules. (a) The program administrator shall:

(1) adopt guidelines for the air ventilation program no later than March 1, 2024;

(2) establish the timing of grant funding; and

(3) ensure the air ventilation program is operating and may receive applications for grants no later than and begin to approve applications no later than, subject to the availability of funds.

(b) The technical and reporting requirements of the air ventilation program may be amended by the program administrator as necessary to reflect current COVID-19 guidance or other applicable guidance, to achieve the intent of the air ventilation program, and to ensure consistency with other related requirements and codes.

(c) The program administrator may use no more than five percent of the program funds for administering the program, including providing technical support to program participants.

(d) The program administrator may establish rules for the air ventilation program.

Sec. 5. Minnesota Statutes 2022, section 216B.096, subdivision 11, is amended to read:

Subd. 11. **Reporting.** Annually on ~~November 1~~ October 15, a utility must electronically file with the commission a report, in a format specified by the commission, specifying the number of utility heating service customers whose service is disconnected or remains disconnected for nonpayment as of September 15 and October 1 and October 15. If customers remain disconnected on October 15 1, a utility must file a report each week between ~~November 1~~ October 15 and the end of the cold weather period specifying:

- (1) the number of utility heating service customers that are or remain disconnected from service for nonpayment; and
- (2) the number of utility heating service customers that are reconnected to service each week. The utility may discontinue weekly reporting if the number of utility heating service customers that are or remain disconnected reaches zero before the end of the cold weather period.

The data reported under this subdivision are presumed to be accurate upon submission and must be made available through the commission's electronic filing system.

Sec. 7. Minnesota Statutes 2022, section 216B.2425, subdivision 3, is amended to read:

Subd. 3. **Commission approval.** (a) By June 1 of each even-numbered year, the commission shall adopt a state transmission project list and shall certify, certify as modified, or deny certification of the transmission and distribution projects proposed under subdivision 2. Except as provided in paragraph (b), the commission may only certify a project that is a high-voltage transmission line as defined in section 216B.2421, subdivision 2, that the commission finds is:

- (1) necessary to maintain or enhance the reliability of electric service to Minnesota consumers;
- (2) needed, applying the criteria in section 216B.243, subdivision 3; and
- (3) in the public interest, taking into account electric energy system needs and economic, environmental, and social interests affected by the project.

(b) The commission may certify a project proposed under subdivision 2, paragraph (e), only if the commission finds the proposed project is in the public interest.

Sec. 8. Minnesota Statutes 2022, section 216B.243, subdivision 8, as amended by Laws 2023, chapter 7, section 23, 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 energy generating system, as defined in section 216E.01, subdivision 9a, ~~if the system is owned and operated by an independent power producer and the electric output of the system: for which a site permit is submitted by an independent power producer under chapter 216E or 216F; or~~

~~(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 system exceeding the nameplate capacity under its most recent interconnection agreement; or

(ii) will result in the 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.

Sec. 8. Minnesota Statutes 2022, 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.

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

Sec. 9. Minnesota Statutes 2022, section 216B.62, subdivision 3b, is amended to read:

Subd. 3b. **Assessment for department regional and national duties.** ~~(a)~~ In addition to other assessments in subdivision 3, the department may assess up to ~~\$500,000~~ \$1,000,000 per fiscal year to perform the duties under section 216A.07, subdivision 3a, and to conduct analysis that assesses energy grid reliability at state, regional, and national levels. The amount in this subdivision shall be assessed to energy utilities in proportion to their respective gross operating revenues from retail sales of gas or electric service within the state during the last calendar year and shall be deposited into an account in the special revenue fund and is appropriated to the commissioner of commerce for the purposes of section 216A.07, subdivision 3a. An assessment made under this subdivision is not subject to the cap on assessments provided in subdivision 3 or any other law. For the purpose of this subdivision, an "energy utility" means public utilities, generation and transmission cooperative electric associations, and municipal power agencies providing natural gas or electric service in the state.

~~(b) By February 1, 2023, the commissioner of commerce must submit a written report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over energy policy. The report must describe how the department has used utility grid assessment funding under paragraph (a) and must explain the impact the grid assessment funding has had on grid reliability in Minnesota.~~

~~(c) This subdivision expires June 30, 2023.~~

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

Sec. 10. **[216C.390] LEGISLATIVE FINDINGS.**

The legislature finds that increasing the competitiveness of Minnesota is critically important to ensuring the state's economy is strong and growing. Increasing competitiveness can be accomplished by improving productivity, competition, and investments.

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

Sec. 11. **[216C.391] MINNESOTA STATE COMPETITIVENESS FUND.**

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

(b) "Competitive funds" means federal funds awarded to selected applicants based on the grantor's evaluation of the strength of an application measured against all other applications.

(c) "Disadvantaged community" has the meaning given by the federal agency disbursing federal funds.

(d) "Eligible entity" means an entity located in Minnesota that is eligible to receive federal funds, or an entity that has at least one Minnesota-based partner, as determined by the grantor of the federal funds.

(e) "Federal funds" means federal formula or competitive funds available for award to applicants for energy projects under the Infrastructure Investment and Jobs Act, Public Law 117-58, or the Inflation Reduction Act of 2022, Public Law 117-169.

(f) "Formula funds" means federal funds awarded to all eligible applicants on a noncompetitive basis.

(g) "Match" means the amount of state money a successful grantee in Minnesota is required to contribute to a project as a condition of receiving federal funds.

(h) "Political subdivision" has the meaning given in section 331A.01, subdivision 3.

(i) "Project" means the activities undertaken by an eligible entity awarded federal funds that are located in Minnesota or directly benefit Minnesotans.

(j) "Tribal government" has the meaning given in section 116J.64, subdivision 4.

Subd. 2. Establishment of account; eligible expenditures. (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, including 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 available until June 30, 2034. The commissioner is the fiscal agent and must manage the account.

(b) Money in the account is appropriated to the commissioner and must be used to:

(1) pay all or any portion of the state match required as a condition of receiving federal funds, or to otherwise reduce the cost for projects that are awarded federal funds;

(2) award grants under subdivision 4 to obtain grant development assistance for eligible entities; and

(3) pay the reasonable costs incurred by the department to assist eligible entities successfully compete for available federal funds.

Subd. 3. Grant awards; eligible entities; priorities. (a) Grants may be awarded under this section to eligible entities in accordance with the following order of priorities:

(1) federal formula funds directed to the state that require a match;

(2) federal funds directed to a political subdivision or a Tribal government that require a match;

(3) federal funds directed to an institution of higher education, a consumer-owned utility, a business, or a nonprofit organization that require a match;

(4) federal funds directed to investor-owned utilities that require a match;

(5) federal funds directed to an eligible entity not included in clauses (1) to (4) that require a match; and

(6) all other grant opportunities directed to eligible entities that do not require a match but for which the commissioner determines that a grant made under this section is likely to enhance the likelihood of an applicant receiving federal funds, or to increase the potential amount of federal funds received.

(b) By November 15, 2023, the commissioner must develop and publicly post, and report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy finance, the federal energy grant funds that are eligible for state matching funds under this section.

Subd. 4. Grant awards; grant development assistance. Grants may be awarded under this section to entities with expertise and experience in grant development to assist eligible entities to prepare grant applications for federal funds. Eligible grantees under this subdivision include regional development commissions established in section 462.387, the West Central Initiative Foundation, Minnesota Municipal Utilities Association, Minnesota Rural Electric Association, consumer-owned utilities, Tribal governments, and any entity the commissioner determines enhances the competitiveness of grant applications by disadvantaged communities and from eligible entities located in areas not served by a regional development commission.

Subd. 5. Grant amounts. (a) For grants that meet the criteria in subdivision 3, paragraph (a), clauses (1) to (3), the maximum grant award for each entity is 100 percent of the required match.

(b) For grants that meet the criteria in subdivision 3, paragraph (a), clauses (4) and (5), the maximum grant award is 50 percent of the required match, except that if the commissioner determines that at least 40 percent of the direct benefits resulting from a project awarded federal funds would be realized by residents of a disadvantaged community, the commissioner may award up to 100 percent of the required match.

(c) For projects that meet the criteria in subdivision 3, paragraph (a), clause (6), the commissioner may award a grant up to ten percent of the amount of federal funds requested by the applicant, except that if the commissioner determines that at least 40 percent of the direct benefits resulting from a project awarded federal funds would be realized by residents of a disadvantaged community, the commissioner may award up to 20 percent of the amount of federal funds requested.

(d) Except for the commissioner, when matching federal funds are directed to the state, no single entity may receive as an award or subaward grants under this subdivision totaling more than \$15,000,000.

(e) The maximum grant award for each entity under subdivision 4 is \$300,000.

Subd. 6. Grant awards; administration. (a) An eligible entity seeking a grant award under subdivision 3 or an entity seeking a grant award under subdivision 4 must submit an application to the commissioner on a form prescribed by the commissioner. The commissioner is responsible for receiving and reviewing grant applications and awarding grants under this section, and shall develop administrative procedures governing the application, evaluation, and award process. The commissioner may not make a grant award under this section unless the commissioner has determined, and has notified the applicant in writing, that the application is complete. In awarding grants under this section, the commissioner shall endeavor to make awards to applicants from all regions of the state.

(b) The department must provide technical assistance to applicants. Applicants may also receive grant development assistance at no cost from entities awarded grants for that purpose under subdivision 4.

(c) Within ten business days of determining a grant award amount to an applicant, the commissioner must:

(1) reserve that amount for that specific grant in the state competitiveness fund account; and

(2) notify the Legislative Advisory Commission in writing of the reserved amount, the name of the applicant, the purpose of the project, and the unreserved balance of funds remaining in the account.

(d) Reserved funds are committed to the grant and use specified in the notice provided under paragraph (c) and are unavailable for reservation or appropriation for other applications unless and until the commissioner receives written notice from (1) the applicant that the application for federal funds has been withdrawn, or (2) the federal grantor that the application for which funds from the account were reserved has been denied federal funds.

(e) Reserved funds may only be expended upon presentation of written notice from the federal grantor to the commissioner stating that the applicant will receive federal funds for the project described in the application. If the amount of federal funds awarded to an applicant differs from the amount requested in the application, the commissioner may adjust the award made under this section accordingly.

(f) Reserved funds must be made for projects that demonstrate the project helps meet the state's clean energy and energy-related climate goals through renewable energy development, energy conservation, efficiency, or energy-related greenhouse gas reduction benefits.

(g) The commissioner must notify the chairs and ranking minority members of the legislative committees with jurisdiction over energy finance when the unreserved balance of the competitiveness fund account reaches the following amounts: 50 percent, unreserved; 25 percent, unreserved; 15 percent, unreserved; and five percent. The notification must be within ten days after each level of unreserved balance is reached.

Subd. 7. **Report; audit.** Beginning February 15, 2024, and each February 15 thereafter until February 15, 2035, the commissioner must submit a written report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy finance on the activities taken and expenditures made under this section. The report must, at a minimum, include the following information for the most recent calendar year:

(1) the number of applications for grants filed with the commissioner and the total amount of grant funds requested;

(2) each grant awarded;

(3) the number of additional personnel hired for the purposes of this section;

(4) expenditures on activities conducted under this section, reported separately for these areas:

(i) the technical assistance provided;

(ii) grants made under subdivision 4 to entities to assist applicants with grant development;

(iii) application review and evaluation, including applicants that were denied federal or state grant awards and the reason for the denial;

(iv) information technology activities; and

(v) other expenditures;

(5) the unreserved balance remaining in the state competitiveness fund account;

(6) a copy of a financial audit of the department's expenditures under this section conducted by an independent auditor;

(7) recommendations for legislation to enhance the ability of eligible entities to successfully compete for federal funds;

(8) additional available funding opportunities to obtain energy-related funding from federal agencies; and

(9) federal grant program changes that would affect the federal funds available to the state and eligible applicants, including changes that would affect the required match for receiving federal funds.

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

Sec. 12. **[216C.51] UTILITY DIVERSITY REPORTING.**

Subdivision 1. **Public policy.** It is the public policy of this state to encourage each utility that serves Minnesota residents to focus on and improve the diversity of the utility's workforce and suppliers.

Subd. 2. **Definition.** As used in this section, "utility" means:

(1) a public utility;

(2) a generation and transmission electric cooperative association;

(3) a municipal power agency;

(4) a municipal utility that provides electric service to 10,000 customers or more; or

(5) a cooperative electric association that provides electric service to 10,000 members or more.

Subd. 3. **Annual report.** (a) Beginning March 15, 2024, and each March 15 thereafter, each utility authorized to do business in Minnesota must file an annual diversity report to the commissioner in the public eDockets system that describes:

(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 to the department:

(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 that must include the Minnesota Unified Certification Program; the Central Certification Program recognized by Hennepin County, Ramsey County, the city of St. Paul, and the city of Minneapolis Target Market program; and the Minnesota Office of State Procurement program for Targeted Group, Economically Disadvantaged and Veteran-Owned small businesses;

(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 the submitting 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 detail 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 file the report in the public eDockets system, and must maintain each annual report for at least five years.

Subd. 7. **Annual workshop.** Beginning in 2024, and continuing annually thereafter, the Minnesota Public Utilities Commission must organize a workshop for utilities that is open to members of the public and that focuses on utility efforts to (1) advance supplier diversity, and (2) collaboratively explore solutions to advance supplier diversity.

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

Sec. 13. Minnesota Statutes 2022, section 237.55, is amended to read:

237.55 ANNUAL REPORT ON TELECOMMUNICATIONS ACCESS.

The commissioner of commerce must prepare a report for presentation to the Public Utilities Commission by ~~January~~ ~~March~~ 31 of each year. Each report must review the accessibility of telecommunications services to persons who have communication disabilities, describe services provided, account for annual revenues and expenditures ~~for each aspect of the fund to date~~, and include ~~predicted program~~ anticipated future operation program operations.

Sec. 14. Laws 2005, chapter 97, article 10, section 3, as amended by Laws 2013, chapter 85, article 7, section 9, is amended to read:

Sec. 3. **SUNSET.**

Sections 1 and 2 ~~shall expire on~~ June 30, ~~2023~~ 2028.

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

Sec. 15. **DECOMMISSIONING AND DEMOLITION PLAN FOR COAL-FIRED PLANT.**

The public utility that owns an electric generation facility powered by coal that is located within the St. Croix National Scenic Riverway and is scheduled for retirement in 2028 must develop a plan and detailed schedule of activities that it proposes to undertake to decommission and demolish the electric generation facility and to remediate pollution at the electric generation facility site. The public utility must file the plan with the Minnesota Public Utilities Commission as part of the public utility's next resource plan filing under Minnesota Statutes, section 216B.2422, or in a separate filing by December 31, 2025, whichever is earlier. A copy of the plan and schedule must be filed on the same date with the governing body of the municipality where the electric generation facility is located.

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

Sec. 16. **TRIBAL ADVOCACY COUNCIL ON ENERGY; DEPARTMENT OF COMMERCE SUPPORT.**

(a) The Department of Commerce must provide technical support and subject matter expertise to assist and help facilitate any efforts taken by the 11 federally recognized Indian Tribes in Minnesota to establish a Tribal advocacy council on energy.

(b) When providing support to a Tribal advocacy council on energy, the Department of Commerce may assist the council to:

(1) assess and evaluate common Tribal energy issues, including (i) identifying and prioritizing energy issues, (ii) facilitating idea sharing between 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 and provide educational opportunities with respect to Tribal energy issues by (i) identifying information resources, (ii) gathering feedback on issues and topics the council identifies as areas of interest, and (iii) identifying topics for educational forums and helping facilitate the forum process; and

(4) identify, evaluate, and disseminate successful energy-related practices, and develop mechanisms or opportunities to implement the successful 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 any one of the 11 federally recognized Indian Tribes in Minnesota to participate in or implement a decision or support an effort made by an established Tribal advocacy council on energy.

(d) Any support provided by the Department of Commerce to a Tribal advocacy council on energy under this section may 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."

Delete the title and insert:

"A bill for an act relating to energy; establishing a biennial budget for Department of Commerce, Public Utilities Commission, and energy, climate, and clean energy activities; establishing and modifying provisions governing energy, clean and renewable energy, energy storage, energy use and conservation, and utility regulation; providing for enhanced transportation electrification; adding and modifying provisions governing Public Utilities Commission proceedings; establishing various clean and renewable energy grant programs; making technical changes; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 16B.325; 16B.58, by adding a subdivision; 16C.135, subdivision 3; 16C.137, subdivision 1; 116C.779, subdivision 1; 116C.7792; 168.27, by adding a subdivision; 216B.096, subdivision 11; 216B.1611, by adding a subdivision; 216B.164, by adding a subdivision; 216B.1641; 216B.17, subdivision 1; 216B.2402, subdivision 16; 216B.2422, subdivision 7; 216B.2425, subdivision 3; 216B.243, subdivision 8, as amended; 216B.50, subdivision 1; 216B.62, subdivision 3b; 216C.05, subdivision 2; 216C.08; 216C.09; 216C.264, subdivision 5, by adding subdivisions; 216C.375; 216E.01, subdivision 6, by adding a subdivision; 216E.03, subdivisions 1, 3, 5, as amended, 6, 7, as amended; 216E.04, subdivision 2, as amended; 216E.05, subdivision 2; 216E.06; 216E.07; 216E.10; 216H.02, subdivision 1; 237.55; 326B.106,

subdivision 1; 515B.2-103; 515B.3-102; Laws 2005, chapter 97, article 10, section 3, as amended; proposing coding for new law in Minnesota Statutes, chapters 16B; 116C; 123B; 216B; 216C; 500; repealing Minnesota Statutes 2022, sections 16B.24, subdivision 13; 216B.16, subdivision 10; 216C.376."

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Hornstein from the Committee on Transportation Finance and Policy to which was referred:

H. F. No. 2887, A bill for an act relating to transportation; appropriating money for the active transportation program.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
TRANSPORTATION APPROPRIATIONS

Section 1. **TRANSPORTATION 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 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. Unless specified otherwise, the amounts in fiscal year 2025 under "Appropriations by Fund" show the base within the meaning of Minnesota Statutes, section 16A.11, subdivision 3, by fund. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "Each year" is each of fiscal years 2024 and 2025. "The biennium" is fiscal years 2024 and 2025. "C.S.A.H." is the county state-aid highway fund. "M.S.A.S." is the municipal state-aid street fund. "H.U.T.D." is the highway user tax distribution fund. "Staff" means those employees who are identified in any of the following roles for the legislative committees: committee administrator, committee legislative assistant, caucus research, fiscal analysis, counsel, or nonpartisan research.

APPROPRIATIONS
Available for the Year
Ending June 30
2024 **2025**

Sec. 2. **DEPARTMENT OF TRANSPORTATION**

Subdivision 1. **Total Appropriation** **\$4,290,901,000** **\$3,717,163,000**

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>588,620,000</u>	<u>40,858,000</u>
<u>Airports</u>	<u>25,368,000</u>	<u>25,368,000</u>
<u>C.S.A.H.</u>	<u>915,443,000</u>	<u>1,008,490,000</u>
<u>M.S.A.S.</u>	<u>236,397,000</u>	<u>271,959,000</u>
<u>Trunk Highway</u>	<u>2,525,073,000</u>	<u>2,370,488,000</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) Airport Development and Assistance 59,598,000 18,598,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>41,000,000</u>	<u>-0-</u>
<u>Airports</u>	<u>18,598,000</u>	<u>18,598,000</u>

This appropriation is from the state airports fund and must be spent according to Minnesota Statutes, section 360.305, subdivision 4.

\$26,000,000 in fiscal year 2024 is from the general fund for matches to federal aid and state investments related to airport infrastructure projects. This appropriation is available until June 30, 2027.

\$15,000,000 in fiscal year 2024 is from the general fund for system maintenance of critical airport safety systems, equipment, and essential airfield technology.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for five years after the year of the appropriation. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

If the commissioner of transportation determines that a balance remains in the state airports fund following the appropriations made in this article and that the appropriations made are insufficient for advancing airport development and assistance projects, an amount necessary to advance the projects, not to exceed the balance in the state airports fund, is appropriated in each year to the commissioner and must be spent according to Minnesota Statutes, section 360.305, subdivision 4. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning the funds appropriated. Funds appropriated under this contingent appropriation do not adjust the base for fiscal years 2026 and 2027.

(2) <u>Aviation Support Services</u>	<u>15,397,000</u>	<u>8,431,000</u>
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Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>8,707,000</u>	<u>1,741,000</u>
<u>Airports</u>	<u>6,690,000</u>	<u>6,690,000</u>

\$7,000,000 in fiscal year 2024 is from the general fund to purchase two utility aircraft for the Department of Transportation.

(3) <u>Civil Air Patrol</u>	<u>80,000</u>	<u>80,000</u>
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This appropriation is from the state airports fund for the Civil Air Patrol.

(b) <u>Transit and Active Transportation</u>	<u>28,278,000</u>	<u>18,324,000</u>
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This appropriation is from the general fund.

\$10,000,000 in fiscal year 2024 is for the active transportation program under Minnesota Statutes, section 174.38. This is a onetime appropriation and is available until June 30, 2027.

\$200,000 in fiscal year 2024 and \$50,000 in fiscal year 2025 are for a grant to the city of Rochester to implement demand response transit service using electric transit vehicles. The money is available for mobile software application development, vehicles and equipment, associated charging infrastructure, and capital and operating costs.

(c) <u>Transportation Management</u>	<u>300,000</u>	<u>300,000</u>
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This appropriation is from the general fund for grants to transportation management organizations in the Department of Transportation metropolitan district for programming and service expansion to assist companies and commuters with carpool, vanpool, bicycle commuting, telework, and transit. The commissioner must not retain any portion of this appropriation.

(d) <u>Safe Routes to School</u>	<u>1,500,000</u>	<u>500,000</u>
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This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(e) <u>Passenger Rail</u>	<u>197,121,000</u>	<u>4,226,000</u>
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This appropriation is from the general fund for passenger rail activities under Minnesota Statutes, sections 174.632 to 174.636.

\$194,300,000 in fiscal year 2024 is for capital improvements and betterments for the Minneapolis-Duluth Northern Lights Express intercity passenger rail project, including preliminary engineering, design, engineering, environmental analysis and mitigation, acquisition of land and right-of-way, equipment and rolling stock, and construction. From this appropriation, the amount necessary is for: (1) Coon Rapids station improvements to establish a joint station that provides for Amtrak train service on the Empire Builder line between Chicago and Seattle; and (2) acquisition of equipment and rolling stock for purposes of participation in the Midwest fleet pool to provide for service on Northern Lights Express and expanded Amtrak train service between Minneapolis and St. Paul and Chicago. This appropriation is available until June 30, 2028.

\$488,000 in each year is for staff and operating costs related to intercity passenger rail planning and project management.

\$1,833,000 in fiscal year 2024 and \$3,238,000 in fiscal year 2025 are for a match to federal aid for capital and operating costs for expanded Amtrak train service between Minneapolis and St. Paul and Chicago.

The base from the general fund is \$5,742,000 in each of fiscal years 2026 and 2027.

(f) **Freight** 13,963,000 9,353,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
General	<u>7,596,000</u>	<u>2,687,000</u>
Trunk Highway	<u>6,367,000</u>	<u>6,666,000</u>

\$5,000,000 in fiscal year 2024 is from the general fund for matching federal aid grants for improvements, engineering, and administrative costs for the Stone Arch Bridge in Minneapolis. This appropriation is available until June 30, 2027.

\$1,000,000 in each year is from the general fund for staff, operating costs, and maintenance related to weight and safety enforcement systems.

Subd. 3. State Roads

(a) **Operations and Maintenance** 434,798,000 427,163,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
General	<u>2,750,000</u>	<u>-0-</u>
Trunk Highway	<u>432,048,000</u>	<u>427,163,000</u>

\$1,000,000 in fiscal year 2024 is from the general fund for the highways for habitat program under Minnesota Statutes, section 160.2325.

\$330,000 in each year is for living snow fence implementation and maintenance activities.

\$1,750,000 in fiscal year 2024 is from the general fund for safe road zones under Minnesota Statutes, section 169.065. Of this amount, \$750,000 is for development and delivery of public awareness and education campaigns about safe road zones.

The base is \$427,133,000 in fiscal year 2026 and \$427,924,000 in fiscal year 2027.

(b) Program Planning and Delivery

(1) Planning and Research

32,679,000

33,465,000

The commissioner may use any balance remaining in this appropriation for program delivery under clause (2).

\$130,000 in each year is available for administrative costs of the targeted group business program.

\$266,000 in each year is available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

\$900,000 in each year is available for grants for transportation studies outside the metropolitan area to identify critical concerns, problems, and issues. These grants are available: (i) to regional development commissions; (ii) in regions where no regional development commission is functioning, to joint powers boards established under agreement of two or more political subdivisions in the region to exercise the planning functions of a regional development commission; and (iii) in regions where no regional development commission or joint powers board is functioning, to the Department of Transportation district office for that region.

(2) Program Delivery

283,779,000

274,950,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>2,000,000</u>	<u>2,000,000</u>
<u>Trunk Highway</u>	<u>281,779,000</u>	<u>272,950,000</u>

This appropriation includes use of consultants to support development and management of projects.

\$10,000,000 in fiscal year 2024 is for roadway design and related improvements that reduce speeds and eliminate intersection interactions on rural high-risk roadways. The commissioner must identify roadways based on crash information and in consultation with the Advisory Council on Traffic Safety under Minnesota Statutes, section 4.076, and local traffic safety partners.

\$2,000,000 in each year is from the general fund for implementation of climate-related programs as provided under the federal Infrastructure Investment and Jobs Act, Public Law 117-58.

\$1,000,000 in each year is available for management of contaminated and regulated material on property owned by the Department of Transportation, including mitigation of property conveyances, facility acquisition or expansion, chemical release at maintenance facilities, and spills on the trunk highway system where there is no known responsible party. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(c) State Road Construction

1,383,823,000

1,192,224,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
General	<u>27,300,000</u>	<u>300,000</u>
Trunk Highway	<u>1,356,523,000</u>	<u>1,191,924,000</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.

This appropriation includes federal highway aid. The commissioner of transportation must notify the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance of any significant events that cause the estimates of federal aid to change.

\$25,000,000 in fiscal year 2024 is from the general fund for grade separations on trunk highways classified as nonfreeway principal arterials. The funds are available for projects or project phases that: (1) contain at least four locations identified as high-priority intersections in an intersection conversion study completed in the last ten years; (2) are on a trunk highway that proceeds through at least one county within and one outside of the Department of Transportation metropolitan district; and (3) has funding committed from nonstate sources. This appropriation is available until June 30, 2030.

\$2,000,000 in fiscal year 2024 is from the general fund for living snow fence implementation, including: acquiring and planting trees, shrubs, native grasses, and wildflowers that are climate adaptive to Minnesota; improvements; contracts; easements; rental agreements; and program delivery.

\$300,000 in each year is from the general fund for additions and modifications to work zone design or layout to reduce vehicle speeds in a work zone following a determination by the commissioner that the initial work zone design or layout insufficiently provides for reduced vehicle speeds. This is a onetime appropriation.

The commissioner may expend up to one-half of one percent of the federal appropriations under this paragraph as grants to opportunity industrialization centers and other nonprofit job training centers for job training programs related to highway construction.

The commissioner may transfer up to \$15,000,000 in each year to the transportation revolving loan fund.

The commissioner may receive money covering other shares of the cost of partnership projects. These receipts are appropriated to the commissioner for these projects.

The base from the general fund is \$0 in each of fiscal years 2026 and 2027.

(d) Corridors of Commerce

25,000,000

25,000,000

This appropriation is for the corridors of commerce program under Minnesota Statutes, section 161.088. The commissioner may use up to 17 percent of the amount in each year for program delivery.

(e) Highway Debt Service

263,665,000

280,674,000

\$232,849,000 in fiscal year 2024 and \$278,064,000 in fiscal year 2025 are for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget must transfer the deficiency amount as provided under Minnesota Statutes, section 16A.641, and notify the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance and the chairs of the senate Finance Committee and the house of representatives Ways and Means Committee of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.

(f) Statewide Radio Communications8,653,0006,907,000Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>2,003,000</u>	<u>3,000</u>
<u>Trunk Highway</u>	<u>6,650,000</u>	<u>6,904,000</u>

\$3,000 in each year is from the general fund to equip and operate the Roosevelt signal tower for Lake of the Woods weather broadcasting.

\$2,000,000 in fiscal year 2024 is from the general fund for Allied Radio Matrix for Emergency Response (ARMER) tower building improvements and replacement.

Subd. 4. Local Roads**(a) County State-Aid Highways**915,443,0001,008,490,000

This appropriation is from the county state-aid highway fund under Minnesota Statutes, sections 161.081 and 297A.815, subdivision 3, and Minnesota Statutes, chapter 162, and is available until June 30, 2033.

If the commissioner of transportation determines that a balance remains in the county state-aid highway fund following the appropriations and transfers made in this paragraph and that the appropriations made are insufficient for advancing county state-aid highway projects, an amount necessary to advance the projects, not to exceed the balance in the county state-aid highway fund, is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. The commissioner must identify in the next budget submission to the legislature under Minnesota Statutes, section 16A.11, any amount that is appropriated under this paragraph.

(b) Municipal State-Aid Streets236,397,000271,959,000

This appropriation is from the municipal state-aid street fund under Minnesota Statutes, chapter 162, and is available until June 30, 2033.

If the commissioner of transportation determines that a balance remains in the municipal state-aid street fund following the appropriations and transfers made in this paragraph and that the

appropriations made are insufficient for advancing municipal state-aid street projects, an amount necessary to advance the projects, not to exceed the balance in the municipal state-aid street fund, is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. The commissioner must identify in the next budget submission to the legislature under Minnesota Statutes, section 16A.11, any amount that is appropriated under this paragraph.

(c) Other Local Roads

(1) <u>Town Roads</u>	<u>51,000</u>	<u>19,305,000</u>
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This appropriation is from the town road account in the county state-aid highway fund for town roads for distribution in the manner provided under Minnesota Statutes, section 162.081.

The base is \$21,205,000 in fiscal year 2026 and \$21,338,000 in fiscal year 2027.

(2) <u>Small Cities Assistance</u>	<u>101,000</u>	<u>38,610,000</u>
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This appropriation is from the small cities assistance account under Minnesota Statutes, section 162.145, for the small cities assistance program under that section.

The base is \$42,410,000 in fiscal year 2026 and \$42,676,000 in fiscal year 2027.

(3) <u>Rice Street Capitol Area Redesign</u>	<u>25,000,000</u>	<u>-0-</u>
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This appropriation is from the general fund for Rice Street Capitol Area redesign under section 17. This appropriation is available until June 30, 2032.

(4) <u>St. Louis County Projects</u>	<u>9,000,000</u>	<u>-0-</u>
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This appropriation is from the general fund for one or more grants to St. Louis County as follows:

(i) \$3,000,000 for predesign, design, engineering, environmental analysis and mitigation, land acquisition, and reconstruction of St. Louis County State-Aid Highway 100 (3rd Avenue North and Main Street), from marked Trunk Highway 135 to St. Louis County State-Aid Highway 110 in the city of Aurora; and

(ii) \$6,000,000 for predesign, design, engineering, environmental analysis and mitigation, land acquisition, construction, and reconstruction of Progress Parkway, to provide for intersection improvements and road realignment and extension from marked U.S. Highway 53 and St. Louis County State-Aid Highway 142 to marked Trunk Highway 37 and Station 44 Road in the city of Eveleth.

(5) Local Transportation Disaster Support 4,300,000 1,000,000

This appropriation is from the general fund to provide cost-share for federal assistance from the Federal Highway Administration for the emergency relief program under United States Code, title 23, section 125. This appropriation is available until June 30, 2027.

Subd. 5. Agency Management

(a) Agency Services 302,876,000 90,538,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>226,849,000</u>	<u>9,461,000</u>
<u>Trunk Highway</u>	<u>76,027,000</u>	<u>81,077,000</u>

\$2,500,000 in each year is from the general fund for small community partnerships under section 15. This is a onetime appropriation and is available until June 30, 2026.

\$1,000,000 in each year is from the general fund for federal transportation grants technical assistance under section 14. This is a onetime appropriation and is available until June 30, 2026.

\$214,400,000 in fiscal year 2024 is from the general fund for Infrastructure Investment and Jobs Act (IIJA) discretionary matches under section 16. This is a onetime appropriation and is available until June 30, 2027.

\$1,000,000 in each year is from the general fund for Tribal-state relations and workforce training programs.

\$7,000,000 in fiscal year 2024 and \$4,000,000 in fiscal year 2025 are from the general fund for information technology projects and implementation.

The base from the general fund is \$5,961,000 in each of fiscal years 2026 and 2027.

(b) Electric Vehicle Infrastructure 13,861,000 261,000

This appropriation is from the general fund for the electric vehicle infrastructure program under Minnesota Statutes, section 174.47.

\$13,600,000 in fiscal year 2024 is available until June 30, 2027.

(c) Buildings

40,790,000

41,120,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>55,000</u>	<u>55,000</u>
<u>Trunk Highway</u>	<u>40,735,000</u>	<u>41,065,000</u>

Any money appropriated to the commissioner of transportation for building construction for any fiscal year before fiscal year 2024 is available to the commissioner during the biennium to the extent that the commissioner spends the money on the building construction projects for which the money was originally encumbered during the fiscal year for which it was appropriated. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(d) Tort Claims

600,000

600,000

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 6. Transfers; General Authority

(a) With the approval of the commissioner of management and budget, the commissioner of transportation may transfer unencumbered balances among the appropriations from the trunk highway fund and the state airports fund made in this section. Transfers under this paragraph must not be made: (1) between funds; (2) from the appropriations for state road construction or debt service; or (3) from the appropriations for operations and maintenance or program delivery, except for a transfer to state road construction or debt service.

(b) The commissioner of transportation must immediately report transfers under paragraph (a) to the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance. The authority for the commissioner of transportation to make transfers under Minnesota Statutes, section 16A.285, is superseded by the authority and requirements under this subdivision.

Subd. 7. Transfers; Flexible Highway Account

The commissioner of transportation must transfer from the flexible highway account in the county state-aid highway fund:

(1) \$1,850,000 in fiscal year 2024 to the trunk highway fund;

(2) \$5,000,000 in fiscal year 2024 to the municipal turnback account in the municipal state-aid street fund; and

(3) the remainder in each year to the county turnback account in the county state-aid highway fund.

The money transferred under this subdivision is for highway turnback purposes as provided under Minnesota Statutes, section 161.081, subdivision 3.

Subd. 8. Contingent Appropriations

The commissioner of transportation, with the approval of the governor and the written approval of at least five members of a group consisting of the members of the Legislative Advisory Commission under Minnesota Statutes, section 3.30, and the ranking minority members of the legislative committees with jurisdiction over transportation finance, may transfer all or part of the unappropriated balance in the trunk highway fund to an appropriation: (1) for trunk highway design, construction, or inspection in order to take advantage of an unanticipated receipt of income to the trunk highway fund or to take advantage of federal advanced construction funding; (2) for trunk highway maintenance in order to meet an emergency; or (3) to pay tort or environmental claims. Nothing in this subdivision authorizes the commissioner to increase the use of federal advanced construction funding beyond amounts specifically authorized. Any transfer as a result of the use of federal advanced construction funding must include an analysis of the effects on the long-term trunk highway fund balance. The amount transferred is appropriated for the purpose of the account to which it is transferred.

Sec. 3. METROPOLITAN COUNCIL

Subdivision 1. Total Appropriation

\$89,630,000

\$88,630,000

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

32,654,000

32,654,000

This appropriation is for transit system operations under Minnesota Statutes, sections 473.371 to 473.449.

Subd. 3. Metro Mobility

55,976,000

55,976,000

This appropriation is for Metro Mobility under Minnesota Statutes, section 473.386.

Subd. 4. Land Use and Transportation1,000,000-0-

This appropriation is for the metropolitan land use and transportation policy study under article 4, section 60.

Sec. 4. DEPARTMENT OF PUBLIC SAFETY**Subdivision 1. Total Appropriation**\$293,620,000\$288,208,000Appropriations by Fund

	<u>2024</u>	<u>2025</u>
General	<u>39,200,000</u>	<u>40,309,000</u>
H.U.T.D.	<u>1,336,000</u>	<u>1,378,000</u>
Special Revenue	<u>74,129,000</u>	<u>75,925,000</u>
Trunk Highway	<u>178,955,000</u>	<u>170,596,000</u>

The appropriations in this section are to the commissioner of public safety.

The amounts that may be spent for each purpose are specified in the following subdivisions. The commissioner must spend appropriations from the trunk highway fund in subdivision 3 only for State Patrol purposes.

Subd. 2. Administration and Related Services**(a) Office of Communications**896,0001,148,000

This appropriation is from the general fund.

\$220,000 in fiscal year 2024 and \$440,000 in fiscal year 2025 are for staff and operating costs related to departmental communications activities.

(b) Public Safety Support10,326,00011,773,000Appropriations by Fund

	<u>2024</u>	<u>2025</u>
General	<u>5,399,000</u>	<u>6,564,000</u>
Trunk Highway	<u>4,927,000</u>	<u>5,209,000</u>

\$1,482,000 in each year is from the general fund for staff and operating costs related to public engagement activities.

\$1,302,000 in fiscal year 2024 and \$2,694,000 in fiscal year 2025 are from the general fund for staff and operating costs related to departmental administrative support activities.

\$350,000 in fiscal year 2024 is from the general fund for use of a consultant to provide for assessment and predesign related to State Patrol facilities.

(c) **Public Safety Officer Survivor Benefits** 640,000 640,000

This appropriation is from the general fund for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(d) **Public Safety Officer Reimbursements** 1,367,000 1,367,000

This appropriation is from the general fund for transfer to the public safety officer's benefit account. This appropriation is available for reimbursements under Minnesota Statutes, section 299A.465.

(e) **Soft Body Armor Reimbursements** 745,000 745,000

This appropriation is from the general fund for soft body armor reimbursements under Minnesota Statutes, section 299A.38.

(f) **Technology and Support Services** 6,712,000 6,783,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
General	<u>1,645,000</u>	<u>1,684,000</u>
Trunk Highway	<u>5,067,000</u>	<u>5,099,000</u>

Subd. 3. **State Patrol**

(a) **Patrolling Highways** 151,394,000 141,731,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
General	<u>648,000</u>	<u>389,000</u>
H.U.T.D.	<u>92,000</u>	<u>92,000</u>
Trunk Highway	<u>150,654,000</u>	<u>141,250,000</u>

\$14,500,000 in fiscal year 2024 is to purchase and equip a helicopter for the State Patrol.

\$1,700,000 in each year is for staff and equipment costs of pilots for the State Patrol.

\$611,000 in fiscal year 2024 and \$352,000 in fiscal year 2025 are from the general fund for activities in support of State Patrol accreditation by the Commission on Accreditation for Law Enforcement Agencies.

(b) <u>Commercial Vehicle Enforcement</u>	<u>17,746,000</u>	<u>18,423,000</u>
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\$5,248,000 in each year is for staff and operating costs related to commercial motor vehicle enforcement.

(c) <u>Capitol Security</u>	<u>18,666,000</u>	<u>19,231,000</u>
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This appropriation is from the general fund.

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) <u>Vehicle Crimes Unit</u>	<u>1,244,000</u>	<u>1,286,000</u>
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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.

Subd. 4. Driver and Vehicle Services

(a) <u>Driver Services</u>	<u>41,952,000</u>	<u>43,225,000</u>
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This appropriation is from the driver and vehicle services account under Minnesota Statutes, section 299A.705.

\$201,000 in fiscal year 2024 and \$192,000 in fiscal year 2025 are for full-service provider monitoring and auditing activities.

If legislation is enacted in the 2023 regular legislative session that establishes a watercraft operator's permit indicator on drivers' licenses and identification cards, \$59,000 in fiscal year 2024 is available for the costs of implementation. Otherwise, this amount cancels to the driver and vehicle services account.

\$262,000 in fiscal year 2024 and \$81,000 in fiscal year 2025 is for collection of race and ethnicity information for holders of drivers' licenses and identification cards.

\$2,598,000 in each year is to maintain driver's license examination stations.

(b) Vehicle Services

30,935,000

31,449,000

This appropriation is from the driver and vehicle services account under Minnesota Statutes, section 299A.705.

\$3,000,000 in each year is for payments to deputy registrars, including a deputy registrar who is a full-service provider as defined in Minnesota Statutes, section 168.002, subdivision 12a. The commissioner must make quarterly payments to each deputy registrar that was in operation during the previous quarter based proportionally on the total number of transactions completed by each deputy registrar. The first quarterly distribution must be made on or before July 15, 2023. This is a onetime appropriation, and the amount in fiscal year 2025 is available until August 31, 2025.

\$1,600,000 in fiscal year 2024 and \$1,300,000 in fiscal year 2025 are for staff and operating costs related to additional vehicle inspection sites.

The base is \$28,449,000 in each of fiscal years 2026 and 2027.

Subd. 5. Traffic Safety

9,195,000

8,596,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>8,634,000</u>	<u>7,981,000</u>
<u>Trunk Highway</u>	<u>561,000</u>	<u>615,000</u>

\$1,000,000 in fiscal year 2024 is from the general fund for grants to local units of government to perform additional traffic safety enforcement activities in safe road zones under Minnesota Statutes, section 169.065. In allocating funds, the commissioner must account for other sources of funding for increased traffic enforcement.

\$1,000,000 in each year is from the general fund for grants to local units of government to enhance traffic safety enforcement activities and is available for training, equipment, overtime, and related costs for peace officers to perform duties that are specifically related to traffic management and traffic safety. This is a onetime appropriation.

\$2,000,000 in each year is from the general fund for grants to law enforcement agencies to undertake targeted speed reduction efforts on rural high-risk roadways identified by the commissioner based on crash information and consultation with the Advisory Council on Traffic Safety under Minnesota Statutes, section 4.076, and local traffic safety partners. This is a onetime appropriation.

\$175,000 in each year is from the general fund for grants to local units of government for safe ride programs that provide safe transportation options for patrons of hospitality and entertainment businesses within a community. This is a onetime appropriation.

\$500,000 in fiscal year 2024 is from the general fund for the traffic safety violations disposition analysis under section 18.

\$2,500,000 in each year is from the general fund for operations and traffic safety projects and activities of the Advisory Council on Traffic Safety under Minnesota Statutes, section 4.076.

\$98,000 in each year is from the general fund for collection of race and ethnicity information for holders of drivers' licenses and identification cards and statewide traffic safety equity program activities.

\$813,000 in fiscal year 2024 and \$1,625,000 in fiscal year 2025 are from the general fund for staff and operating costs related to a Traffic Safety Data Analytics Center.

The base from the general fund is \$4,806,000 in each of fiscal years 2026 and 2027.

Subd. 6. Pipeline Safety

2,003,000

2,003,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>560,000</u>	<u>560,000</u>
<u>Special Revenue</u>	<u>1,443,000</u>	<u>1,443,000</u>

This appropriation is from the pipeline safety account in the special revenue fund under Minnesota Statutes, section 299J.18.

\$560,000 in each year is from the general fund for staff and operating costs related to oversight of the excavation notice system under Minnesota Statutes, chapter 216D, including education, investigation, and enforcement activities.

Sec. 5. LEGISLATIVE COORDINATING COMMISSION

\$225,000

\$-0-

This appropriation is from the general fund to the Legislative Coordinating Commission for costs of the Metropolitan Governance Task Force under article 4, section 59.

Sec. 6. **MINNESOTA MANAGEMENT AND BUDGET**

<u>Subdivision 1. Total Appropriation</u>	<u>\$608,000</u>	<u>\$608,000</u>
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The appropriations in this section are from the general fund to the commissioner of management and budget.

The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Collective Bargaining</u>	<u>38,000</u>	<u>38,000</u>
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This appropriation is for arbitration costs related to Minnesota Statutes, section 43A.17, subdivision 13.

<u>Subd. 3. Federal Funds Coordinator</u>	<u>570,000</u>	<u>570,000</u>
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(a) This appropriation is for a coordinator and support staff to provide for maximization of federal formula and discretionary grant funds to recipients in the state, including but not limited to funds under: (1) the Infrastructure Investment and Jobs Act (IIJA), Public Law 117-58; (2) the Inflation Reduction Act of 2022, Public Law 117-169; (3) the CHIPS and Science Act of 2022, Public Law 117-167; and (4) subsequent federal appropriations acts associated with a spending authorization or appropriation under clauses (1) to (3).

(b) The duties of the federal coordinator include but are not limited to:

(1) serving as the state agency lead on activities related to federal infrastructure funds;

(2) coordinating on federal grants with the governor, legislature, state agencies, federally recognized Tribal governments, political subdivisions, and private entities; and

(3) developing methods to maximize the amount and effectiveness of federal grants provided to recipients in the state.

Subd. 4. Federal Funds Coordinator; Fiscal Year 2023

\$70,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of management and budget for the purposes specified in subdivision 3. This amount is available until June 30, 2024.

EFFECTIVE DATE. Subdivision 4 is effective the day following final enactment.

Sec. 7. **APPROPRIATION; RAIL CORRIDOR IMPLEMENTATION PLAN.**

Subdivision 1. Appropriation. \$4,000,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of transportation for the rail corridor implementation plan and report under this section. This appropriation is available for project development activities in conjunction with the rail corridor implementation plan, including but not limited to planning, predesign, preliminary engineering, and environmental analysis, and is available until June 30, 2025.

Subd. 2. **Implementation plan.** (a) The commissioner must enter into an agreement with a qualified independent entity to develop a rail corridor implementation plan for rail service improvements in the corridor between Minneapolis, St. Paul, Fargo, and Moorhead.

(b) At a minimum, the implementation plan must:

(1) identify, analyze, and evaluate options to expand rail service in the corridor, including but not limited to:

(i) passenger rail, commuter rail, or both;

(ii) extension or expansion of rail service to St. Cloud;

(iii) extension of the current Amtrak train service between Minneapolis and St. Paul and Chicago; and

(iv) modification to rail service administration, which may include jurisdictional transfers and contracting for service;

(2) select a preferred alternative from among the evaluated options, in consultation with the commissioner, the Metropolitan Council, and local stakeholders;

(3) include consideration of project barriers and risks;

(4) determine cost estimates for full implementation, including any capital improvements, operations, and rolling stock and equipment; and

(5) establish a project schedule with development milestones.

(c) The implementation plan must be completed by January 15, 2024.

Subd. 3. **Legislative report.** By February 1, 2024, the commissioner of transportation must submit a report on the rail corridor implementation plan to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. At a minimum, the report must:

(1) provide a summary of the implementation plan;

(2) identify the process for full implementation of the plan;

(3) review project finances, including cost estimates, anticipated sources and uses of funds, and a funding request; and

(4) provide recommendations for legislative changes, if any.

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

Sec. 8. **APPROPRIATION; TRANSIT SERVICE INTERVENTION PROJECT.**

Subdivision 1. **Appropriation.** \$2,000,000 in fiscal year 2023 is appropriated from the general fund to the Metropolitan Council for grants to participating organizations in the Transit Service Intervention Project under this section. The council must allocate the grants to provide reimbursements for project implementation, including but not limited to intervention teams, labor, and other expenses. This is a onetime appropriation and is available until June 30, 2024.

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

(b) "Council" means the Metropolitan Council established under Minnesota Statutes, chapter 473.

(c) "Intervention project" means the Transit Service Intervention Project established in this section.

Subd. 3. **Establishment.** A Transit Service Intervention Project is established to provide coordinated, high-visibility interventions on light rail transit lines that provide for enhanced social services outreach and engagement, code of conduct regulation, and law enforcement.

Subd. 4. **Project management.** The council must implement the intervention project.

Subd. 5. **Participating organizations.** The council must seek the participation of the following entities to provide for coordination on the intervention project:

- (1) the Department of Human Services;
- (2) the Department of Public Safety;
- (3) the Metropolitan Council;
- (4) each county within which a light rail transit line operates;
- (5) each city within which a light rail transit line operates;
- (6) the Metropolitan Airports Commission;
- (7) the National Alliance on Mental Illness Minnesota;
- (8) the exclusive representative of transit vehicle operators; and
- (9) other interested community-based social service organizations.

Subd. 6. **Duties.** (a) In collaboration with the participating organizations under subdivision 5, the council must:

(1) establish social services intervention teams that consist of county-based social services personnel and personnel from nonprofit organizations having mental health services or support capacity to perform on-site social services engagement with (i) transit riders experiencing homelessness, (ii) transit riders with substance use disorders or mental or behavioral health disorders, or (iii) a combination;

(2) establish coordinated intervention teams that consist of personnel under clause (1), community service officers, and peace officers;

(3) implement interventions in two phases as follows:

(i) by June 1, 2023, and for a period of three weeks, deploy the social services intervention teams on a mobile basis on light rail transit lines and facilities; and

(ii) beginning at the conclusion of the period under item (i), and for a period of at least nine weeks, deploy the coordinated intervention teams on a mobile basis on light rail transit lines and facilities, utilizing both social services and law enforcement partners; and

(4) evaluate impacts of the intervention teams related to social services outreach, code of conduct violations, and rider experience.

(b) Social services engagement under paragraph (a) includes but is not limited to outreach, preliminary assessment and screening, information and resource sharing, referral or connections to service providers, assistance in arranging for services, and precrisis response.

Subd. 7. Administration. Using existing resources, the council must provide staff assistance and administrative support for the project.

Subd. 8. Reports. By the 15th of each month, the council must submit a status report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. At a minimum, each report must include:

(1) a summary of activities under the intervention project;

(2) a fiscal review of expenditures; and

(3) analysis of impacts and outcomes related to social services outreach, violations under Minnesota Statutes, sections 473.4065 and 609.855, and rider experience.

Subd. 9. Expiration. The intervention project under this section expires June 30, 2024.

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

Sec. 9. APPROPRIATIONS; STATE PATROL OPERATING DEFICIENCY.

(a) \$6,728,000 in fiscal year 2023 is appropriated from the trunk highway fund to the commissioner of public safety for State Patrol operating costs. This is a onetime appropriation and is available until December 31, 2023.

(b) \$106,000 in fiscal year 2023 is appropriated from the highway user tax distribution fund to the commissioner of public safety for the State Patrol Vehicle Crimes Unit. This is a onetime appropriation and is available until December 31, 2023.

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

Sec. 10. TRANSFER; TRUNK HIGHWAY FUND.

The commissioner of management and budget must transfer \$374,591,000 in fiscal year 2024 from the general fund to the trunk highway fund.

Sec. 11. TRANSFERS; FEE AND SURCHARGE FOREGONE REVENUE.

(a) Each of the following are transferred in fiscal year 2024 from the general fund to the commissioner of public safety:

(1) \$15,000 for deposit in the Bureau of Criminal Apprehension account under Minnesota Statutes, section 171.29, subdivision 2, paragraph (b);

(2) \$10,000 for deposit in the vehicle forfeiture account in the special revenue fund under Minnesota Statutes, section 171.29, subdivision 2, paragraph (b);

(3) \$38,000 for deposit in the traumatic brain injury and spinal cord injury account under Minnesota Statutes, section 171.29, subdivision 2, paragraph (c);

(4) \$285,000 for deposit in the remote electronic alcohol-monitoring program account under Minnesota Statutes, section 171.29, subdivision 2, paragraph (d); and

(5) \$4,000 for deposit in the driver and vehicle services technology account in the special revenue fund.

(b) Notwithstanding Minnesota Statutes, section 171.29, subdivision 2, paragraph (d), until July 1, 2026, the amount deposited under paragraph (a), clause (4), is not subject to transfer to the general fund.

Sec. 12. Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. **Multimodal Systems**

(a) **Aeronautics**

(1) **Airport Development and Assistance** 24,198,000 18,598,000

Appropriations by Fund

	2022	2023
General	5,600,000	-0-
Airports	18,598,000	18,598,000

This appropriation is from the state airports fund and must be spent according to Minnesota Statutes, section 360.305, subdivision 4.

\$5,600,000 in fiscal year 2022 is from the general fund for a grant to the city of Karlstad for the acquisition of land, predesign, design, engineering, and construction of a primary airport runway.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for five years after the year of the appropriation. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

If the commissioner of transportation determines that a balance remains in the state airports fund following the appropriations made in this article and that the appropriations made are insufficient for advancing airport development and assistance projects, an amount necessary to advance the projects, not to exceed the balance in the state airports fund, is appropriated in each year to the commissioner and must be spent according to Minnesota Statutes, section 360.305, subdivision 4. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning the funds appropriated. Funds appropriated under this contingent appropriation do not adjust the base for fiscal years 2024 and 2025.

(2) Aviation Support Services

8,332,000

8,340,000

Appropriations by Fund

	2022	2023
General	1,650,000	1,650,000
Airports	6,682,000	6,690,000

\$28,000 in fiscal year 2022 and \$36,000 in fiscal year 2023 are from the state airports fund for costs related to regulating unmanned aircraft systems.

(3) Civil Air Patrol

80,000

80,000

This appropriation is from the state airports fund for the Civil Air Patrol.

(b) Transit and Active Transportation

23,501,000

18,201,000

This appropriation is from the general fund.

\$5,000,000 in fiscal year 2022 is for the active transportation program under Minnesota Statutes, section 174.38. This is a onetime appropriation and is available until June 30, 2025.

\$300,000 in fiscal year 2022 is for a grant to the 494 Corridor Commission. The commissioner must not retain any portion of the funds appropriated under this section. The commissioner must make grant payments in full by December 31, 2021. Funds under this grant are for programming and service expansion to assist companies and commuters in telecommuting efforts and promotion of best practices. A grant recipient must provide telework resources, assistance, information, and related activities on a statewide basis. This is a onetime appropriation.

(c) Safe Routes to School

5,500,000

500,000

This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it. \$5,000,000 in fiscal year 2022 is available until June 30, 2025.

(d) Passenger Rail

10,500,000

500,000

This appropriation is from the general fund for passenger rail activities under Minnesota Statutes, sections 174.632 to 174.636.

\$10,000,000 in fiscal year 2022 is for final design and construction to provide for a second daily Amtrak train service between Minneapolis and St. Paul and Chicago. The commissioner may expend funds for program delivery and administration from this amount. This is a onetime appropriation and is available until June 30, 2025.

(e) **Freight** 8,342,000 7,323,000

Appropriations by Fund

	2022	2023
General	2,464,000	1,445,000
Trunk Highway	5,878,000	5,878,000

\$1,000,000 in fiscal year 2022 is from the general fund for procurement costs of a statewide freight network optimization tool. This is a onetime appropriation and is available until June 30, ~~2023~~ 2025.

\$350,000 in fiscal year 2022 and \$287,000 in fiscal year 2023 are from the general fund for two additional rail safety inspectors in the state rail safety inspection program under Minnesota Statutes, section 219.015. In each year, the commissioner must not increase the total assessment amount under Minnesota Statutes, section 219.015, subdivision 2, from the most recent assessment amount.

Sec. 13. Laws 2021, First Special Session chapter 5, article 1, section 4, subdivision 4, is amended to read:

Subd. 4. **Driver and Vehicle Services**

(a) **Driver Services** 44,820,000 39,685,000

This appropriation is from the driver services operating account in the special revenue fund under Minnesota Statutes, section 299A.705, subdivision 2.

\$2,598,000 in each year is for costs to reopen all driver's license examination stations that were closed in 2020 due to the COVID-19 pandemic. This amount is not available for the public information center, general administration, or operational support. This is a onetime appropriation.

\$2,229,000 in fiscal year 2022 and \$155,000 in fiscal year 2023 are for costs of a pilot project for same-day issuance of drivers' licenses and state identification cards.

The base is \$36,398,000 in each of fiscal years 2024 and 2025.

(b) Vehicle Services		37,418,000	<u>35,535,000</u> <u>27,299,000</u>
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Appropriations by Fund

	2022	2023
H.U.T.D.	686,000	-0-
Special Revenue	36,732,000	<u>35,535,000</u> <u>27,299,000</u>

The special revenue fund appropriation is from the vehicle services operating account under Minnesota Statutes, section 299A.705, subdivision 1.

\$200,000 in fiscal year 2022 is from the vehicle services operating account for the independent expert review of MnDRIVE under article 4, section 144, for expenses of the chair and the review team related to work completed pursuant to that section, including any contracts entered into. This is a onetime appropriation.

\$250,000 in fiscal year 2022 is from the vehicle services operating account for programming costs related to the implementation of self-service kiosks for vehicle registration renewal. This is a onetime appropriation and is available in fiscal year 2023.

The base is \$33,788,000 in each of fiscal years 2024 and 2025.

Sec. 14. **FEDERAL TRANSPORTATION GRANTS TECHNICAL ASSISTANCE.**

Subdivision 1. **Definition.** For purposes of this section, "commissioner" means the commissioner of transportation.

Subd. 2. **Technical assistance grants.** (a) The commissioner must establish a process to provide grants for technical assistance to a requesting local unit of government or Tribal government that seeks to submit an application for a federal discretionary grant for a transportation-related purpose.

(b) A transportation-related purpose includes but is not limited to a project, a program, planning, program delivery, administrative costs, ongoing operations, and other related expenditures. Technical assistance includes but is not limited to hiring consultants for identification of available grants, grant writing, analysis, data collection, technical review, legal interpretations necessary to complete an application, planning, pre-engineering, application finalization, and similar activities.

Subd. 3. **Evaluation criteria.** (a) The commissioner must establish a process for solicitation, submission of requests for technical assistance, screening requests, and award of technical assistance grants.

(b) The process must include criteria for projects or purposes that:

(1) address or mitigate the impacts of climate change, including through:

(i) reduction in transportation-related pollution or emissions; and

(ii) improvements to the resiliency of infrastructure that is subject to long-term risks from natural disasters, weather events, or changing climate conditions;

(2) are located in areas of persistent poverty or historically disadvantaged communities, as measured and defined in federal law, guidance, and notices of funding opportunity;

(3) improve safety for motorized and nonmotorized users of the transportation system;

(4) are located in townships or cities that are eligible for small cities assistance aid under Minnesota Statutes, section 162.145;

(5) support grants to Tribal governments; and

(6) provide for geographic balance of grants throughout the state.

Subd. 4. Requirements. (a) A technical assistance grant may not exceed \$30,000.

(b) The commissioner may not award more than one grant to each unit of government in a calendar year. The commissioner may award multiple grants to a Tribal government in a calendar year.

(c) From available funds in each fiscal year, the commissioner must reserve:

(1) at least 15 percent for Tribal governments; and

(2) at least 15 percent for cities that are eligible for small cities assistance aid under Minnesota Statutes, section 162.145.

(d) Funds reserved under paragraph (c) that are unused at the end of a fiscal year may be used for grants to any eligible recipient in the following fiscal year.

Sec. 15. SMALL COMMUNITY PARTNERSHIPS.

(a) The commissioner of transportation must enter into an agreement with the Board of Regents of the University of Minnesota for small community partnerships on infrastructure project analysis and development as provided in this section.

(b) The agreement must provide for:

(1) partnership activities in the Regional Sustainable Development Partnerships, the Center for Transportation Studies, the Minnesota Design Center, the Humphrey School of Public Affairs, the Center for Urban and Regional Affairs, or other related entities;

(2) support and assistance to small communities that includes:

(i) methods to incorporate consideration of sustainability, resiliency, and adaptation to the impacts of climate change; and

(ii) identification and cross-sector analysis of any potential associated projects and efficiencies through coordinated investments in other infrastructure or assets; and

(3) prioritization of support and assistance to political subdivisions and federally recognized Tribal governments based on insufficiency of capacity to undertake project development and apply for state or federal infrastructure grants.

(c) The agreement may provide for project analysis and development activities that include but are not limited to planning, scoping, analysis, predesign, design, pre-engineering, and engineering.

Sec. 16. **INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA) DISCRETIONARY MATCH.**

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

(b) "Commissioner" means the commissioner of transportation.

(c) "Federal discretionary grant" means federal funds under a discretionary grant program enacted or authorized in the Infrastructure Investment and Jobs Act (IIJA), Public Law 117-58, and federal funds under any subsequent federal appropriations acts directly associated with a spending authorization or appropriation under the IIJA.

(d) "Federal grant recipient" means an entity that receives a federal discretionary grant under the applicable federal program.

Subd. 2. General requirements. (a) Subject to an appropriation, the commissioner must establish a process to allocate the funds made available for purposes of this section.

(b) The commissioner must allocate available funds in the order of (1) requests submitted by federal grant recipients, followed by (2) announcement or notification of the federal grant award. The commissioner may allocate funds for a federal discretionary grant awarded prior to the effective date of this section.

(c) The commissioner must only allocate available funds:

(1) to a federal grant recipient for match requirements under federal discretionary grants;

(2) for a transportation-related purpose, including but not limited to a project, a program, planning, program delivery, administrative costs, ongoing operations, and other related expenditures; and

(3) in an amount not to exceed the lesser of (i) the amount necessary for the federal match requirements, or (ii) \$10,000,000.

Subd. 3. Uses of funds. (a) From available funds under this section, the commissioner may:

(1) expend funds for the trunk highway system;

(2) allocate funds among any transportation modes and programs, including but not limited to local roads and bridges, transit, active transportation, aeronautics, alternative fuel corridors, electric vehicle infrastructure, and climate-related programs; and

(3) make grants to a federal grant recipient, which as appropriate includes but is not limited to federally recognized Tribal governments, local units of government, and metropolitan planning organizations.

(b) Funds under this section are available regardless of the eligible uses of federal funds under the federal discretionary grant award.

Subd. 4. **Public information.** The commissioner must maintain information on a public website that details funds allocated under this section. The information must include:

(1) a summary of federal grant recipients, projects including a general status, and the amounts of match funding requested and provided;

(2) identification of any unfunded requests; and

(3) a fiscal review that provides breakouts by type of project or purpose, transportation mode, federal program, and region of the state.

Subd. 5. **Expiration.** This section expires June 30, 2029.

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

Sec. 17. **RICE STREET CAPITOL AREA REDESIGN.**

(a) From the appropriation in section 2, subdivision 4, paragraph (c), clause (3), the commissioner of transportation must provide one or more grants to the city of St. Paul, Ramsey County, or both for planning, predesign, design, engineering, environmental analysis and mitigation, land acquisition, and reconstruction of the Rice Street Capitol Area corridor as follows:

(1) Rice Street from West Pennsylvania Avenue to John Ireland Boulevard;

(2) Como Avenue from West Pennsylvania Avenue and Marion Street to Rice Street;

(3) West 12th Street from John Ireland Boulevard to the vicinity of Saint Peter Street; and

(4) Saint Peter Street from West 12th Street to East 11th Street.

(b) The Rice Street Capitol Area redesign project under this section must:

(1) be developed under a multiagency planning process that is coordinated by the Capitol Area Architectural and Planning Board under Minnesota Statutes, section 15B.03;

(2) conform with the comprehensive plan adopted under Minnesota Statutes, section 15B.05, and the street design manual adopted by the city of St. Paul; and

(3) establish a multimodal hub in the vicinity of Rice Street and University Avenue.

Sec. 18. **TRAFFIC SAFETY VIOLATIONS DISPOSITION ANALYSIS.**

(a) From an appropriation in this act, the commissioner of public safety must enter into an agreement with the Center for Transportation Studies at the University of Minnesota to conduct an evaluation of the disposition in recent years of citations for speeding, impairment, distraction, and seatbelt violations. The evaluation under the agreement must include but is not limited to analysis of:

(1) rates of citations issued compared to rates of citations contested in court and the outcomes of the cases;

(2) amounts of fines imposed compared to counts and amounts of fine payments; and

(3) any related changes in patterns of traffic enforcement from 2017 to 2022.

(b) The agreement must require the Center for Transportation Studies to submit an interim progress report by July 1, 2024, and a final report by July 1, 2025, to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance and public safety.

Sec. 19. **ACCOUNT USE FOR CERTAIN APPROPRIATIONS.**

(a) If an appropriation in fiscal year 2024 or thereafter from the vehicle services operating account under Minnesota Statutes, section 299A.705, subdivision 1, or from the driver services operating account under Minnesota Statutes, section 299A.705, subdivision 2, is enacted during the 2023 regular legislative session, the appropriation is instead from the driver and vehicle services account as provided under article 4, section 38.

(b) Notwithstanding Minnesota Statutes, section 645.26, subdivision 3, this section prevails for an appropriation as provided under paragraph (a).

Sec. 20. **APPROPRIATIONS AND TRANSFERS GIVEN EFFECT ONCE.**

If an appropriation or transfer in this article is enacted more than once during the 2023 regular legislative session, the appropriation or transfer must be given effect once.

ARTICLE 2
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 commissioner of transportation or other named entity, 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>\$217,440,000</u>
<u>Department of Management and Budget</u>	<u>\$220,000</u>
<u>TOTAL</u>	<u>\$217,660,000</u>

APPROPRIATIONS

Sec. 2. **DEPARTMENT OF TRANSPORTATION**

Subdivision 1. **Corridors of Commerce** 50,000,000

(a) This appropriation is for the corridors of commerce program under Minnesota Statutes, section 161.088.

(b) The commissioner may use up to 17 percent of the amount for program delivery.

Subd. 2. High-Priority Bridges80,000,000

(a) This appropriation is for the acquisition, environmental analysis, predesign, design, engineering, construction, reconstruction, and improvement of trunk highway bridges, including design-build contracts, program delivery, consultant usage to support these activities, and the cost of payments to landowners for lands acquired for highway rights-of-way. Projects to construct, reconstruct, or improve trunk highway bridges from this appropriation must follow eligible investment priorities identified in the State Highway Investment Plan.

(b) The commissioner may use up to 17 percent of the amount for program delivery.

Subd. 3. Transportation Facilities Capital Improvements87,440,000

This appropriation is for Department of Transportation facilities capital improvements that:

- (1) support the programmatic mission of the department;
- (2) extend the useful life of existing buildings; or
- (3) renovate or construct facilities to meet the department's current and future operational needs.

Sec. 3. BOND SALE EXPENSES\$220,000

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 \$217,660,000 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.

ARTICLE 3
TRANSPORTATION-RELATED TAXES

Section 1. Minnesota Statutes 2022, section 168.013, subdivision 1a, is amended to read:

Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined in section 168.002, subdivision 24, and hearses, except as otherwise provided, the registration tax is calculated as \$10 plus:

- (1) for a vehicle initially registered in Minnesota prior to November 16, 2020, ~~4.25~~ 1.915 percent of the manufacturer's suggested retail price of the vehicle and the destination charge, subject to the adjustments in paragraphs (f) and (g); or

(2) for a vehicle initially registered in Minnesota on or after November 16, 2020, ~~4.285~~ 1.95 percent of the manufacturer's suggested retail price of the vehicle, subject to the adjustments in paragraphs (f) and (g).

(b) The registration tax calculation must not include the cost of each accessory or item of optional equipment separately added to the vehicle and the manufacturer's suggested retail price. The registration tax calculation must not include a destination charge, except for a vehicle previously registered in Minnesota prior to November 16, 2020.

(c) In the case of the first registration of a new vehicle sold or leased by a licensed dealer, the dealer may elect to individually determine the registration tax on the vehicle using manufacturer's suggested retail price information provided by the manufacturer. The registrar must use the manufacturer's suggested retail price determined by the dealer as provided in paragraph (d). A dealer that elects to make the determination must retain a copy of the manufacturer's suggested retail price label or other supporting documentation with the vehicle transaction records maintained under Minnesota Rules, part 7400.5200.

(d) The registrar must determine the manufacturer's suggested retail price:

(1) using list price information published by the manufacturer or any nationally recognized firm or association compiling such data for the automotive industry;

(2) if the list price information is unavailable, using the amount determined by a licensed dealer under paragraph (c);

(3) if a dealer does not determine the amount, using the retail price label as provided by the manufacturer under United States Code, title 15, section 1232; or

(4) if the retail price label is not available, using the actual sales price of the vehicle.

If the registrar is unable to ascertain the manufacturer's suggested retail price of any registered vehicle in the foregoing manner, the registrar may use any other available source or method.

(e) The registrar must calculate the registration tax using information available to dealers and deputy registrars at the time the initial application for registration is submitted.

(f) The amount under paragraph (a), clauses (1) and (2), must be calculated based on a percentage of the manufacturer's suggested retail price, as follows:

(1) during the first year of vehicle life, upon 100 percent of the price;

(2) for the second year, 90 percent of the price;

(3) for the third year, ~~80~~ 78 percent of the price;

(4) for the fourth year, ~~70~~ 60 percent of the price;

(5) for the fifth year, ~~60~~ 50 percent of the price;

(6) for the sixth year, ~~50~~ 34 percent of the price;

(7) for the seventh year, ~~40~~ 27 percent of the price;

(8) for the eighth year, ~~30~~ 18 percent of the price;

(9) for the ninth year, ~~20~~ 12 percent of the price; and

(10) for the tenth year, ~~ten~~ six percent of the price.

(g) For the 11th and each succeeding year, the amount under paragraph (a), clauses (1) and (2), must be calculated as ~~\$25~~ \$20.

(h) Except as provided in subdivision 23, for any vehicle previously registered in Minnesota and regardless of prior ownership, the total amount due under this subdivision and subdivision 1m must not exceed the smallest total amount previously paid or due on the vehicle.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to taxes payable for a registration period starting on or after January 1, 2024.

Sec. 2. Minnesota Statutes 2022, 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~~ is imposed at:

(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~~ paragraph (a) by the department must be allocated as follows:

(1) ~~of~~ the fees collected under paragraph (a), clause (1), must be deposited as follows:

(i) ~~\$5.50 must be deposited~~ in the driver and 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), must be deposited as follows:

- (i) ~~\$3.50 must be deposited in the general fund~~ in the transportation advancement account under section 174.49;
- (ii) ~~\$6.00 must be deposited in the driver and~~ vehicle services operating account; and
- (iii) ~~\$1.50 must be deposited in the driver and vehicle services technology~~ account.

EFFECTIVE DATE. This section is effective July 1, 2023, for transactions occurring on or after that date.

Sec. 3. Minnesota Statutes 2022, section 168.54, subdivision 5, is amended to read:

Subd. 5. **Deposit of proceeds to general fund.** ~~The commissioner shall~~ must collect the proceeds of the fee imposed under this section and deposit them ~~in the general fund pursuant to section 168A.31~~ in the transportation advancement account under section 174.49.

EFFECTIVE DATE. This section is effective July 1, 2023, for transactions occurring on or after that date.

Sec. 4. **[168E.01] DEFINITIONS.**

Subdivision 1. **Scope.** As used in this chapter, the following terms have the meanings given.

Subd. 2. **Clothing.** "Clothing" has the meaning given in section 297A.67, subdivision 8.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of revenue.

Subd. 4. **Motor vehicle.** "Motor vehicle" has the meaning given in section 168.002, subdivision 18.

Subd. 5. **Retail delivery.** "Retail delivery" means a retail sale of tangible personal property by a retailer for delivery by a motor vehicle to the purchaser at a location in Minnesota in which the sale contains at least one item of tangible personal property that is subject to taxation under chapter 297A, including the retail sale of clothing notwithstanding the exemption from taxation for clothing under chapter 297A.

Subd. 6. **Retail delivery fee.** "Retail delivery fee" means the fee imposed under section 168E.03 on retail deliveries.

Subd. 7. **Retail sale.** "Retail sale" has the meaning given in section 297A.61, subdivision 4.

Subd. 8. **Retailer.** "Retailer" means any person making sales, leases, or rental of personal property or services within or into the state of Minnesota. Retailer includes a:

- (1) retailer maintaining a place of business in this state;
- (2) marketplace provider maintaining a place of business in this state, as defined in section 297A.66, subdivision 1, paragraph (a);
- (3) retailer not maintaining a place of business in this state; and
- (4) marketplace provider not maintaining a place of business in this state, as defined in section 297A.66, subdivision 1, paragraph (b).

Subd. 9. **Tangible personal property.** "Tangible personal property" has the meaning given in section 297A.61, subdivision 10.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 5. **[168E.03] FEE IMPOSED.**

Subdivision 1. **Rate.** (a) A retailer who makes a retail delivery must add to the price of the retail delivery a retail delivery fee of 75 cents per delivery to be collected from the purchaser. The retailer must remit the fee to the commissioner in the time and manner prescribed by the commissioner in accordance with this chapter.

(b) The retail delivery fee must not be included in the sales price for purposes of calculating tax owed under chapter 297A.

(c) The retail delivery fee must be charged in addition to any other delivery fee. The retailer must show the total of the retail delivery fee and other delivery fees as separate items and distinct from the sales price and any other taxes or fees imposed on the retail delivery on the purchaser's receipt, invoice, or other bill of sale.

Subd. 2. **Delivery.** Each retail sale is a single retail delivery regardless of the number of shipments necessary to deliver the items of tangible personal property purchased.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 6. **[168E.05] EXEMPTIONS.**

Subdivision 1. **Certain transactions.** A retail delivery that includes only tangible personal property that is exempt from taxation under chapter 297A, except tangible personal property that is exempt as clothing under chapter 297A, is exempt from the retail delivery fee.

Subd. 2. **Certain entities.** A purchaser who is exempt from tax under chapter 297A is exempt from the retail delivery fee.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 7. **[168E.07] COLLECTION AND ADMINISTRATION.**

Subdivision 1. **Returns; payment of fees.** A retailer must report the fee on a return prescribed by the commissioner and must remit the fee with the return. The return and fee must be filed and paid using the filing cycle and due dates provided for taxes imposed under chapter 297A.

Subd. 2. **Administration.** Unless specifically provided otherwise by this section, the audit, assessment, refund, penalty, interest, enforcement, collection remedies, appeal, and administrative provisions of chapters 270C and 289A, that are applicable to taxes imposed under chapter 297A, apply to the fee imposed under this chapter.

Subd. 3. **Interest on overpayments.** The commissioner must pay interest on an overpayment refunded or credited to the retailer from the date of payment of the fee until the date the refund is paid or credited. For purposes of this subdivision, the date of payment is the due date of the return or the date of actual payment of the fee, whichever is later.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 8. **[168E.09] DEPOSIT OF PROCEEDS.**

Subdivision 1. **Costs deducted.** The commissioner must retain an amount that does not exceed the total cost of collecting, administering, and enforcing the retail delivery fee and must deposit the amount in the revenue department service and recovery special revenue fund.

Subd. 2. **Deposits.** After deposits under subdivision 1, the commissioner must deposit the balance of proceeds from the retail delivery fee in the transportation advancement account under section 174.49.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 9. **[174.49] TRANSPORTATION ADVANCEMENT ACCOUNT.**

Subdivision 1. **Transportation advancement account.** A transportation advancement account is established in the special revenue fund. The account consists of funds under sections 168.33, subdivision 7; 168.54, subdivision 5; 168E.09, subdivision 2; and as provided by law and any other money donated, allotted, transferred, or otherwise provided to the account.

Subd. 2. **Account allocation.** The commissioner of transportation must transfer funds in the transportation advancement account as follows:

- (1) 44 percent to the highway user tax distribution fund;
- (2) 15 percent to the county state-aid highway fund;
- (3) ten percent to the municipal state-aid street fund;
- (4) 20 percent to the small cities assistance account under section 162.145, subdivision 2;
- (5) ten percent to the town road account under section 162.081; and
- (6) one percent to the food delivery support account under section 256.9752, subdivision 1a.

Sec. 10. Minnesota Statutes 2022, section 256.9752, is amended by adding a subdivision to read:

Subd. 1a. **Food delivery support account; appropriation.** (a) A food delivery support account is established in the special revenue fund. The account consists of funds under sections 168E.09, subdivision 2, and as provided by law and any other money donated, allotted, transferred, or otherwise provided to the account.

(b) Money in the account is annually appropriated to the commissioner of human services for grants to nonprofit organizations to provide transportation of home-delivered meals, groceries, purchased food, or a combination, to Minnesotans who are experiencing food insecurity and have difficulty obtaining or preparing meals due to limited mobility, disability, age, or resources to prepare their own meals. A nonprofit organization must have a demonstrated history of providing and distributing food customized for the population that they serve.

(c) Grant funds under this subdivision must supplement, but not supplant, any state or federal funding used to provide prepared meals to Minnesotans experiencing food insecurity.

Sec. 11. Minnesota Statutes 2022, section 270C.15, is amended to read:

270C.15 REVENUE DEPARTMENT SERVICE AND RECOVERY SPECIAL REVENUE FUND.

A Revenue Department service and recovery special revenue fund is created for the purpose of recovering the costs of furnishing government data and related services or products, as well as recovering costs associated with collecting local taxes on sales and the retail delivery fee established under chapter 168E. All money collected under this section is deposited in the Revenue Department service and recovery special revenue fund. Money in the fund

is appropriated to the commissioner to reimburse the department for the costs incurred in administering the tax law or providing the data, service, or product. Any money paid to the department as a criminal fine for a violation of state revenue law that is designated by the court to fund enforcement of state revenue law is appropriated to this fund.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 12. Minnesota Statutes 2022, section 297A.61, subdivision 7, is amended to read:

Subd. 7. **Sales price.** (a) "Sales price" means the measure subject to sales tax, and means the total amount of consideration, including cash, credit, personal property, and services, for which personal property or services are sold, leased, or rented, valued in money, whether received in money or otherwise, without any deduction for the following:

(1) the seller's cost of the property sold;

(2) the cost of materials used, labor or service cost, interest, losses, all costs of transportation to the seller, all taxes imposed on the seller, and any other expenses of the seller;

(3) charges by the seller for any services necessary to complete the sale, other than delivery and installation charges;

(4) delivery charges, except (i) the percentage of the delivery charge allocated to delivery of tax exempt property, when the delivery charge is allocated by using either (i) (A) a percentage based on the total sales price of the taxable property compared to the total sales price of all property in the shipment, or (ii) (B) a percentage based on the total weight of the taxable property compared to the total weight of all property in the shipment, and (ii) the retail delivery fee imposed under chapter 168E; and

(5) installation charges.

(b) Sales price does not include:

(1) discounts, including cash, terms, or coupons, that are not reimbursed by a third party and that are allowed by the seller and taken by a purchaser on a sale;

(2) interest, financing, and carrying charges from credit extended on the sale of personal property or services, if the amount is separately stated on the invoice, bill of sale, or similar document given to the purchaser; and

(3) any taxes legally imposed directly on the consumer that are separately stated on the invoice, bill of sale, or similar document given to the purchaser.

(c) Sales price includes consideration received by the seller from third parties if:

(1) the seller actually receives consideration from a party other than the purchaser and the consideration is directly related to a price reduction or discount on the sale;

(2) the seller has an obligation to pass the price reduction or discount through to the purchaser;

(3) the amount of the consideration attributable to the sale is fixed and determinable by the seller at the time of the sale of the item to the purchaser; and

(4) one of the following criteria is met:

(i) the purchaser presents a coupon, certificate, or other documentation to the seller to claim a price reduction or discount when the coupon, certificate, or documentation is authorized, distributed, or granted by a third party with the understanding that the third party will reimburse any seller to whom the coupon, certificate, or documentation is presented;

(ii) the purchaser identifies himself or herself to the seller as a member of a group or organization entitled to a price reduction or discount. A "preferred customer" card that is available to any customer does not constitute membership in such a group; or

(iii) the price reduction or discount is identified as a third-party price reduction or discount on the invoice received by the purchaser or on a coupon, certificate, or other documentation presented by the purchaser.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 13. Minnesota Statutes 2022, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of management and budget shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit in the state treasury the revenues collected under section 297A.64, subdivision 1, including interest and penalties and minus refunds, and credit them to the highway user tax distribution fund.

(e) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit of revenues under paragraph (d), the commissioner shall deposit into the state treasury and credit to the highway user tax distribution fund an amount equal to the estimated revenues derived from the tax rate imposed under section 297A.62, subdivision 1, on the lease or rental for not more than 28 days of rental motor vehicles subject to section 297A.64. The commissioner shall estimate the amount of sales tax revenue deposited under this paragraph based on the amount of revenue deposited under paragraph (d).

~~(g) The commissioner shall deposit an amount of the remittances monthly into the state treasury and credit them to the highway user tax distribution fund as a portion of the estimated amount of taxes collected from the sale and purchase of motor vehicle repair and replacement parts in that month. The monthly deposit amount is \$12,137,000. Between July 1, 2023, and June 30, 2027, the commissioner must deposit \$14,887,000 monthly in the highway user tax distribution fund, as a portion of the revenue derived from the taxes imposed under section 297A.62, subdivision 1, on the sale and purchase of motor vehicle repair and replacement parts. On and after July 1, 2027, the commissioner must deposit in the highway user tax distribution fund the revenue derived from the taxes imposed under section 297A.62, subdivision 1, on the sale and purchase of motor vehicle repair and replacement parts.~~

For purposes of this paragraph, "motor vehicle" has the meaning given in section 297B.01, subdivision 11, and "motor vehicle repair and replacement parts" includes (i) all parts, tires, accessories, and equipment incorporated into or affixed to the motor vehicle as part of the motor vehicle maintenance and repair, and (ii) paint, oil, and other fluids that remain on or in the motor vehicle as part of the motor vehicle maintenance or repair. For purposes of this paragraph, "tire" means any tire of the type used on highway vehicles, if wholly or partially made of rubber and if marked according to federal regulations for highway use.

(h) 72.43 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 50 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants; and

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo.

(i) The revenue dedicated under paragraph (h) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (h) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where

angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (h) must be allocated for field operations.

(j) The commissioner must deposit the revenues, including interest and penalties minus any refunds, derived from the sale of items regulated under section 624.20, subdivision 1, that may be sold to persons 18 years old or older and that are not prohibited from use by the general public under section 624.21, in the state treasury and credit:

- (1) 25 percent to the volunteer fire assistance grant account established under section 88.068;
- (2) 25 percent to the fire safety account established under section 297I.06, subdivision 3; and
- (3) the remainder to the general fund.

For purposes of this paragraph, the percentage of total sales and use tax revenue derived from the sale of items regulated under section 624.20, subdivision 1, that are allowed to be sold to persons 18 years old or older and are not prohibited from use by the general public under section 624.21, is a set percentage of the total sales and use tax revenues collected in the state, with the percentage determined under Laws 2017, First Special Session chapter 1, article 3, section 39.

(k) The revenues deposited under paragraphs (a) to (j) do not include the revenues, including interest and penalties, generated by the sales tax imposed under section 297A.62, subdivision 1a, which must be deposited as provided under the Minnesota Constitution, article XI, section 15.

Sec. 14. Minnesota Statutes 2022, section 297A.99, subdivision 1, is amended to read:

Subdivision 1. **Authorization; scope.** (a) A political subdivision of this state may impose a general sales tax (1) under section 297A.992, (2) under section 297A.9925, (3) under section 297A.993, ~~(3)~~ (4) if permitted by special law, or ~~(4)~~ (5) if the political subdivision enacted and imposed the tax before January 1, 1982, and its predecessor provision.

(b) This section governs the imposition of a general sales tax by the political subdivision. The provisions of this section preempt the provisions of any special law:

- (1) enacted before June 2, 1997, or
- (2) enacted on or after June 2, 1997, that does not explicitly exempt the special law provision from this section's rules by reference.

(c) This section does not apply to or preempt a sales tax on motor vehicles. Beginning July 1, 2019, no political subdivision may impose a special excise tax on motor vehicles unless it is imposed under section 297A.993.

(d) A political subdivision may not advertise or expend funds for the promotion of a referendum to support imposing a local sales tax and may only spend funds related to imposing a local sales tax to:

- (1) conduct the referendum;
- (2) disseminate information included in the resolution adopted under subdivision 2, but only if the disseminated information includes a list of specific projects and the cost of each individual project;

(3) provide notice of, and conduct public forums at which proponents and opponents on the merits of the referendum are given equal time to express their opinions on the merits of the referendum;

(4) provide facts and data on the impact of the proposed local sales tax on consumer purchases; and

(5) provide facts and data related to the individual programs and projects to be funded with the local sales tax.

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

Sec. 15. **[297A.9925] METROPOLITAN REGION SALES AND USE TAX.**

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

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

(c) "Metropolitan Council" or "council" means the Metropolitan Council established by section 473.123.

(d) "Metropolitan sales tax" means the metropolitan region sales and use tax imposed under this section.

Subd. 2. **Sales tax imposition; rate.** The Metropolitan Council must impose a metropolitan region sales and use tax at a rate of three-quarters of one percent on retail sales and uses taxable under this chapter made in the metropolitan area or to a destination in the metropolitan area.

Subd. 3. **Administration; collection; enforcement.** Except as otherwise provided in this section, the provisions of section 297A.99, subdivisions 4, and 6 to 12a, govern the administration, collection, and enforcement of the metropolitan sales tax.

Subd. 4. **Deposit.** Proceeds of the metropolitan sales tax must be deposited in the metropolitan area transit account under section 16A.88.

Subd. 5. **Revenue bonds.** (a) In addition to other authority granted in this section, and notwithstanding section 473.39, subdivision 7, or any other law to the contrary, the council may, by resolution, authorize the sale and issuance of revenue bonds, notes, or obligations to provide funds to (1) implement the council's transit capital improvement program, and (2) refund bonds issued under this subdivision.

(b) The bonds are payable from and secured by a pledge of all or part of the revenue received under subdivision 4 and associated investment earnings on debt proceeds. The council may, by resolution, authorize the issuance of the bonds as general obligations of the council. The bonds must be sold, issued, and secured in the manner provided in chapter 475, and the council has the same powers and duties as a municipality and its governing body in issuing bonds under chapter 475, except that no election is required and the net debt limitations in chapter 475 do not apply to such bonds. The proceeds of the bonds may also be used to fund necessary reserves and to pay credit enhancement fees, issuance costs, and other financing costs during the life of the debt.

(c) The bonds may be secured by a bond resolution, or a trust indenture entered into by the council with a corporate trustee within or outside the state, which must define the revenues and bond proceeds pledged for the payment and security of the bonds. The pledge must be a valid charge on the revenues received under section 297A.99, subdivision 11. Neither the state, nor any municipality or political subdivision except the council, nor any member or officer or employee of the council, is liable on the obligations. No mortgage or security interest in any tangible real or personal property is granted to the bondholders or the trustee, but they have a valid security interest

in the revenues and bond proceeds received by the council and pledged to the payment of the bonds. In the bond resolution or trust indenture, the council may make such covenants as it determines to be reasonable for the protection of the bondholders.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment for sales and purchases made after October 1, 2023, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 16. Minnesota Statutes 2022, section 297B.02, subdivision 1, is amended to read:

Subdivision 1. **Rate.** (a) There is imposed an excise tax of ~~6.5~~ 6.875 percent on the purchase price of any motor vehicle purchased or acquired, either in or outside of the state of Minnesota, which is required to be registered under the laws of this state.

(b) The excise tax is also imposed on the purchase price of motor vehicles purchased or acquired on Indian reservations when the tribal council has entered into a sales tax on motor vehicles refund agreement with the state of Minnesota.

EFFECTIVE DATE. This section is effective for sales and purchases on or after July 1, 2023.

Sec. 17. Minnesota Statutes 2022, section 297B.09, is amended to read:

297B.09 ALLOCATION OF REVENUE.

Subdivision 1. **Deposit of revenues.** (a) Money collected and received under this chapter must be deposited as ~~provided in this subdivision.~~ as follows:

~~(b) (1) 60 percent of the money collected and received must be deposited in the highway user tax distribution fund, 36 percent must be deposited;~~

~~(2) 34.3 percent in the metropolitan area transit account under section 16A.88; and four percent must be deposited~~

~~(3) 5.7 percent in the greater Minnesota transit account under section 16A.88.~~

~~(e) (b) It is the intent of the legislature that the allocations under paragraph (b) remain unchanged for fiscal year 2012 2024 and all subsequent fiscal years.~~

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

Sec. 18. **[473.4465] METROPOLITAN REGION SALES AND USE TAX ALLOCATION.**

Subdivision 1. **Definition.** For purposes of this section, "sales tax revenue" means revenue from the metropolitan region sales and use tax under section 297A.9925 that is deposited in the metropolitan area transit account under section 16A.88.

Subd. 2. **Distribution.** Sales tax revenue is allocated:

(1) five-sixths to the council; and

(2) one-sixth to the Transportation Advisory Board.

Subd. 3. Use of funds; Metropolitan Council. (a) Sales tax revenue allocated to the council under subdivision 2, clause (1), is available for transit system purposes under sections 473.371 to 473.452, including but not limited to operations, maintenance, and capital projects.

(b) The council must annually expend a portion of sales tax revenue in each of the following categories:

- (1) improvements to regular route bus service levels;
- (2) improvements related to transit safety;
- (3) maintenance and improvements to bus accessibility at transit stops and transit centers;
- (4) transit shelter replacement and improvements under section 473.41;
- (5) planning and project development for expansion of arterial bus rapid transit lines;
- (6) operations and capital maintenance of arterial bus rapid transit;
- (7) planning and project development for expansion of highway bus rapid transit and bus guideway lines;
- (8) operations and capital maintenance of highway bus rapid transit and bus guideways;
- (9) zero-emission bus procurement and associated costs in conformance with the zero-emission and electric transit vehicle transition plan under section 473.3927;
- (10) demand response microtransit service provided by the council; and
- (11) financial assistance to replacement service providers under section 473.388, to provide for service, vehicle purchases, and capital investments related to demand response microtransit service.

(c) Subject to subdivision 5, nothing in paragraph (b) prevents expenditure for additional purposes as determined by the council.

Subd. 4. Use of funds; Transportation Advisory Board. (a) Sales tax revenue allocated to the Transportation Advisory Board under subdivision 2, clause (2), is for grants for highway projects that provide for one or more of the following: safety improvements; crash reduction; support for active transportation; or maintenance.

(b) The Transportation Advisory Board must establish eligibility requirements and a project selection process to provide the grant awards. The process must include: solicitation; evaluation and prioritization, including technical review, scoring, and ranking; project selection; and award of funds. To the extent feasible, the process must align with procedures and requirements established for allocation of other sources of funds.

Subd. 5. Prohibition. (a) The council is prohibited from expending sales tax revenue on the Southwest light rail transit (Green Line Extension) project.

(b) Paragraph (a) expires on the date of expiration of the Metropolitan Governance Task Force as specified under article 4, section 59, subdivision 11.

Subd. 6. Tracking and information. (a) The council must maintain separate financial information on sales tax revenue that includes:

(1) a summary of annual revenue and expenditures, including but not limited to balances and anticipated revenue in the forecast period under section 16A.103; and

(2) for each of the categories specified under subdivision 2 in the most recent prior three fiscal years:

(i) specification of annual expenditures; and

(ii) an overview of the projects or services.

(b) The council must publish the information required under paragraph (a) on the council's website.

EFFECTIVE DATE; APPLICATION. This section is effective October 1, 2023, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

ARTICLE 4 TRANSPORTATION FINANCE AND POLICY

Section 1. **[4.076] ADVISORY COUNCIL ON TRAFFIC SAFETY.**

Subdivision 1. **Definition.** For purposes of this section, "advisory council" means the Advisory Council on Traffic Safety established in this section.

Subd. 2. **Establishment.** (a) The Advisory Council on Traffic Safety is established to advise, consult with, assist in planning coordination, 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.

(b) The advisory council serves as the lead for the state Toward Zero Deaths program.

Subd. 3. **Membership; chair.** (a) The advisory council consists of the following members:

(1) the chair, which is filled on a two-year rotating basis by a designee from:

(i) the Office of Traffic Safety in the Department of Public Safety;

(ii) the Office of Traffic Engineering in the Department of Transportation; and

(iii) the Injury and Violence Prevention Section in the Department of Health;

(2) two vice chairs, which must be filled by the two designees who are not currently serving as chair of the advisory council under clause (1);

(3) the statewide Toward Zero Deaths coordinator;

(4) a regional coordinator from the Toward Zero Deaths program;

(5) the chief of the State Patrol or a designee;

(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;
 - (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) two individuals representing vulnerable road users, including pedestrians, bicyclists, and other operators of a personal conveyance;
 - (26) a representative from Minnesota Operation Lifesaver;
 - (27) a representative from the State Trauma Advisory Council;
 - (28) a person representing metropolitan planning organizations; and
 - (29) a person representing contractors engaged in construction and maintenance of highways and other infrastructure.
- (b) The commissioners of public safety and transportation must jointly appoint the advisory council members under paragraph (a), clauses (11), (25), and (28) to (29).

Subd. 4. **Duties.** The advisory council must:

- (1) advise the governor and heads of state departments and agencies on policies, programs, and services affecting traffic safety;

(2) advise the appropriate representatives of state departments on the activities of the Toward Zero Deaths program, including but not limited to 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;

(5) review and comment on all grants dealing with traffic safety and on the development and implementation of state and local traffic safety plans; and

(6) make recommendations on safe road zone safety measures under section 169.065.

Subd. 5. **Administration.** (a) The Office of Traffic Safety in the Department of Public Safety, in cooperation with the Departments of Transportation and Health, must serve as the host agency for the advisory council and must manage the administrative and operational aspects of the advisory council's activities. The commissioner of public safety must perform financial management on behalf of the council.

(b) The advisory council must meet no less than four times per year, or more frequently as determined by the chair, a vice chair, or a majority of the council members.

(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. 2. Minnesota Statutes 2022, section 13.69, subdivision 1, is amended to read:

Subdivision 1. **Classifications.** (a) The following government data of the Department of Public Safety are private data:

(1) medical data on driving instructors, licensed drivers, and applicants for parking certificates and special license plates issued to physically disabled persons;

(2) other data on holders of a disability certificate under section 169.345, except that (i) data that are not medical data may be released to law enforcement agencies, and (ii) data necessary for enforcement of sections 169.345 and 169.346 may be released to parking enforcement employees or parking enforcement agents of statutory or home rule charter cities and towns;

(3) Social Security numbers in driver's license and motor vehicle registration records, except that Social Security numbers must be provided to the Department of Revenue for purposes of tax administration, the Department of Labor and Industry for purposes of workers' compensation administration and enforcement, the judicial branch for purposes of debt collection, and the Department of Natural Resources for purposes of license application administration, and except that the last four digits of the Social Security number must be provided to the Department of Human Services for purposes of recovery of Minnesota health care program benefits paid; ~~and~~

(4) data on persons listed as standby or temporary custodians under section 171.07, subdivision 11, except that the data must be released to:

(i) law enforcement agencies for the purpose of verifying that an individual is a designated caregiver; or

(ii) law enforcement agencies who state that the license holder is unable to communicate at that time and that the information is necessary for notifying the designated caregiver of the need to care for a child of the license holder; and

(5) race and ethnicity data on driver's license holders and identification card holders under section 171.06, subdivision 3. The Department of Public Safety Office of Traffic Safety is authorized to receive race and ethnicity data from Driver and Vehicle Services for only the purposes of research, evaluation, and public reports.

The department may release the Social Security number only as provided in clause (3) and must not sell or otherwise provide individual Social Security numbers or lists of Social Security numbers for any other purpose.

(b) The following government data of the Department of Public Safety are confidential data: data concerning an individual's driving ability when that data is received from a member of the individual's family.

EFFECTIVE DATE. This section is effective for driver's license and identification card applications received on or after January 1, 2024.

Sec. 3. Minnesota Statutes 2022, section 43A.17, is amended by adding a subdivision to read:

Subd. 13. Compensation for law enforcement officers. (a) For purposes of this subdivision, the term "law enforcement officers" means Minnesota State Patrol troopers, Bureau of Criminal Apprehension agents, special agents in the gambling enforcement division of the Department of Public Safety, conservation officers, Department of Corrections fugitive specialists, and Department of Commerce insurance fraud specialists.

(b) When the commissioner of management and budget negotiates a collective bargaining agreement establishing compensation for law enforcement officers, the commissioner must use compensation based on compensation data from the most recent salary and benefits survey conducted pursuant to section 299D.03, subdivision 2a. It is the legislature's intent that the information in this study be used to compare salaries between the identified police departments and the State Patrol and to make appropriate increases to patrol trooper salaries.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and expires January 1, 2032. This section applies to contracts entered into on or after the effective date but before January 1, 2032.

Sec. 4. Minnesota Statutes 2022, section 151.37, subdivision 12, is amended to read:

Subd. 12. Administration of opiate antagonists for drug overdose. (a) A licensed physician, a licensed advanced practice registered nurse authorized to prescribe drugs pursuant to section 148.235, or a licensed physician assistant may authorize the following individuals to administer opiate antagonists, as defined in section 604A.04, subdivision 1:

- (1) an emergency medical responder registered pursuant to section 144E.27;
- (2) a peace officer as defined in section 626.84, subdivision 1, paragraphs (c) and (d);
- (3) correctional employees of a state or local political subdivision;
- (4) staff of community-based health disease prevention or social service programs;
- (5) a volunteer firefighter; ~~and~~

(6) a licensed school nurse or certified public health nurse employed by, or under contract with, a school board under section 121A.21; and

(7) TRIP personnel authorized under section 473.4075.

(b) For the purposes of this subdivision, opiate antagonists may be administered by one of these individuals only if:

(1) the licensed physician, licensed physician assistant, or licensed advanced practice registered nurse has issued a standing order to, or entered into a protocol with, the individual; and

(2) the individual has training in the recognition of signs of opiate overdose and the use of opiate antagonists as part of the emergency response to opiate overdose.

(c) Nothing in this section prohibits the possession and administration of naloxone pursuant to section 604A.04.

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

Sec. 5. **[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 based on sound ecological principles, which 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 for pollinators and small wildlife.

Subd. 3. **Highways for habitat account.** A highways for habitat account is established in the special revenue fund. The account consists of funds provided by law and any other money donated, allotted, transferred, or otherwise provided to the account, including federal funds. Money in the account must be expended only on a project that receives financial assistance under this section.

Subd. 4. **Management standards.** (a) The commissioner, in consultation with native habitat biologists and ecologists, must develop standards and best management practices for integrated roadside vegetation management 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, except as necessary to control noxious weeds as provided under section 160.23; and

(4) identification of appropriate right-of-way tracts for wildflower and native habitat establishment.

Subd. 5. **Legislative report.** (a) By January 15 of each odd-numbered year, the commissioner must submit a performance report on the program to the chairs and ranking minority members of the legislative committees having jurisdiction over transportation policy and finance. At a minimum, the report must include:

(1) information that details the department's progress on implementing the highways for habitat program;

(2) a fiscal review that identifies expenditures under the program; and

(3) an investment plan for each district of the department for the next biennium.

(b) The performance report must be reviewed by the department's chief engineer.

(c) This subdivision expires December 31, 2033.

Sec. 6. Minnesota Statutes 2022, 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—

~~(b)~~ (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;

~~(c)~~ (c) "City" means a statutory or home rule charter city;

(d) "Department" means the Department of Transportation.

~~(e)~~ (e) "Program" means the corridors of commerce program established in this section;—and

~~(f)~~ (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.

Sec. 7. Minnesota Statutes 2022, 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.

Sec. 8. Minnesota Statutes 2022, 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~~ except for readiness development projects funded under subdivision 4b; 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, except for readiness development projects funded under subdivision 4b.

(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).

Sec. 9. Minnesota Statutes 2022, 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 over the current and prior two consecutive project selection rounds. The calculations must include readiness development projects funded under subdivision 4b.

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

Sec. 10. Minnesota Statutes 2022, section 161.088, is amended by adding a subdivision to read:

Subd. 4b. **Project funding; readiness development.** (a) The commissioner may allocate up to ten percent of funds available in each fiscal year for the following readiness advancement activities on a project: planning, scoping, predesign, preliminary engineering, and environmental analysis.

(b) Funds under this subdivision are for project development sufficient to: (1) meet the eligibility requirements under subdivision 4, paragraph (a), clauses (4) and (6); and (2) provide for the scoring assessment under subdivision 5.

Sec. 11. Minnesota Statutes 2022, 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: (1) up to three projects to the commissioner, except that (i) the Metropolitan Council may recommend up to four projects, and (ii) each of the following counties may independently recommend up to two projects: Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright; and (2) up to two additional projects to the commissioner for readiness development funding under subdivision 4b. A screening entity may recommend a replacement project for one 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. The commissioner may establish an alternative scoring assessment method for readiness development projects funded under subdivision 4b, which, to the extent practicable, must use the criteria specified in this paragraph.

~~(d) The list of all projects evaluated must be made public and must include the score of each project.~~

~~(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.~~

(g) **Phase 4: Project ranking and selection.** On 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 subdivisions 4a and 4b. The commissioner must specify the amounts and known or anticipated sources of funding for each selected 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, with amounts and sources of funding.

Sec. 12. **[161.178] TRANSPORTATION GREENHOUSE GAS EMISSIONS IMPACT ASSESSMENT.**

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

(b) "Assessment" means the capacity expansion impact assessment under this section.

(c) "Capacity expansion project" means a project for trunk highway construction or reconstruction that:

- (1) is a major highway project, as defined in section 174.56, subdivision 1, paragraph (b); and
- (2) adds highway traffic capacity or provides for grade separation at an intersection, excluding auxiliary lanes with a length of less than 2,500 feet.

(d) "Embodied carbon emissions" means the total carbon dioxide emissions from all stages of production of a product or material, including but not limited to mining, processing of raw materials, and manufacturing.

(e) "Greenhouse gas emissions" includes those emissions described in section 216H.01, subdivision 2.

Subd. 2. **Project assessment.** (a) Prior to including a capacity expansion project in the state transportation improvement program, the commissioner must perform a capacity expansion impact assessment of the project. Following the assessment, the commissioner must determine if the project conforms with:

- (1) the greenhouse gas emissions reduction benchmarks under section 174.01, subdivision 3;
- (2) the vehicle miles traveled reduction targets established in the statewide multimodal transportation plan under section 174.03, subdivision 1a; and
- (3) providing neutral or positive environmental effects in areas of persistent poverty or historically disadvantaged communities.

(b) If the commissioner determines that the capacity expansion project is not in conformance with paragraph (a), the commissioner must:

- (1) alter the scope or design of the project and perform a revised assessment that meets the requirements under this section;
- (2) interlink sufficient impact mitigation as provided in subdivision 4; or
- (3) halt project development and disallow inclusion of the project in the state transportation improvement program.

Subd. 3. Assessment requirements. (a) The commissioner must establish a process to perform capacity expansion impact assessments. An assessment must provide for the determination under subdivision 2.

(b) Analysis under an assessment must include but is not limited to estimates resulting from the project for the following:

(1) the total embodied carbon emissions;

(2) greenhouse gas emissions over a period of 20 years;

(3) a change in vehicle miles traveled for the trunk highway segment and in other impacted areas within the state; and

(4) a calculation of positive, neutral, or negative environmental effects based on:

(i) air quality and pollution;

(ii) noise pollution;

(iii) general public health; and

(iv) other measures as determined by the commissioner.

(c) The commissioner must establish criteria to identify areas of persistent poverty and historically disadvantaged communities based on measures and definitions in state and federal law and federal guidance.

Subd. 4. Impact mitigation. (a) To provide for impact mitigation, the commissioner must interlink the capacity expansion project as provided in this subdivision. Impact mitigation is sufficient under subdivision 2, paragraph (b), if the capacity expansion project is interlinked to mitigation actions such that:

(1) the total greenhouse gas emissions reduction from the mitigation actions, after accounting for the greenhouse gas emissions otherwise resulting from the capacity expansion project, is consistent with meeting the benchmarks and targets specified under subdivision 2, paragraph (a), clauses (1) and (2); and

(2) the total positive environmental effects from the actions equals or exceeds the negative environmental effects, as determined under subdivision 3, paragraph (b), clause (4), otherwise resulting from the capacity expansion project.

(b) Each comparison under paragraph (a), clauses (1) and (2), must be performed over equal comparison periods.

(c) A mitigation action consists of a project, program, or operations modification in one or more of the following areas:

(1) transit expansion, including but not limited to regular route bus, arterial bus rapid transit, highway bus rapid transit, rail transit, and intercity passenger rail;

(2) transit service improvements, including but not limited to increased service level, transit fare reduction, and transit priority treatments;

(3) active transportation infrastructure;

(4) micromobility infrastructure and service, including but not limited to shared vehicle services;

(5) transportation demand management, including but not limited to vanpool and shared vehicle programs, remote work, and broadband access expansion;

(6) parking management, including but not limited to parking requirements reduction or elimination and parking cost adjustments;

(7) land use, including but not limited to residential and other density increases, mixed-use development, and transit-oriented development; and

(8) highway construction materials or practices modifications to provide for greenhouse gas emissions reductions.

(d) A mitigation action may be identified as interlinked to the capacity expansion project if:

(1) there is a specified project, program, or modification;

(2) the necessary funding sources are identified and sufficient amounts are committed;

(3) the mitigation is localized as provided in paragraph (e); and

(4) procedures are established to ensure that the mitigation action remains in substantially the same form or a revised form that continues to meet the calculation under paragraph (a).

(e) The area or corridor of a mitigation action must be localized in the following priority order:

(1) within or associated with at least one of the communities impacted by the capacity expansion project;

(2) if there is not a reasonably feasible location under clause (1), in the region of the capacity expansion project; or

(3) if there is not a reasonably feasible location under clauses (1) and (2), on a statewide basis.

(f) The commissioner must include an explanation regarding the feasibility and rationale for each mitigation action located under paragraph (e), clauses (2) and (3).

Subd. 5. **Public information.** The commissioner must publish information regarding capacity expansion impact assessments on the department's website. The information must include:

(1) identification of capacity expansion projects; and

(2) for each project, a summary that includes an overview of the expansion impact assessment, the impact determination by the commissioner, and project disposition, including a review of any mitigation actions.

EFFECTIVE DATE. This section is effective February 1, 2025.

Sec. 13. Minnesota Statutes 2022, section 161.45, subdivision 1, is amended to read:

Subdivision 1. **Rules.** (a) Electric transmission, telephone, or telegraph lines; pole lines; community antenna television lines; railways; ditches; sewers; water, heat, or gas mains; gas and other pipelines; flumes; or other structures which, under the laws of this state or the ordinance of any city, may be constructed, placed, or maintained

across or along any trunk highway, or the roadway thereof, by any person, persons, corporation, or any subdivision of the state, may be so maintained or hereafter constructed only in accordance with such rules as may be prescribed by the commissioner who shall have power to prescribe and enforce reasonable rules with reference to the placing and maintaining along, across, or in any such trunk highway of any of the utilities hereinbefore set forth.

(b) The rules under paragraph (a) must not prohibit an entity that has a right to use the public road right-of-way pursuant to section 222.37, subdivision 1, and that has a power purchase agreement or an agreement to transfer ownership with a Minnesota utility that directly, or through its members or agents, provides retail electric service in the state from placing and maintaining electric transmission lines along, across, or in any trunk highway except as necessary to protect public safety. Nothing herein shall restrict the actions of public authorities in extraordinary emergencies nor restrict the power and authority of the commissioner of commerce as provided for in other provisions of law. Provided, however, that in the event any local subdivision of government has enacted ordinances relating to the method of installation or requiring underground installation of such community antenna television lines, the permit granted by the commissioner of transportation shall require compliance with such local ordinance.

Sec. 14. Minnesota Statutes 2022, section 161.45, subdivision 2, is amended to read:

Subd. 2. **Relocation of utility.** Whenever the relocation of any utility facility is necessitated by the construction of a project on a trunk highway ~~routes other than those described in section 161.46, subdivision 2 route,~~ the relocation work may be made a part of the state highway construction contract or let as a separate contract as provided by law if the owner or operator of the facility requests the commissioner to act as its agent for the purpose of relocating the facilities and if the commissioner determines that such action is in the best interests of the state. Payment by the utility owner or operator to the state shall be in accordance with applicable statutes and the rules for utilities on trunk highways.

Sec. 15. Minnesota Statutes 2022, section 161.46, subdivision 2, is amended to read:

Subd. 2. **Relocation of facilities; reimbursement.** (a) Whenever the commissioner shall determine the relocation of any utility facility is necessitated by the construction of a project on the routes of federally aided state trunk highways, including urban extensions thereof, which routes are included within the National System of Interstate Highways, the owner or operator of such utility facility shall relocate the same in accordance with the order of the commissioner. After the completion of such relocation the cost thereof shall be ascertained and paid by the state out of trunk highway funds; provided, however, the amount to be paid by the state for such reimbursement shall not exceed the amount on which the federal government bases its reimbursement for said interstate system.

(b) Notwithstanding paragraph (a), on or after January 1, 2024, any entity that receives a route permit under chapter 216E for a high-voltage transmission line necessary to interconnect an electric power generating facility is not eligible for relocation reimbursement unless the entity directly, or through its members or agents, provides retail electric service in this state.

Sec. 16. **[168.1287] MINNESOTA BLACKOUT SPECIAL PLATES.**

Subdivision 1. **Issuance of plates.** The commissioner must issue blackout special license plates or a single motorcycle plate to an applicant who:

(1) is a registered owner of a passenger automobile, noncommercial one-ton pickup truck, motorcycle, or recreational vehicle;

(2) pays an additional fee in the amount specified for special plates under section 168.12, subdivision 5;

(3) pays the registration tax as required under section 168.013;

(4) pays the fees required under this chapter;

(5) contributes a minimum of \$30 annually to the driver and vehicle services account; and

(6) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

Subd. 2. **Design.** The commissioner must adopt a suitable plate design that includes a black background with white text.

Subd. 3. **Plates transfer.** On application to the commissioner and payment of a transfer fee of \$5, special plates issued under this section may be transferred to another motor vehicle if the subsequent vehicle is:

(1) qualified under subdivision 1, clause (1), to bear the special plates; and

(2) registered to the same individual to whom the special plates were originally issued.

Subd. 4. **Exemption.** Special plates issued under this section are not subject to section 168.1293, subdivision 2.

Subd. 5. **Contributions; account.** Contributions collected under subdivision 1, clause (5), must be deposited in the driver and vehicle services account under section 299A.705.

EFFECTIVE DATE. This section is effective January 1, 2024, for blackout special plates issued on or after that date.

Sec. 17. Minnesota Statutes 2022, section 168.326, is amended to read:

168.326 EXPEDITED DRIVER AND VEHICLE SERVICES; FEE.

(a) When an applicant requests and pays an expedited service fee of \$20, in addition to other specified and statutorily mandated fees and taxes, the commissioner shall expedite the processing of an application for a driver's license, driving instruction permit, Minnesota identification card, or vehicle title transaction.

(b) A driver's license agent or deputy registrar may retain \$10 of the expedited service fee for each expedited service request processed by the licensing agent or deputy registrar.

(c) When expedited service is requested, materials must be mailed or delivered to the requester within three days of receipt of the expedited service fee excluding Saturdays, Sundays, or the holidays listed in section 645.44, subdivision 5. The requester shall comply with all relevant requirements of the requested document.

(d) The commissioner may decline to accept an expedited service request if it is apparent at the time it is made that the request cannot be granted.

(e) The expedited service fees collected under this section ~~for an application for a driver's license, driving instruction permit, or Minnesota identification card,~~ minus any portion retained by a licensing agent or deputy registrar under paragraph (b), ~~must be paid into~~ deposited in the driver and vehicle services ~~operating~~ account ~~in the special revenue fund specified~~ under section 299A.705.

~~(f) The expedited service fees collected under this section for a transaction for a vehicle service minus any portion retained by a licensing agent or deputy registrar under paragraph (b) must be paid into the vehicle services operating account in the special revenue fund specified under section 299A.705.~~

Sec. 18. **[169.065] SAFE ROAD ZONES.**

Subdivision 1. Definition. For purposes of this section, "local request" means a formal request collectively submitted by the chief law enforcement officer of a political subdivision, the lead traffic engineer for the local road authority, and the chief elected executive officer of a political subdivision.

Subd. 2. Establishment. (a) The commissioner may designate a safe road zone as provided in this section.

(b) Upon receipt of a local request, the commissioner, in consultation with the commissioner of public safety, must consider designating a segment of a street or highway as a safe road zone. In determining the designation of a safe road zone, the commissioner must evaluate traffic safety concerns for the street or highway, including but not limited to: excessive speed; crash history; safety of pedestrians, bicyclists, or other vulnerable road users; intersection risks; and roadway design.

Subd. 3. Implementation. The Advisory Council on Traffic Safety under section 4.076 must make recommendations to the commissioners of public safety and transportation on supporting the local authority with implementation of safety measures for each safe road zone through education, public awareness, behavior modification, and traffic engineering efforts. Safety measures for a safe road zone may include:

(1) providing safe road zone signs to the local authority for use in the zone;

(2) consulting with the local authority on roadway design modifications to improve safety;

(3) performing statewide safe road zone public awareness and educational outreach;

(4) providing safe road zone outreach materials to the local authority for distribution to the general public;

(5) working with the local authority to enhance safety conditions in the zone;

(6) establishing a speed limit as provided under section 169.14, subdivision 5i, with supporting speed enforcement and education measures; and

(7) evaluating the impacts of safety measures in the zone on: crashes; injuries and fatalities; property damage; transportation system disruptions; safety for vulnerable roadway users, including pedestrians and bicyclists; and other measures as identified by the commissioner.

Subd. 4. Traffic enforcement. The commissioner of public safety must coordinate with local law enforcement agencies to determine implementation of enhanced traffic enforcement in a safe road zone designated under this section.

Subd. 5. Program information. The commissioner of transportation must maintain information on a website that summarizes safe road zone implementation, including but not limited to identification of requests for and designations of safe road zones, an overview of safety measures and traffic enforcement activity, and a review of annual expenditures.

Sec. 19. Minnesota Statutes 2022, section 169.14, is amended by adding a subdivision to read:

Subd. 5i. Speed limits in safe road zone. (a) Upon request by the local authority, the commissioner may establish a temporary or permanent speed limit in a safe road zone designated under section 169.065, other than the limits provided in subdivision 2, based on an engineering and traffic investigation.

(b) The speed limit under this subdivision is effective upon the erection of appropriate signs designating the speed and indicating the beginning and end of the segment on which the speed limit is established. Any speed in excess of the posted limit is unlawful.

Sec. 20. Minnesota Statutes 2022, section 169.345, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purpose of section 168.021 and this section, the following terms have the meanings given them in this subdivision.

(b) "Health professional" means a licensed physician, licensed physician assistant, advanced practice registered nurse, licensed physical therapist, or licensed chiropractor.

(c) "Long-term certificate" means a certificate issued for a period greater than 12 months but not greater than 71 months.

(d) "Organization certificate" means a certificate issued to an entity other than a natural person for a period of three years.

(e) "Permit" refers to a permit that is issued for a period of 30 days, in lieu of the certificate referred to in subdivision 3, while the application is being processed.

(f) "Physically disabled person" means a person who:

(1) because of disability cannot walk without significant risk of falling;

(2) because of disability cannot walk 200 feet without stopping to rest;

(3) because of disability cannot walk without the aid of another person, a walker, a cane, crutches, braces, a prosthetic device, or a wheelchair;

(4) is restricted by a respiratory disease to such an extent that the person's forced (respiratory) expiratory volume for one second, when measured by spirometry, is less than one liter;

(5) has an arterial oxygen tension (PaO₂) of less than 60 mm/Hg on room air at rest;

(6) uses portable oxygen;

(7) has a cardiac condition to the extent that the person's functional limitations are classified in severity as class III or class IV according to standards set by the American Heart Association;

(8) has lost an arm or a leg and does not have or cannot use an artificial limb; ~~or~~

(9) has a disability that would be aggravated by walking 200 feet under normal environmental conditions to an extent that would be life threatening; ~~or~~

(10) is legally blind.

(g) "Short-term certificate" means a certificate issued for a period greater than six months but not greater than 12 months.

(h) "Six-year certificate" means a certificate issued for a period of six years.

(i) "Temporary certificate" means a certificate issued for a period not greater than six months.

Sec. 21. Minnesota Statutes 2022, section 169.475, subdivision 2, is amended to read:

Subd. 2. **Prohibition on use; penalty.** (a) Except as provided in subdivision 3, when a motor vehicle is in motion or a part of traffic, the person operating the vehicle upon a street or highway is prohibited from:

(1) holding a wireless communications device with one or both hands; or

(2) using a wireless communications device to:

~~(4)~~ (i) initiate, compose, send, retrieve, or read an electronic message;

~~(2)~~ (ii) engage in a cellular phone call, including initiating a call, talking or listening, and participating in video calling; and

~~(3)~~ (iii) access the following types of content stored on the device: video content, audio content, images, games, or software applications.

(b) A person who violates paragraph (a) a second or subsequent time must pay a fine of \$275.

Sec. 22. Minnesota Statutes 2022, section 169.475, subdivision 3, is amended to read:

Subd. 3. **Exceptions.** (a) The prohibitions in subdivision 2 do not apply if a person uses a wireless communications device:

(1) solely in a voice-activated or hands-free mode to (i) initiate or participate in a cellular phone call, provided that the person does not hold the device with one or both hands; or ~~to~~ (ii) initiate, compose, send, or listen to an electronic message;

(2) to view or operate a global positioning system or navigation system in a manner that does not require the driver to type while the vehicle is in motion or a part of traffic, provided that the person does not hold the device with one or both hands;

(3) to listen to audio-based content in a manner that does not require the driver to scroll or type while the vehicle is in motion or a part of traffic, provided that the person does not hold the device with one or both hands;

(4) to obtain emergency assistance to (i) report a traffic accident, medical emergency, or serious traffic hazard, or (ii) prevent a crime about to be committed;

(5) in the reasonable belief that a person's life or safety is in immediate danger; or

(6) in an authorized emergency vehicle while in the performance of official duties.

(b) The exception in paragraph (a), clause (1), does not apply to accessing nonnavigation video content, engaging in video calling, engaging in live-streaming, accessing gaming data, or reading electronic messages.

Sec. 23. Minnesota Statutes 2022, 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 <u>\$27.75</u>	C- \$25.00 <u>\$31.75</u>	B- \$32.00 <u>\$38.75</u>	A- \$40.00 <u>\$46.75</u>
REAL ID Compliant or Noncompliant Classified Under-21 D.L.	D- \$21.00 <u>\$27.75</u>	C- \$25.00 <u>\$31.75</u>	B- \$32.00 <u>\$38.75</u>	A- \$20.00 <u>\$26.75</u>
Enhanced Driver's License	D- \$36.00 <u>\$42.75</u>	C- \$40.00 <u>\$46.75</u>	B- \$47.00 <u>\$53.75</u>	A- \$55.00 <u>\$61.75</u>
REAL ID Compliant or Noncompliant Instruction Permit				\$5.25 <u>\$11.25</u>
Enhanced Instruction Permit				\$20.25 <u>\$26.25</u>
Commercial Learner's Permit				\$2.50 <u>\$8.50</u>
REAL ID Compliant or Noncompliant Provisional License				\$8.25 <u>\$14.25</u>
Enhanced Provisional License				\$23.25 <u>\$29.25</u>
Duplicate REAL ID Compliant or Noncompliant License or duplicate REAL ID Compliant or Noncompliant identification card				\$6.75 <u>\$12.75</u>
Enhanced Duplicate License or enhanced duplicate identification card				\$21.75 <u>\$27.75</u>
REAL ID Compliant or Noncompliant Minnesota identification card or REAL ID Cor or Noncompliant Under-21 Minnesota identification card, other than duplicate, except as otherwise provided in section 171.07, subdivisions 3 and 3a				\$11.25 <u>\$17.25</u>
Enhanced Minnesota identification card				\$26.25 <u>\$32.25</u>

~~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 have~~ has 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 must be deposited in the driver and vehicle services ~~operating~~ account under section 299A.705.

(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.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to applications made on or after that date.

Sec. 24. Minnesota Statutes 2022, section 171.06, subdivision 3, as amended by Laws 2023, chapter 13, article 1, section 3, is amended to read:

Subd. 3. **Contents of application; other information.** (a) An application must:

(1) state the full name, date of birth, sex, and either (i) the residence address of the applicant, or (ii) designated address under section 5B.05;

(2) as may be required by the commissioner, contain a description of the applicant and any other facts pertaining to the applicant, the applicant's driving privileges, and the applicant's ability to operate a motor vehicle with safety;

(3) state:

(i) the applicant's Social Security number; or

(ii) if the applicant does not have a Social Security number and is applying for a Minnesota identification card, instruction permit, or class D provisional or driver's license, that the applicant elects not to specify a Social Security number;

(4) contain a notification to the applicant of the availability of a living will/health care directive designation on the license under section 171.07, subdivision 7; and

(5) include a method for the applicant to:

(i) request a veteran designation on the license under section 171.07, subdivision 15, and the driving record under section 171.12, subdivision 5a;

(ii) indicate a desire to make an anatomical gift under subdivision 3b, paragraph (e);

(iii) as applicable, designate document retention as provided under section 171.12, subdivision 3c; ~~and~~

(iv) indicate emergency contacts as provided under section 171.12, subdivision 5b-; and

(v) indicate the applicant's race and ethnicity.

(b) Applications must be accompanied by satisfactory evidence demonstrating:

(1) identity, date of birth, and any legal name change if applicable; and

(2) for driver's licenses and Minnesota identification cards that meet all requirements of the REAL ID Act:

(i) principal residence address in Minnesota, including application for a change of address, unless the applicant provides a designated address under section 5B.05;

(ii) Social Security number, or related documentation as applicable; and

(iii) lawful status, as defined in Code of Federal Regulations, title 6, section 37.3.

(c) An application for an enhanced driver's license or enhanced identification card must be accompanied by:

(1) satisfactory evidence demonstrating the applicant's full legal name and United States citizenship; and

(2) a photographic identity document.

(d) A valid Department of Corrections or Federal Bureau of Prisons identification card containing the applicant's full name, date of birth, and photograph issued to the applicant is an acceptable form of proof of identity in an application for an identification card, instruction permit, or driver's license as a secondary document for purposes of Minnesota Rules, part 7410.0400, and successor rules.

(e) An application form must not provide for identification of (1) the accompanying documents used by an applicant to demonstrate identity, or (2) except as provided in paragraphs (b) and (c), the applicant's citizenship, immigration status, or lawful presence in the United States. The commissioner and a driver's license agent must not inquire about an applicant's citizenship, immigration status, or lawful presence in the United States, except as provided in paragraphs (b) and (c).

EFFECTIVE DATE. This section is effective for driver's license and identification card applications submitted on or after January 1, 2024.

Sec. 25. Minnesota Statutes 2022, section 171.06, subdivision 7, is amended to read:

Subd. 7. **Remote application.** (a) The commissioner must establish a process for an eligible individual to apply remotely for a driver's license or Minnesota identification card, whether through a website or other means, or a combination, as provided in this subdivision.

(b) The commissioner may issue or reinstate an expired driver's license or Minnesota identification card and may renew a driver's license or Minnesota identification card for an ~~eligible~~ individual who does not apply in-person if:

(1) the applicant submits documentation to demonstrate eligibility, as prescribed by the commissioner;

(2) there is not a material change to the applicant's name, date of birth, signature, and driver's license or identification number since the most recent driver's license or Minnesota identification card issuance;

(3) the application is not for a different type or class of driver's license or Minnesota identification card, as identified in sections 171.019, subdivision 2, and 171.02, subdivision 2;

(4) one of the following requirements is met:

(i) the commissioner has a previous photograph of the applicant on file that was taken within the last five years or in conjunction with the most recent issuance; or

(ii) for a noncompliant license or identification card, the applicant submits a photograph that meets the requirements of sections 171.07 and 171.071, Minnesota Rules, part 7410.1810, subpart 1, and any other technical requirements established by the commissioner, which may include but are not limited to background color, lighting and visibility standards, and electronic file size;

(5) for a driver's license, the commissioner has a record that the applicant has undergone an examination of the applicant's eyesight within the last ~~two~~ five years, or the applicant submits a vision examination certificate that:

(i) has been completed within the last ~~two~~ five years;

(ii) is signed by a licensed physician or an optometrist, including one who holds a similar license in a jurisdiction outside the United States; and

(iii) is in a form as prescribed by the commissioner;

(6) for an expired driver's license or Minnesota identification card:

(i) expiration was within the past five years;

(ii) expiration was due to driver's license or identification card issuance by another jurisdiction; and

(iii) the application includes surrender or invalidation of a valid driver's license or identification card issued by another jurisdiction; and

(7) the most recent issuance, reinstatement, or renewal was not performed under this subdivision.

(c) A person who applies for a driver's license or Minnesota identification card under this subdivision is not required to:

(1) take a knowledge examination; or

(2) take a road examination to demonstrate ability to exercise ordinary and reasonable control in the operation of a motor vehicle; ~~and~~

~~(3) appear in person for an updated photograph upon return to Minnesota.~~

~~(d) For purposes of this subdivision, "eligible individual" means:~~

~~(1) a person serving outside Minnesota in active military service, as defined in section 190.05, subdivision 5, in any branch or unit of the armed forces of the United States;~~

~~(2) a person serving outside Minnesota as a volunteer in the Peace Corps;~~

~~(3) a person who is an employee of a federal department or agency who is assigned to foreign service outside of the United States; or~~

~~(4) a person residing outside of Minnesota because the person is a spouse, domestic partner, or dependent under age 26 of a person in clause (1), (2), or (3).~~

(d) The remote application process under this subdivision must provide for renewal by a person who is serving a sentence of longer than six months in a Minnesota jail or correctional facility that has no existing agreement on renewals with the commissioner.

Sec. 26. Minnesota Statutes 2022, section 171.26, is amended to read:

171.26 MONEY CREDITED TO FUNDS.

Subdivision 1. **Driver and vehicle services operating account.** Unless otherwise specified, all money received under this chapter must be paid into the state treasury and credited to deposited in the driver and vehicle services operating account in the special revenue fund specified under sections section 299A.705, except as provided in subdivision 2 of that section; 171.06, subdivision 2a; 171.07, subdivision 11, paragraph (g); 171.20, subdivision 4, paragraph (d); and 171.29, subdivision 2, paragraph (b).

Sec. 27. **[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 18 years of age 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 of 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, 2024, 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, 2024, must apply for the license by April 1, 2025.

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; or

(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, 2024.

Sec. 28. Minnesota Statutes 2022, section 174.01, is amended by adding a subdivision to read:

Subd. 3. Greenhouse gas emissions benchmarks. (a) In association with the goals under subdivision 2, clauses (10) and (13) to (16), the commissioner of transportation must establish benchmarks for the statewide greenhouse gas emissions reduction goal under section 216H.02, subdivision 1.

(b) The benchmarks must include:

(1) establishment of proportional emissions reduction performance targets for the transportation sector;

(2) specification of the performance targets on a five-year or more frequent basis; and

(3) allocation across the transportation sector, which:

(i) must provide for an allocation to the metropolitan area, as defined in section 473.121, subdivision 2;

(ii) must account for differences in the feasibility and extent of emissions reductions across forms of land use and across regions of the state; and

(iii) may include performance targets based on Department of Transportation district, geographic region, a per capita calculation, or transportation mode.

EFFECTIVE DATE. This section is effective February 1, 2025.

Sec. 29. Minnesota Statutes 2022, section 174.03, subdivision 1c, is amended to read:

Subd. 1c. Minnesota state highway investment plan. Within one year of each revision of the statewide multimodal transportation plan under subdivision 1a, the commissioner must prepare a 20-year Minnesota state highway investment plan that:

(1) incorporates performance measures and targets for assessing progress and achievement of the state's transportation goals, objectives, and policies identified in this chapter for the state trunk highway system, and those goals, objectives, and policies established in the statewide multimodal transportation plan. Performance targets must be based on objectively verifiable measures, and address, at a minimum:

(i) preservation and maintenance of the structural condition of state highway roadways, bridges, pavements, roadside infrastructure, and traveler-related facilities;

(ii) safety; and

(iii) mobility;

(2) summarizes trends and impacts for each performance target over the past five years;

(3) summarizes the amount and analyzes the impact of the department's capital investments and priorities over the past five years on each performance target, including a comparison of prior plan projected costs with actual costs;

(4) identifies the investments required to meet the established performance targets over the next 20-year period;

(5) projects available state and federal funding over the 20-year period, including any unique, competitive, time-limited, or focused funding opportunities;

(6) identifies strategies to ensure the most efficient use of existing transportation infrastructure, and to maximize the performance benefits of projected available funding;

(7) establishes investment priorities for projected funding, which must:

(i) provide for cost-effective preservation, maintenance, and repair to address the goal under section 174.01, subdivision 2, clause (9), in a manner that aligns with other goals in that section;

(ii) as appropriate, provide a schedule of major projects or improvement programs for the 20-year period; and

(iii) identify resulting projected costs and impact on performance targets; ~~and~~

(8) identifies those performance targets identified under clause (1) not expected to meet the target outcome over the 20-year period together with alternative strategies that could be implemented to meet the targets; and

(9) establishes procedures and guidance for capacity expansion project development to conform with section 161.178, subdivision 2, paragraph (a).

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to plan revisions adopted on or after that date.

Sec. 30. **[174.47] ELECTRIC VEHICLE INFRASTRUCTURE 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 electric vehicle infrastructure program established in this section.

(d) "Project" includes but is not limited to planning, predesign, design, preliminary and final engineering, environmental analysis, property acquisition, construction, and maintenance.

Subd. 2. Electric vehicle infrastructure program. The commissioner of transportation must establish a statewide electric vehicle infrastructure program for the purpose of implementing the National Electric Vehicle Infrastructure Formula Program and successor programs to maximize the use of federal funds available to the state.

Subd. 3. Authority to contract. The commissioner may enter into an agreement with any private or public entity to provide financial assistance for, or engage in the planning, designing, developing, hosting, constructing, equipping, operating, or maintaining of, electric vehicle infrastructure, including but not limited to environmental studies, preliminary engineering, final design, construction, and developing financial and operating plans.

Subd. 4. Program requirements. (a) The commissioner must require that electric vehicle infrastructure funded under the program is constructed, installed, and maintained in conformance with the requirements under Code of Federal Regulations, title 23, section 680.106, paragraph (j), or successor requirements.

(b) An electric vehicle infrastructure project that receives funds under the program is subject to the requirement of paying the prevailing wage rate as defined in section 177.42, and the requirements and enforcement provisions in sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

Sec. 31. Minnesota Statutes 2022, section 174.634, is amended to read:

174.634 PASSENGER RAIL; FUNDING.

Subdivision 1. General. (a) The commissioner may apply for funding from federal, state, regional, local, and private sources to carry out the commissioner's duties in section 174.632.

(b) Section 174.88, subdivision 2, does not apply to the commissioner's performance of duties and exercise of powers under sections 174.632 to 174.636.

Subd. 2. Passenger rail account; transfers; appropriation. (a) A passenger rail account is established in the special revenue fund. The account consists of funds as provided in this subdivision and any other money donated, allotted, transferred, or otherwise provided to the account.

(b) By July 15 annually, the commissioner of revenue must transfer an amount from the general fund to the passenger rail account that equals 50 percent of the portion of the state general tax under section 275.025 levied on railroad operating property, as defined under section 273.13, subdivision 24, in the prior calendar year.

(c) Money in the account is annually appropriated to the commissioner of transportation for the net operating and capital maintenance costs of intercity passenger rail, after accounting for operating revenue, federal funds, and other sources.

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

Sec. 32. Minnesota Statutes 2022, section 219.015, subdivision 2, is amended to read:

Subd. 2. Railroad company assessment; account; appropriation. (a) As provided in this subdivision, the commissioner shall annually assess railroad companies that are (1) defined as common carriers under section 218.011; (2) classified by federal law or regulation as Class I Railroads, Class I Rail Carriers, Class II Railroads, or Class II Carriers; and (3) operating in this state.

(b) The assessment must be calculated to allocate state rail safety inspection program costs proportionally among carriers based on route miles operated in Minnesota at the time of assessment. The commissioner must include in the assessment calculation all state rail safety inspection program costs to support up to ~~four~~ six rail safety inspector positions, including but not limited to salary, administration, supervision, travel, equipment, training, and ongoing state rail inspector duties.

(c) The assessments collected under this subdivision must be deposited in a state rail safety inspection account, which is established in the special revenue fund. The account consists of funds provided by this subdivision and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account is appropriated to the commissioner to administer the state rail safety inspection program.

Sec. 33. Minnesota Statutes 2022, 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. 34. Minnesota Statutes 2022, section 221.0269, is amended by adding a subdivision to read:

Subd. 4. **Intrastate transportation; heating fuel.** (a) If a regional emergency has been declared by the President of the United States or by the Federal Motor Carrier Safety Administration pursuant to United States Code, title 49, section 390.23(a), and the declaration includes heating fuel as a covered commodity, the federal regulations incorporated into section 221.0314, subdivision 9, for hours of service do not apply to drivers engaged in intrastate transportation of heating fuel.

(b) Notwithstanding the relief provided in paragraph (a), a driver may not exceed a total of 14 hours combined on-duty and driving time after coming on duty following at least ten consecutive hours off-duty.

(c) If a driver is operating under the relief provided by paragraph (a), and the declaration is in effect for more than 30 calendar days, the driver must take a 34-hour restart before the driver has been on duty for 30 consecutive days.

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

Sec. 35. Minnesota Statutes 2022, section 222.37, subdivision 1, is amended to read:

Subdivision 1. **Use requirements.** Any water power, telegraph, telephone, pneumatic tube, pipeline, community antenna television, cable communications or electric light, heat, power company, entity that receives a route permit under chapter 216E for a high-voltage transmission line necessary to interconnect an electric power generating facility with transmission lines or associated facilities of an entity that directly, or through its members or agents, provides retail electric service in the state, or fire department may use public roads for the purpose of constructing, using, operating, and maintaining lines, subways, canals, conduits, transmission lines, hydrants, or dry hydrants, for their business, but such lines shall be so located as in no way to interfere with the safety and convenience of ordinary travel along or over the same; and, in the construction and maintenance of such line, subway, canal, conduit, transmission lines, hydrants, or dry hydrants, the ~~company~~ entity shall be subject to all reasonable regulations imposed by the governing body of any county, town or city in which such public road may be. If the governing body does not require the ~~company~~ entity to obtain a permit, ~~a company~~ an entity shall notify the governing body of any county, town, or city having jurisdiction over a public road prior to the construction or major repair, involving extensive excavation on the road right-of-way, of the ~~company's~~ entity's equipment along, over, or under the public road, unless the governing body waives the notice requirement. A waiver of the notice requirement must be renewed on an annual basis. For emergency repair ~~a company,~~ an entity shall notify the governing body as soon as practical after the repair is made. Nothing herein shall be construed to grant to any person any rights for the maintenance of a telegraph, telephone, pneumatic tube, community antenna television

system, cable communications system, or light, heat, power system, electric power generating system, high-voltage transmission line, or hydrant system within the corporate limits of any city until such person shall have obtained the right to maintain such system within such city or for a period beyond that for which the right to operate such system is granted by such city.

Sec. 36. Minnesota Statutes 2022, section 297A.993, is amended by adding a subdivision to read:

Subd. 2a. **Guideway uses; reporting.** By August 15 of each even-numbered year, a metropolitan area county that uses, or proposes to use, the proceeds of the transportation sales taxes to fund the planning, construction, operation, or maintenance of guideways as defined in section 473.4485, subdivision 1, must submit a report to the legislative committees with jurisdiction over transportation policy and finance. At a minimum, the report must include:

(1) actual transportation sales tax collections by the county over the previous five calendar years;

(2) an estimation of the total sales tax revenues that will be collected by the county in the current year and estimated collections for the next ten calendar years;

(3) for each of the previous five calendar years, the current calendar year, and for the next ten calendar years:

(i) the amount of sales tax revenues expended or proposed to be expended for guideway planning, construction, operation, or maintenance;

(ii) the total expenditures or proposed expenditures of sales tax revenues for nonguideway uses; and

(iii) an estimated balance of unspent or undesignated county sales tax revenues.

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

Sec. 37. Minnesota Statutes 2022, section 299A.01, is amended by adding a subdivision to read:

Subd. 8. **Traffic safety report.** Annually by January 2, the commissioner of public safety must submit a traffic safety report to the governor and the chairs and ranking minority members of the legislative committees with jurisdiction over traffic safety and enforcement. In preparing the report, the commissioner must seek advice and comments from the Advisory Council on Traffic Safety under section 4.076. 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 other 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 or programs to improve the quality of the roadway and transportation use experience; and

(6) existing resources and resource gaps for roadway and transportation system safety improvements.

Sec. 38. Minnesota Statutes 2022, section 299A.705, subdivision 1, is amended to read:

Subdivision 1. **Driver and vehicle services operating account.** (a) The driver and vehicle services operating account is created in the special revenue fund, ~~consisting.~~ The account consists of all money from the vehicle services fees specified in chapters 168, 168A, and 168D, all money collected under chapter 171, and any other money donated, allotted, transferred, or otherwise provided to the account.

(b) Funds appropriated from the account must be used by the commissioner of public safety to administer:

(1) the driver services specified in chapters 169A and 171, including the activities associated with producing and mailing drivers' licenses and identification cards and notices relating to issuance, renewal, or withdrawal of driving and identification card privileges for any fiscal year or years and for the testing and examination of drivers; and

(2) the vehicle services specified in chapters 168, 168A, and 168D, and section 169.345, including:

~~(1)~~ (i) designing, producing, issuing, and mailing vehicle registrations, plates, emblems, and titles;

~~(2)~~ (ii) collecting title and registration taxes and fees;

~~(3)~~ (iii) transferring vehicle registration plates and titles;

~~(4)~~ (iv) maintaining vehicle records;

~~(5)~~ (v) issuing disability certificates and plates;

~~(6)~~ (vi) licensing vehicle dealers;

~~(7)~~ (vii) appointing, monitoring, and auditing deputy registrars; and

~~(8)~~ (viii) inspecting vehicles when required by law.

(c) In conjunction with each forecast under section 16A.103, the commissioner of management and budget must publish a supplemental statement for the account. The statement must include:

(1) categorization of revenue and expenditures for recent, current, and upcoming fiscal years, with breakouts by anticipated expenditures under statutory and direct appropriations;

(2) specification of the account balance actuals or estimates in each fiscal year; and

(3) identification of changes in comparison to the most recent prior forecast.

Sec. 39. Minnesota Statutes 2022, 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~~ \$1,750,000 in fiscal year 2024 and \$2,500,000 in each fiscal year thereafter 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. 40. Minnesota Statutes 2022, section 357.021, subdivision 6, is amended to read:

Subd. 6. **Surcharges on criminal and traffic offenders.** (a) Except as provided in this subdivision, the court shall impose and the court administrator shall collect a \$75 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty misdemeanor offense, other than a violation of: (1) a law or ordinance relating to vehicle parking, for which there shall be is a \$12 surcharge; and (2) section 609.855, subdivision 1, 3, or 3a, for which there is a \$25 surcharge. When a defendant is convicted of more than one offense in a case, the surcharge shall be imposed only once in that case. In the Second Judicial District, the court shall impose, and the court administrator shall collect, an additional \$1 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty misdemeanor offense, including a violation of a law or ordinance relating to vehicle parking, if the Ramsey County Board of Commissioners authorizes the \$1 surcharge. The surcharge shall be imposed whether or not the person is sentenced to imprisonment or the sentence is stayed. The surcharge shall not be imposed when a person is convicted of a petty misdemeanor for which no fine is imposed.

(b) The court may reduce the amount or waive payment of the surcharge required under this subdivision on a showing of indigency or undue hardship upon the convicted person or the convicted person's immediate family. Additionally, the court may permit the defendant to perform community work service in lieu of a surcharge.

(c) The court administrator or other entity collecting a surcharge shall forward it to the commissioner of management and budget.

(d) If the convicted person is sentenced to imprisonment and has not paid the surcharge before the term of imprisonment begins, the chief executive officer of the correctional facility in which the convicted person is incarcerated shall collect the surcharge from any earnings the inmate accrues from work performed in the facility or while on conditional release. The chief executive officer shall forward the amount collected to the court administrator or other entity collecting the surcharge imposed by the court.

(e) A person who enters a diversion program, continuance without prosecution, continuance for dismissal, or stay of adjudication for a violation of chapter 169 must pay the surcharge described in this subdivision. A surcharge imposed under this paragraph shall be imposed only once per case.

(f) The surcharge does not apply to administrative citations issued pursuant to section 169.999.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to violations committed on or after that date.

Sec. 41. Minnesota Statutes 2022, section 357.021, subdivision 7, is amended to read:

Subd. 7. **Disbursement of surcharges by commissioner of management and budget.** (a) Except as provided in paragraphs (b) to (d), the commissioner of management and budget shall disburse surcharges received under subdivision 6 as follows:

(1) one percent shall be credited to the peace officer training account in the game and fish fund to provide peace officer training for employees of the Department of Natural Resources who are licensed under sections 626.84 to 626.863, and who possess peace officer authority for the purpose of enforcing game and fish laws; and

(2) 99 percent shall be credited to the general fund.

(b) The commissioner of management and budget shall credit \$3 of each surcharge received under subdivision 6 to the general fund.

(c) In addition to any amounts credited under paragraph (a), the commissioner of management and budget shall credit the following to the general fund: \$47 of each surcharge received under subdivision 6 and; the \$12 parking surcharge, to the general fund; and the \$25 surcharge for a violation of section 609.855, subdivision 1, 3, or 3a.

(d) If the Ramsey County Board of Commissioners authorizes imposition of the additional \$1 surcharge provided for in subdivision 6, paragraph (a), the court administrator in the Second Judicial District shall transmit the surcharge to the commissioner of management and budget. The \$1 special surcharge is deposited in a Ramsey County surcharge account in the special revenue fund and amounts in the account are appropriated to the trial courts for the administration of the petty misdemeanor diversion program operated by the Second Judicial District Ramsey County Violations Bureau.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to violations committed on or after that date.

Sec. 42. Minnesota Statutes 2022, section 473.146, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** The council shall adopt a long-range comprehensive policy plan for transportation, climate action, and wastewater treatment. The plans must substantially conform to all policy statements, purposes, goals, standards, and maps in the development guide developed and adopted by the council under this chapter. Each policy plan must include, to the extent appropriate to the functions, services, and systems covered, the following:

(1) forecasts of changes in the general levels and distribution of population, households, employment, land uses, and other relevant matters, for the metropolitan area and appropriate subareas;

(2) a statement of issues, problems, needs, and opportunities with respect to the functions, services, and systems covered;

(3) a statement of the council's goals, objectives, and priorities with respect to the functions, services, and systems covered, addressing areas and populations to be served, the levels, distribution, and staging of services; a general description of the facility systems required to support the services; the estimated cost of improvements required to achieve the council's goals for the regional systems, including an analysis of what portion of the funding for each improvement is proposed to come from the state, Metropolitan Council levies, and cities, counties, and towns in the metropolitan area, respectively, and other similar matters;

(4) a statement of policies to effectuate the council's goals, objectives, and priorities;

(5) a statement of the fiscal implications of the council's plan, including a statement of: (i) the resources available under existing fiscal policy; (ii) the adequacy of resources under existing fiscal policy and any shortfalls and unattended needs; (iii) additional resources, if any, that are or may be required to effectuate the council's goals, objectives, and priorities; and (iv) any changes in existing fiscal policy, on regional revenues and intergovernmental aids respectively, that are expected or that the council has recommended or may recommend;

(6) a statement of the relationship of the policy plan to other policy plans and chapters of the Metropolitan Development Guide;

(7) a statement of the relationships to local comprehensive plans prepared under sections 473.851 to 473.871; ~~and~~

(8) additional general information as may be necessary to develop the policy plan or as may be required by the laws relating to the metropolitan agency and function covered by the policy plan; and

(9) forecasts pertaining to greenhouse gas emissions that are generated from activity that occurs within local jurisdictions, including from transportation, land use, energy use, solid waste, livestock, and agriculture, and the estimated impact of strategies that reduce or naturally sequester greenhouse gas emissions across sectors.

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. 43. Minnesota Statutes 2022, section 473.146, is amended by adding a subdivision to read:

Subd. 5. **Development guide; climate action.** The climate action chapter must include policies that describe how metropolitan system plans, as defined under section 473.852, subdivision 8, meet greenhouse gas emissions-reduction goals established by the state under section 216H.02, subdivision 1, and transportation targets established by the commissioner of transportation, including vehicle miles traveled reduction targets established in the statewide multimodal transportation plan under section 174.03, subdivision 1a.

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. 44. Minnesota Statutes 2022, section 473.39, is amended by adding a subdivision to read:

Subd. 1x. **Obligations.** In addition to other authority in this section, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$104,545,000 for capital expenditures as prescribed in the council's transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations. Of this authorization, after July 1, 2023, the council may issue certificates of indebtedness, bonds, or other obligations in an amount not exceeding \$51,500,000, and after July 1, 2024, the council may issue certificates of indebtedness, bonds, or other obligations in an additional amount not exceeding \$53,045,000.

Sec. 45. **[473.4065] TRANSIT RIDER ACTIVITY.**

Subdivision 1. **Code of conduct; establishment.** (a) The council must adopt a rider code of conduct for transit passengers. The council must post a copy of the code of conduct in a prominent location at each light rail transit station, bus rapid transit station, and transit center.

(b) The code of conduct must not prohibit sleeping in a manner that does not otherwise violate conduct requirements.

Subd. 2. **Code of conduct; violations.** An authorized transit representative, as defined in section 609.855, subdivision 7, paragraph (g), may order a person to depart a transit vehicle or transit facility for a violation of the rider code of conduct established under subdivision 1 if the person continues to act in violation of the code of conduct after being warned once to stop.

Subd. 3. **Paid fare zones.** The council must establish and clearly designate paid fare zones at each light rail transit station where the council utilizes self-service barrier-free fare collection.

Subd. 4. **Light rail transit facility monitoring.** (a) The council must maintain public safety monitoring and response activities at light rail transit facilities that include:

(1) placement of security cameras and sufficient associated lighting that provide live coverage for (i) the entire area at each light rail transit station, and (ii) each light rail transit vehicle;

(2) installation of a public address system at each light rail transit station that is capable of providing information and warnings to passengers; and

(3) real-time active monitoring of passenger activity and potential violations throughout the light rail transit system.

(b) The monitoring activities must include timely maintenance or replacement of malfunctioning cameras or public address systems.

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. 46. **[473.4075] TRANSIT RIDER INVESTMENT PROGRAM.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms and the terms defined in section 609.855, subdivision 7, have the meanings given.

(b) "Transit official" means an individual who is authorized as TRIP personnel, a community service officer, or a peace officer as defined in section 626.84, subdivision 1, paragraph (c).

(c) "TRIP personnel" means persons specifically authorized by the council for the TRIP program under this section, including but not limited to fare inspection and enforcement, who are not peace officers or community service officers.

(d) "TRIP program" or "program" means the transit rider investment program established in this section.

Subd. 2. **Program established.** (a) Subject to available funds, the council must implement a transit rider investment program that provides for TRIP personnel deployment, fare payment inspection, administrative citation issuance, rider education and assistance, and improvements to the transit experience.

(b) As part of program implementation, the council must:

(1) adopt a resolution that establishes the program and establishes fine amounts in accordance with subdivision 8;

(2) establish policies and procedures that govern authorizing and training TRIP personnel, TRIP personnel uniforms, issuing an administrative citation, and contesting an administrative citation;

(3) consult with stakeholders on the design of the program;

(4) develop a TRIP personnel recruitment plan that includes informing and supporting potential applicants who are: (i) representative of transit users; and (ii) from cultural, ethnic, and racial communities that are historically underrepresented in state or local public service;

(5) develop a TRIP personnel strategic deployment plan that: (i) requires teams of at least two individuals; and (ii) targets deployment to times and locations with identified concentrations of activity that are subject to an administrative citation, other citations, or arrest or that negatively impact the rider experience; and

(6) provide for training on the program and issuance of administrative citations to peace officers who provide law enforcement assistance under an agreement with the council.

Subd. 3. **TRIP manager.** The council must appoint a TRIP manager to manage the program. The TRIP manager must have managerial experience in social services, transit service, or law enforcement. The TRIP manager is a TRIP personnel staff member.

Subd. 4. **TRIP personnel; duties; requirements.** (a) The duties of the TRIP personnel include:

(1) monitoring and responding to passenger activity, including:

(i) informing passengers about the council's rider code of conduct; and

(ii) assisting passengers in obtaining social services, such as through information and referrals;

(2) acting as a liaison to social service agencies;

(3) providing information to passengers on using the transit system;

(4) providing direct navigation assistance and accompaniment to passengers who have a disability, are elderly, or request enhanced personal aid;

(5) performing fare payment inspections;

(6) issuing administrative citations as provided in subdivision 6; and

(7) obtaining assistance from peace officers or community service officers as necessary.

(b) An individual who is authorized as TRIP personnel must wear the uniform as established by the council at all times when on duty.

Subd. 5. **TRIP personnel; training.** Training for TRIP personnel must include the following topics:

(1) early warning techniques, crisis intervention, conflict de-escalation, and conflict resolution;

(2) identification of persons likely in need of social services;

(3) locally available social service providers, including services for homelessness, mental health, and addiction;

(4) policies and procedures for administrative citations; and

(5) administration of opiate antagonists in a manner that meets the requirements under section 151.37, subdivision 12.

Subd. 6. Administrative citations; authority; issuance. (a) A transit official has the exclusive authority to issue an administrative citation to a person who commits a violation under section 609.855, subdivision 1, paragraph (a), clause (1), or 3.

(b) 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 for failure to contest the citation or pay the fine.

(c) The council must not mandate or suggest a quota for the issuance of administrative citations under this section.

(d) Issuance and resolution of an administrative citation is a bar to prosecution under section 609.855, subdivision 1, paragraph (a), clause (1), or 3, or for any other violation arising from the same conduct.

Subd. 7. Administrative citations; disposition. (a) A person who commits a violation under section 609.855, subdivision 1, paragraph (a), clause (1), or 3, and is issued an administrative citation under this section must, within 90 days of issuance, pay the fine as specified or contest the citation. A person who fails to either pay the fine or contest the citation within the specified period is considered to have waived the contested citation process and is subject to collections.

(b) The council must provide a civil process for a person to contest the administrative citation before a neutral third party. The council may employ a council employee not associated with its transit operations to hear and rule on challenges to administrative citations or may contract with another unit of government or a private entity to provide the service.

(c) The council may contract with credit bureaus, public and private collection agencies, the Department of Revenue, and other public or private entities providing collection services as necessary for the collection of fine debts under this section. As determined by the council, collection costs are added to the debts referred to a public or private collection entity for collection. Collection costs include the fees of the collection entity and may include, if separately provided, skip tracing fees, credit bureau reporting charges, and fees assessed by any public entity for obtaining information necessary for debt collection. If the collection entity collects an amount less than the total due, the payment is applied proportionally to collection costs and the underlying debt.

Subd. 8. Administrative citations; penalties. (a) The amount of a fine under this section must be set at no less than \$35 and no more than \$100.

(b) Subject to paragraph (a), the council may adopt a graduated structure that increases the fine amount for second and subsequent violations.

(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 for the first time, unless the person demonstrates financial hardship under criteria established by the council.

EFFECTIVE DATE; APPLICATION. This section is effective July 1, 2023, except that subdivisions 1 and 3 are effective the day following final enactment. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 47. **[473.4077] LEGISLATIVE REPORT; TRANSIT SAFETY AND RIDER EXPERIENCE.**

Subdivision 1. **Definitions.** For purposes of this section, the terms defined in section 473.4075 have the meanings given.

Subd. 2. **Legislative report.** (a) Annually by February 15, the council must submit a report on transit safety and rider experience to the chairs and ranking minority 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, including improvements made to equipment and infrastructure;

(2) provide an overview of the rider code of conduct and measures required under section 473.4065;

(3) provide an overview of the transit rider investment program under section 473.4075 and the program's structure and implementation;

(4) provide an overview of the activities of TRIP personnel, including specifically describing the activities of uniformed transit safety officials;

(5) provide a description of all policies adopted pursuant to section 473.4075, the need for each policy, and a copy of each policy;

(6) if the council adopted an alternative resolution procedure pursuant to section 473.4075, subdivision 8, provide:

(i) a description of that procedure;

(ii) the criteria used to determine financial hardship; and

(iii) for each of the previous three calendar years, how frequently the procedure was used, the number of community service hours performed, and the total amount paid as prepayment of transit fares;

(7) for each of the previous three calendar years:

(i) identify the number of fare compliance inspections that were completed, including the total number and the number as a percentage of total rides;

(ii) state the number of warnings and citations issued by the Metro Transit Police Department and transit agents, including a breakdown of which type of officer or official issued the citation, the statutory authority for issuing the warning or citation, the reason given for each warning or citation issued, and the total number of times each reason was given;

(iii) state the number of administrative citations that were appealed pursuant to section 473.4075, the number of those citations that were dismissed on appeal, and a breakdown of the reasons for dismissal;

(iv) include data and statistics on crime rates occurring on public transit vehicles and surrounding transit stops and stations;

(v) state the number of peace officers employed by the Metro Transit Police Department;

(vi) state the average number of peace officers employed by the Metro Transit Police Department; and

(vii) state the number of uniformed transit safety officials and community service officers who served as transit agents;

(8) analyze impacts of the transit rider investment program on fare compliance and customer experience for riders, including rates of fare violations; and

(9) make recommendations on the following:

(i) changes to the administrative citation program; and

(ii) methods to improve safety on public transit and transit stops and stations.

EFFECTIVE DATE; APPLICATION. This section is effective July 1, 2023, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 48. Minnesota Statutes 2022, section 473.859, is amended by adding a subdivision to read:

Subd. 7. **Climate action plan.** The council must specify how the information in section 473.146, subdivision 5, must be incorporated into comprehensive plan content.

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. 49. Minnesota Statutes 2022, section 609.855, subdivision 1, is amended to read:

Subdivision 1. **Unlawfully obtaining services; petty misdemeanor.** (a) A person is guilty of a petty 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) A person who violates this subdivision must pay a fine of no more than \$10.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to violations committed on or after that date.

Sec. 50. Minnesota Statutes 2022, section 609.855, subdivision 3, is amended to read:

Subd. 3. **Prohibited activities; petty misdemeanor.** ~~(a) A person is guilty of a misdemeanor who, while riding in a vehicle providing public transit service:~~

~~(1) operates a radio, television, tape player, electronic musical instrument, or other electronic device, other than a watch, which amplifies music, unless the sound emanates only from earphones or headphones and except that vehicle operators may operate electronic equipment for official business;~~

~~(2) smokes or carries lighted smoking paraphernalia;~~

~~(3) consumes food or beverages, except when authorized by the operator or other official of the transit system;~~

~~(4) (a) A person who throws or deposits litter; or while riding in a vehicle providing public transit service is guilty of a petty misdemeanor.~~

~~(5) carries or is in control of an animal without the operator's consent.~~

(b) A person is guilty of a violation of this subdivision only if the person continues to act in violation of this subdivision after being warned once by an authorized transit representative to stop the conduct.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to violations committed on or after that date.

Sec. 51. Minnesota Statutes 2022, section 609.855, is amended by adding a subdivision to read:

Subd. 3a. **Prohibited activities; misdemeanor.** (a) A person who performs any of the following while in a transit vehicle or at a transit facility is guilty of a misdemeanor:

(1) smokes, as defined in section 144.413, subdivision 4;

(2) urinates or defecates;

(3) consumes an alcoholic beverage, as defined in section 340A.101, subdivision 2;

(4) damages a transit vehicle or transit facility in a manner that meets the requirements for criminal damage to property in the fourth degree under section 609.595, subdivision 3, and is not otherwise a violation under subdivision 1, 1a, or 2 of that section;

(5) performs vandalism, defacement, or placement of graffiti, as defined in section 617.90, subdivision 1; or

(6) engages in disorderly conduct as specified in section 609.72, subdivision 1, clause (3).

(b) A peace officer, as defined in section 626.84, subdivision 1, paragraph (c), may order a person to depart a transit vehicle or transit facility for a violation under paragraph (a).

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to violations committed on or after that date.

Sec. 52. Minnesota Statutes 2022, 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, a transit official under section 473.4075, subdivision 1, 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. 53. Laws 2021, First Special Session chapter 5, article 4, section 143, is amended to read:

Sec. 143. **STUDY ON POST-COVID PANDEMIC PUBLIC TRANSPORTATION.**

(a) ~~From funds specified under Minnesota Statutes, section 161.53, paragraph (b), the commissioner of transportation~~ Using existing resources, the Metropolitan Council must arrange and pay for a study by the Center for Transportation Studies at the University of Minnesota that examines public transportation after the COVID-19 pandemic is substantially curtailed in the United States. At a minimum, the study must:

(1) focus primarily on transit service ~~for commuters in~~ throughout the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2;

(2) specifically review Northstar Commuter Rail and commuter-oriented transit service by the Metropolitan Council and by the suburban transit providers; and

(3) provide analysis and projections for the public transit system in the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, on anticipated changes in:

- (i) ridership;
- (ii) demand for different modes and forms of active and public transportation;
- (iii) transit service levels and features;
- (iv) revenue and expenditures; and
- (v) long-term impacts.

(b) By ~~February~~ October 1, 2023 ~~2024~~, the ~~commissioner~~ chair of the Metropolitan Council must provide a copy of the study to the members of the legislative committees with jurisdiction over transportation policy and finance.

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. 54. Laws 2022, chapter 39, section 2, is amended to read:

Sec. 2. SOUTHWEST LIGHT RAIL TRANSIT; EXPENDITURES AND SCHEDULE.

(a) Annually by January 1 and July 1, the Metropolitan Council must provide status updates on the Southwest light rail transit project to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. Each status update must include:

- (1) total expenditures on the project during the previous six months as compared to projections;
- (2) total expenditures on the project anticipated over the next six months; ~~and~~
- (3) total expenditures on the project to date;
- (4) the total project cost estimate; and
- (5) any change in the date of anticipated project completion.

(b) The Metropolitan Council must notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance within seven calendar days of making a determination that:

(1) the anticipated Southwest light rail project completion date is delayed by six months or more beyond the estimated completion date determined as of the effective date of this section;

(2) the anticipated Southwest light rail project completion date is delayed by six months or more beyond the most recent estimated completion date;

(3) the total Southwest light rail project cost is anticipated to increase by five percent or more above the project cost estimate determined as of the effective date of this section; or

(4) the total Southwest light rail project cost is anticipated to increase by five percent or more above the most recent cost estimate.

(c) On a monthly basis and at least 30 days prior to making an expenditure for the Southwest light rail transit project, the Metropolitan Council must submit an expenditure notification for review and comment to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance and to the members of the Legislative Commission on Metropolitan Government. A notification must include the following for each expenditure or for a subtotal of related expenditures:

- (1) the expenditure or subtotal amount;
- (2) the specific standard cost category; and
- (3) identification or a brief summary of the nature of the expenditure.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to expenditures made on or after October 1, 2023. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 55. **RETROACTIVE DRIVER'S LICENSE REINSTATEMENT.**

(a) The commissioner of public safety must make an individual's driver's license eligible for reinstatement if the license is solely suspended pursuant to:

- (1) Minnesota Statutes 2020, section 169.92, subdivision 4, if the person did not appear in court (i) in compliance with the terms of a citation for a petty misdemeanor, or (ii) for a violation of Minnesota Statutes, section 171.24, subdivision 1;
- (2) Minnesota Statutes 2020, section 171.16, subdivision 2, if the person was convicted only under Minnesota Statutes, section 171.24, subdivision 1 or 2;
- (3) Minnesota Statutes 2020, section 171.16, subdivision 3; or
- (4) any combination of clauses (1), (2), and (3).

(b) By December 1, 2023, the commissioner must provide written notice to an individual whose license has been made eligible for reinstatement under paragraph (a), addressed to the licensee at the licensee's last known address.

(c) Notwithstanding any law to the contrary, before the license is reinstated, an individual whose driver's license is eligible for reinstatement under paragraph (a) must pay a single reinstatement fee of \$20.

(d) The following applies for an individual who is eligible for reinstatement under paragraph (a) and whose license was suspended, revoked, or canceled under any other provision in Minnesota Statutes:

- (1) the suspension, revocation, or cancellation under any other provision in Minnesota Statutes remains in effect;
- (2) subject to clause (1), the individual may become eligible for reinstatement under paragraph (a); and
- (3) the commissioner is not required to send the notice described in paragraph (b).

(e) Paragraph (a) applies notwithstanding Minnesota Statutes 2020, sections 169.92, subdivision 4; and 171.16, subdivision 2 or 3; or any other law to the contrary.

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

Sec. 56. **TRANSIT SIGNAL PRIORITY SYSTEM PLANNING.**

Subdivision 1. **Establishment.** From sales tax revenue, as defined in section 473.4465, subdivision 1, the Metropolitan Council must convene a working group by August 1, 2023, 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, 2023, 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, 2023.

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. 57. **TRANSIT FARE ELIMINATION PILOT PROGRAM.**

Subdivision 1. **Pilot program established.** From sales tax revenue, as defined in section 473.4465, subdivision 1, the Metropolitan Council must establish a pilot program to provide transit service free of charge for all riders, as specified in this section.

Subd. 2. **Requirements.** (a) The Metropolitan Council must implement the pilot program:

(1) from July 1, 2023, to December 31, 2024;

(2) for two regular route bus lines, which may include express bus and bus rapid transit;

(3) on the entirety of each selected route; and

(4) during both peak and nonpeak service hours.

(b) The Metropolitan Council must prioritize transit lines to include in the pilot program based on routes with:

(1) the highest average daily ridership;

(2) the highest estimated proportions of low-income riders;

(3) the highest estimated proportions of riders who exclusively use transit; and

(4) significant connections to destinations and other high-ridership transit lines.

Subd. 3. **Legislative report.** (a) By February 15, 2025, the Metropolitan Council must submit a report on the pilot program to the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation policy and finance. At a minimum, the report must include:

(1) an overview of pilot program implementation;

(2) evaluation of the effects on (i) ridership, (ii) travel time, (iii) service equity, and (iv) rider experience and other measures of quality of life;

(3) a review of fiscal impacts, including foregone revenue, costs related to service changes, and potential cost efficiencies;

(4) analysis of barriers, best practices, economic impacts, and other relevant considerations; and

(5) any recommendations regarding any subsequent implementation of free transit service.

(b) For purposes of this subdivision, "staff" means those employees who are identified in any of the following roles for the legislative committees: committee administrator, committee legislative assistant, caucus research, fiscal analysis, counsel, or nonpartisan research.

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. 58. **METRO MOBILITY ENHANCEMENT PILOT PROGRAM.**

Subdivision 1. **Definition.** For purposes of this section, "pilot program" means the Metro Mobility enhancement pilot program established in this section.

Subd. 2. **Establishment.** From sales tax revenue, as defined in Minnesota Statutes, section 473.4465, subdivision 1, the Metropolitan Council must implement a pilot program to enhance the existing service levels of Metro Mobility under Minnesota Statutes, section 473.386.

Subd. 3. **Requirements.** The pilot program must:

- (1) commence by September 1, 2023, and operate until December 31, 2025;
- (2) provide for advanced scheduling of enhanced Metro Mobility service;
- (3) to the extent feasible, provide service outside of the current Metro Mobility hours of service, as follows:
 - (i) on weekdays from 6:00 a.m. to 10:00 p.m.;
 - (ii) on Saturdays from 7:00 a.m. to 11:00 p.m.; and
 - (iii) on Sundays from 7:00 a.m. to 10:00 p.m.;
- (4) cover the entirety of the geographic area specified in Minnesota Statutes, section 473.386, subdivision 3, clause (9); and
- (5) establish rider eligibility and fares in a manner that is substantially comparable to the requirements under Metro Mobility.

Subd. 4. **Legislative report.** By February 1, 2026, the Metropolitan Council must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance concerning the pilot program. At a minimum, the report must:

- (1) summarize pilot program implementation;
- (2) provide a fiscal review that identifies uses of funds;
- (3) analyze results under the pilot program, including improvements to service and customer experience;
- (4) evaluate accessibility impacts and constraints for riders who use a wheelchair or otherwise require specialized equipment or service;
- (5) consider service models, technologies, partnership models, and anticipated industry changes;
- (6) identify findings, practices, and considerations for replication in communities throughout the state;
- (7) review any modifications under consideration, planned, or implemented for the Metro Mobility program; and
- (8) make any recommendations on service improvements related to Metro Mobility, including fiscal implications.

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. **METROPOLITAN GOVERNANCE TASK FORCE.**

Subdivision 1. **Established.** A Metropolitan Governance Task Force is established to study and make recommendations to the legislature on reform and governance of the Metropolitan Council.

Subd. 2. **Membership.** (a) The task force consists of the following members:

(1) four members of the senate, with two appointed by the senate majority leader and two appointed by the senate minority leader;

(2) four members of the house of representatives, with two appointed by the speaker of the house and two appointed by the minority leader of the house of representatives;

(3) one person representing cities in the metropolitan area, appointed by the Association of Metropolitan Municipalities;

(4) one county commissioner representing counties in the metropolitan area, appointed by the Association of Minnesota Counties;

(5) one person representing townships in the metropolitan area, appointed by the Minnesota Association of Townships;

(6) one person representing an employee collective bargaining unit of the Metropolitan Council, appointed by the Minnesota AFL-CIO;

(7) one person appointed by the governor;

(8) one person representing transit, appointed by Move Minnesota;

(9) one person representing institutions of higher education, appointed by the Office of Higher Education; and

(10) two members of the public, appointed by the Legislative Coordinating Commission.

(b) The appointing authorities under paragraph (a) must make the appointments by July 15, 2023.

Subd. 3. **Chair; other officers.** The task force shall elect from among its legislative members a chair and vice-chair and any other officers that the task force determines would be necessary or convenient.

Subd. 4. **Duties.** The task force shall study and evaluate options to reform and reconstitute governance of the Metropolitan Council. The study must include an analysis of the costs and benefits of:

(1) direct election of members to the Metropolitan Council;

(2) a combination of directly elected and appointed members to the Metropolitan Council;

(3) a council of governments which would replace the current Metropolitan Council;

(4) reapportioning responsibilities of the Metropolitan Council to state agencies and local units of government;

(5) adoption of a home rule charter for governance of the Metropolitan Council; and

(6) any other regional governance approaches that are viable alternatives to the current structure of the Metropolitan Council.

Subd. 5. **State; metropolitan agencies must cooperate; subcommittees.** The Metropolitan Council and state and metropolitan agencies shall cooperate with the task force and provide information requested in a timely fashion. The task force may establish subcommittees and invite other stakeholders to participate in the task force's study and development of recommendations.

Subd. 6. **Compensation.** Member compensation and reimbursement for expenses are governed by Minnesota Statutes, section 15.059, subdivision 3.

Subd. 7. **Grants.** The task force may accept grant funds from any federal, state, local, or nongovernmental source to support its work and offset any costs, provided accepting the money does not create a conflict of interest for the task force or its members. The Legislative Coordinating Commission may administer any grant money given to the task force.

Subd. 8. **Administrative support; staff.** The Legislative Coordinating Commission must provide meeting space, administrative support, and staff support for the task force. The task force may hold meetings in any publicly accessible location in the Capitol Complex that is equipped with technology that can facilitate remote testimony.

Subd. 9. **Open meeting law.** Meetings of the task force are subject to Minnesota Statutes, chapter 13D.

Subd. 10. **Report.** The task force shall report its findings and recommendations to the chairs and ranking minority members of the legislative committees with responsibility for or jurisdiction over the Metropolitan Council and metropolitan agencies. The report is due by February 1, 2024.

Subd. 11. **Expiration.** The task force expires on June 30, 2024.

EFFECTIVE DATE; EXPIRATION; APPLICATION. This section is effective the day following final enactment. Subdivision 5 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 60. **METROPOLITAN COUNCIL; LAND USE STUDY.**

Subdivision 1. **Definitions.** The definitions provided in Minnesota Statutes, section 473.121, apply to this section.

Subd. 2. **Metropolitan land use study.** The Metropolitan Council must conduct and complete a metropolitan land use and transportation policy study on or before June 30, 2024, that analyzes the degree to which current land use and transportation policies in the metropolitan area support or hinder state and local governmental unit transportation, environmental, greenhouse gas emissions, and equity goals. The study must be used to inform the 2050 comprehensive development guide for the metropolitan area.

Subd. 3. **Study contents.** The study under this section must include:

(1) a comparison of current land use policies in the metropolitan area with alternative growth development scenarios, including efficient land use and compact growth;

(2) a determination of the costs to local and regional metropolitan area government services to implement efficient land use policies, including the costs to construct and maintain transportation and water infrastructure and emergency services;

(3) an analysis of how implementation of efficient land use policies would reduce future costs to local and regional metropolitan area government with regard to transportation and water infrastructure and emergency services;

(4) an assessment of transportation and related infrastructure necessary to facilitate efficient land use policies, including but not limited to estimations of road lane miles, utility miles, and land acreage necessary to facilitate such policies;

(5) an analysis of sewer access and water access charges and policies, including an analysis of the differences in the charges between property classifications and charges in urban, suburban, and rural areas;

(6) the estimated impact implementation of efficient land use policies would have on vehicle miles traveled, access to jobs in essential services, transit viability, and commute modal share in the metropolitan area; and

(7) any other data or analyses the Metropolitan Council deems relevant.

Subd. 4. **Report.** The Metropolitan Council must submit a copy of the study under this section to the chairs and ranking minority members of the legislative committees with jurisdiction over local government and transportation policy and finance by February 1, 2025.

Sec. 61. **LEGISLATIVE REPORT; SPEED SAFETY CAMERAS.**

(a) By January 3, 2024, the commissioner of public safety must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance that identifies a process and associated policies for issuance of a mailed citation to the owner or lessee of a motor vehicle that a speed safety camera system detects is operated in violation of a speed limit.

(b) The commissioner must convene a task force to assist in the development of the report. The task force must include the Advisory Council on Traffic Safety under Minnesota Statutes, section 4.076, a representative from the Minnesota County Attorneys Association, and a person with expertise in data privacy and may include other members as the commissioner determines are necessary to develop the report.

(c) At a minimum, the report must include consideration and analysis of:

(1) methods to identify the owner, operator, and any lessee of the motor vehicle;

(2) compliance with federal enforcement requirements related to holders of a commercial driver's license;

(3) authority of individuals who are not peace officers to issue citations;

(4) data practices, including but not limited to concerns related to data privacy;

(5) due process, an appeals process, and the judicial system;

(6) technology options, constraints, and factors;

(7) other legal issues; and

(8) recommendations regarding implementation, including but not limited to any legislative proposal and information on implementation costs.

Sec. 62. **REVISOR INSTRUCTION.**

The revisor of statutes must change the terms "driver services operating account" and "vehicle services operating account" to "driver and vehicle services account" wherever the terms appear in Minnesota Statutes. The revisor must change any references to Minnesota Statutes, section 299A.705, subdivision 2, to reference Minnesota Statutes, section 299A.705, subdivision 1, and must correct any related cross-references made necessary by the changes in this act.

Sec. 63. **REPEALER.**

(a) Minnesota Statutes 2022, section 360.915, subdivision 5, is repealed.

(b) Minnesota Statutes 2022, sections 168.121, subdivision 5; 168.1282, subdivision 5; 168.1294, subdivision 5; 168.1299, subdivision 4; and 299A.705, subdivision 2, are repealed.

ARTICLE 5
INDEPENDENT EXPERT REVIEW

Section 1. Minnesota Statutes 2022, 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. The commissioner is not a full-service provider.

Sec. 2. Minnesota Statutes 2022, 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 collected 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 the general fund. the remainder of the fees collected must be credited to the driver services operating account in the special revenue fund under section 299A.705.~~

~~(e) Fees (d) 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 driver and vehicle services operating account in the special revenue fund specified in under section 299A.705.~~

(e) Of the fee collected by a full-service provider under paragraphs (b) and (c), the provider must transmit 50 cents of each fee to the commissioner for deposit in the general fund, and the provider must retain the remainder.

(f) Except as provided in subdivisions 4, 5a, and 5b, the commissioner ~~shall~~ 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. Of the fee:

(1) \$2.70 must be deposited in the general fund; and

(2) ~~for driver's license, instruction permit, or Minnesota identification card records, the remainder must be deposited in the driver and vehicle 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.~~

(g) 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 July 1, 2023. Paragraph (a) is effective January 1, 2024, and applies to record requests made on or after that date.

Sec. 3. Minnesota Statutes 2022, 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~~ 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 for deposit in the general fund.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to record requests made on or after that date.

Sec. 4. Minnesota Statutes 2022, 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 January 1, 2024, and applies to record requests made on or after that date.

Sec. 5. Minnesota Statutes 2022, section 168.327, is amended by adding a subdivision to read:

Subd. 7. **Monitoring and auditing.** The commissioner must monitor and audit the furnishing of records by full-service providers under this section to ensure full-service providers are complying with this section, chapter 13, and United States Code, title 18, section 2721, et seq.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 6. Minnesota Statutes 2022, section 168.345, subdivision 2, is amended to read:

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 2022, 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 and vehicle services operating account established in~~ under 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 for deposit in the general fund, and the provider must retain the remainder. The commissioner 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 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 and vehicle services operating account established in~~ under section 299A.705 and ten percent must be deposited in the general fund.

(g) The fees in paragraphs (e) and (f) notwithstanding, the commissioner ~~shall~~ 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~~ 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 July 1, 2023. Paragraph (a) is effective January 1, 2024, and applies to report disclosures made on or after that date.

Sec. 8. Minnesota Statutes 2022, section 169.09, is amended by adding a subdivision to read:

Subd. 20. **Monitoring and auditing.** The commissioner must monitor and audit the furnishing of records by full-service providers under this section to ensure full-service providers are complying with this section, chapter 13, and United States Code, title 18, section 2721, et seq.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 9. Minnesota Statutes 2022, section 171.01, is amended by adding a subdivision to read:

Subd. 33a. **Full-service provider.** "Full-service provider" has the meaning given in section 168.002, subdivision 12a.

Sec. 10. Minnesota Statutes 2022, section 171.06, is amended by adding a subdivision to read:

Subd. 12. **Preapplication.** The commissioner must establish a process for an applicant to submit an electronic preapplication for a driver's license or identification card. The commissioner must design the preapplication so that the applicant must enter information required for the application. The preapplication process must generate a list of documents the applicant is required to submit in person at the time of the application. At the time an individual schedules an appointment to apply for a driver's license or identification card, the commissioner, full-service provider, or driver's license agent who is scheduling the appointment must provide to the applicant a link to the preapplication website.

Sec. 11. Minnesota Statutes 2022, 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:

- | | |
|--|----------------|
| <u>(1) New application for a noncompliant, REAL ID-compliant, or enhanced driver's license or identification card</u> | <u>\$16.00</u> |
| <u>(2) Renewal application for a noncompliant, REAL ID-compliant, or enhanced driver's license or 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 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 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 October 1, 2023, and applies to applications made on or after that date.

Sec. 12. Minnesota Statutes 2022, 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 and study support materials for the written exam and skills exam. The study support materials must 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 are available for no cost.

Sec. 13. Minnesota Statutes 2022, 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 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 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.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 14. Minnesota Statutes 2022, section 171.13, subdivision 1a, is amended to read:

Subd. 1a. **Waiver when license issued by another jurisdiction.** (a) If the commissioner determines that an applicant for a driver's license is 21 years of age or older and possesses a valid driver's license issued by another state or jurisdiction that requires a comparable examination to obtain a driver's license, the commissioner may must waive the ~~requirement~~ requirements that the applicant pass a 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 for a two-wheeled vehicle endorsement is 21 years of age or older and possesses a valid driver's license with a two-wheeled vehicle endorsement issued by another state or jurisdiction that requires a comparable examination to obtain an endorsement, the commissioner must waive the requirements with respect to the endorsement that the applicant pass a knowledge examination and demonstrate the ability to exercise ordinary and reasonable control in the operation of a motor vehicle.

(c) For purposes of this subdivision, "jurisdiction" includes, but is not limited to, both the active and reserve components of any branch or unit of the United States armed forces, and "valid driver's license" includes any driver's license that is recognized by that branch or unit as currently being valid, or as having been valid at the time of the applicant's separation or discharge from the military within a period of time deemed reasonable and fair by the commissioner, up to and including one year past the date of the applicant's separation or discharge.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to applications made on or after that date.

Sec. 15. **[171.375] STUDENT PASS RATE.**

(a) For each driver training school, the commissioner must determine the percentage of students from that school who pass the written exam or road test on the student's first attempt, second attempt, or third or subsequent attempt. The commissioner must publicly post the information collected under this section on the department's website. At a minimum, the commissioner must update this information on the department's website at least every six months. The information must be searchable by the name of a school or a location.

(b) By January 1 and July 1 of each year, each driver training school must provide to the commissioner a list of all students who completed coursework at the school during the previous six months.

Sec. 16. **REPEALER.**

Minnesota Statutes 2022, section 168.345, subdivision 1, is repealed.

Sec. 17. **EFFECTIVE DATE.**

Except where otherwise specified, this article is effective August 1, 2023."

Delete the title and insert:

"A bill for an act relating to transportation; establishing a budget for transportation; appropriating money for transportation purposes, including Department of Transportation, Department of Public Safety, and Metropolitan Council activities; modifying prior appropriations; authorizing the sale and issuance of state bonds; modifying various policy and finance provisions; establishing metropolitan region sales and use tax; requiring Metropolitan Council to implement and enforce transit safety measures; authorizing administrative citations; establishing criminal penalties; establishing an advisory committee, a task force, and a working group; establishing pilot programs; requiring a study; requiring reports; transferring money; amending Minnesota Statutes 2022, sections 13.69, subdivision 1; 43A.17, by adding a subdivision; 151.37, subdivision 12; 161.088, subdivisions 1, 2, 4, 5, as amended, by adding subdivisions; 161.45, subdivisions 1, 2; 161.46, subdivision 2; 168.002, by adding a subdivision; 168.013, subdivision 1a; 168.326; 168.327, subdivisions 1, 2, 3, by adding a subdivision; 168.33, subdivision 7; 168.345, subdivision 2; 168.54, subdivision 5; 169.09, subdivision 13, by adding a subdivision; 169.14, by adding a subdivision; 169.345, subdivision 2; 169.475, subdivisions 2, 3; 171.01, by adding a subdivision; 171.06, subdivisions 2, 3, as amended, 7, by adding a subdivision; 171.061, subdivision 4; 171.0705, by adding a subdivision; 171.13, subdivisions 1, 1a; 171.26; 174.01, by adding a subdivision; 174.03, subdivision 1c; 174.634; 219.015, subdivision 2; 219.1651; 221.0269, by adding a subdivision; 222.37, subdivision 1; 256.9752, by adding a subdivision; 270C.15; 297A.61, subdivision 7; 297A.94; 297A.99, subdivision 1; 297A.993, by adding a subdivision; 297B.02, subdivision 1; 297B.09; 299A.01, by adding a subdivision; 299A.705, subdivision 1; 299D.03, subdivision 5; 357.021, subdivisions 6, 7; 473.146, subdivision 1, by adding a subdivision; 473.39, by adding a subdivision; 473.859, by adding a subdivision; 609.855, subdivisions 1, 3, 7, by adding a subdivision; Laws 2021, First Special Session chapter 5, article 1, sections 2, subdivision 2; 4, subdivision 4; article 4, section 143; Laws 2022, chapter 39, section 2; proposing coding for new law in Minnesota Statutes, chapters 4; 160; 161; 168; 169; 171; 174; 297A; 473; proposing coding for new law as Minnesota Statutes, chapter 168E; repealing Minnesota Statutes 2022, sections 168.121, subdivision 5; 168.1282, subdivision 5; 168.1294, subdivision 5; 168.1299, subdivision 4; 168.345, subdivision 1; 299A.705, subdivision 2; 360.915, subdivision 5."

With the recommendation that when so amended the bill be re-referred to the Committee on Taxes.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 3, 463, 1999 and 2073 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 1213 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Edelson, Jordan, Feist and Stephenson introduced:

H. F. No. 3200, A bill for an act relating to solid waste; establishing program for beverage container recycling refunds; providing civil and criminal penalties; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115A.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance and Policy.

Murphy, Zeleznikar, Knudsen, Nadeau, Neu Brindley, Perryman, Harder, Backer, Petersburg, Jacob, Grossell, Daniels, Johnson, Heintzeman, Wiener, Gillman, Schultz, Bakeberg, Burkel, Baker, Daudt, O'Driscoll, Hudson, Niska, Joy and Franson introduced:

H. F. No. 3201, A bill for an act relating to taxation; individual income; establishing a two-year income tax holiday for direct support professionals.

The bill was read for the first time and referred to the Committee on Taxes.

Hornstein introduced:

H. F. No. 3202, A bill for an act relating to capital investment; appropriating money for the RS Eden Recovery Campus.

The bill was read for the first time and referred to the Committee on Capital Investment.

Knudsen, Davis, Zeleznikar, Dotseth, Harder, Murphy, Backer, Bennett and Fogelman introduced:

H. F. No. 3203, A bill for an act relating to human services; providing grants to nursing facilities; appropriating money.

The bill was read for the first time and referred to the Committee on Human Services Finance.

Moller and Scott introduced:

H. F. No. 3204, A bill for an act relating to domestic relations; modifying parenting time provisions; amending Minnesota Statutes 2022, sections 257.025; 518.131, subdivisions 1, 11; 518.14; 518.17, subdivisions 1, 3; 518.175, subdivisions 1, 6.

The bill was read for the first time and referred to the Committee on Judiciary Finance and Civil Law.

MOTIONS AND RESOLUTIONS

Hassan moved that the name of Sencer-Mura be added as an author on H. F. No. 457. The motion prevailed.

Noor moved that the name of Sencer-Mura be added as an author on H. F. No. 2415. The motion prevailed.

Vang moved that the name of Kozlowski be added as an author on H. F. No. 3175. The motion prevailed.

Wiens moved that the name of Anderson, P. E., be added as an author on H. F. No. 3187. The motion prevailed.

Frazier moved that the name of Hussein be added as an author on H. F. No. 3196. The motion prevailed.

PROTEST AND DISSENT

Pursuant to Article IV, Section 11 of the Minnesota Constitution, we the undersigned Members of the Minnesota House of Representatives register our protest and dissent against activists who danced upon the Capitol Rotunda's Star of the North on March 31, 2023.

The Star of the North is Minnesota's most respected secular symbol. It is displayed throughout the Capitol, most prominently in the Rotunda, where a brass and glass Star can be found protected by stanchions in the center of the hall. The Department of Administration requires activists holding events in the Rotunda to agree that the Star "is not to be straddled, stood upon, or walked on."

Unfortunately, during a rally on Friday, March 31, 2023, a drag performer stepped over the stanchions and proceeded to dance across the Star. Minnesotans were shocked and disappointed by this disrespectful action.

We admonish the rally host for allowing this behavior to occur. Further, we demand that the Department of Administration take steps to ensure that future groups making use of the Capitol respect the space and the symbols present.

Pursuant to Article IV, Section 11 of the Minnesota Constitution, we direct that our protest and dissent be entered in the Journal of the House of Representatives.

Respectfully submitted,	LISA DEMUTH	PAUL TORKELSON
	PAM ALTENDORF	PATTI ANDERSON
	PAUL ANDERSON	JEFF BACKER
	BEN BAKEBERG	DAVE BAKER
	PEGGY BENNETT	MATT BLISS
	JOHN BURKEL	BRIAN DANIELS
	KURT DAUDT	GREG DAVIDS

BEN DAVIS	JEFF DOTSETH
ELLIOTT ENGEN	MARJ FOGELMAN
MARY FRANSON	PAT GAROFALO
DAWN GILLMAN	MATT GROSSELL
BOBBIE HARDER	JOSH HEINTZEMAN
SHANE HUDELLA	WALTER HUDSON
SPENCER IGO	STEVEN JACOB
BRIAN JOHNSON	JIM JOY
DEBRA KIEL	KRISTA KNUDSEN
RON KRESHA	JOE McDONALD
SHANE MEKELAND	PATRICIA MUELLER
TOM MURPHY	JIM NASH
NATHAN NELSON	ANNE NEU BRINDLEY
HARRY NISKA	PAUL NOVOTNY
TIM O'DRISCOLL	BJORN OLSON
MARION O'NEILL	BERNIE PERRYMAN
JOHN PETERSBURG	BRIAN PFARR
DUANE QUAM	KRISTIN ROBBINS
JOE SCHOMACKER	ISAAC SCHULTZ
PEGGY SCOTT	ROGER SKRABA
CHRIS SWEDZINSKI	DEAN URDAHL
NOLAN WEST	MIKE WIENER
MARK WIENS	NATALIE ZELEZNIKAR

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 12:00 noon, Tuesday, April 11, 2023. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and Speaker pro tempore Wolgamott declared the House stands adjourned until 12:00 noon, Tuesday, April 11, 2023.

PATRICK D. MURPHY, Chief Clerk, House of Representatives

