

STATE OF MINNESOTA

Journal of the House

NINETY-THIRD SESSION — 2024

ONE HUNDRED SECOND DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 15, 2024

The House of Representatives convened at 3:30 p.m. and was called to order by Melissa Hortman, Speaker of the House.

Prayer was offered by Pastor Elise Pokel, Transfiguration Lutheran Church, Minneapolis, 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	Davids	Hassan	Koegel	Neu Brindley	Schultz
Agbaje	Davis	Heintzeman	Kotzyza-Witthuhn	Newton	Scott
Altendorf	Demuth	Hemmingsen-Jaeger	Koznick	Niska	Sencer-Mura
Anderson, P. E.	Dotseth	Her	Kraft	Noor	Skraba
Anderson, P. H.	Edelson	Hicks	Kresha	Norris	Smith
Backer	Elkins	Hill	Lawrence	Novotny	Stephenson
Bahner	Feist	Hollins	Lee, F.	O'Driscoll	Swedzinski
Bakeberg	Finke	Hornstein	Lee, K.	Olson, B.	Tabke
Baker	Fischer	Howard	Liebling	Olson, L.	Torkelson
Becker-Finn	Fogelman	Hudella	Lillie	Pelowski	Vang
Bennett	Franson	Hudson	Lislegard	Pérez-Vega	Virnig
Berg	Frazier	Huot	Long	Perryman	West
Bierman	Frederick	Hussein	McDonald	Petersburg	Wiener
Bliss	Freiberg	Igo	Mekeland	Pinto	Wiens
Brand	Garofalo	Jacob	Moller	Pryor	Witte
Burkel	Gillman	Johnson	Mueller	Pursell	Wolgamott
Carroll	Gomez	Jordan	Murphy	Quam	Xiong
Cha	Greenman	Joy	Myers	Rarick	Youakim
Clardy	Grossell	Keeler	Nadeau	Rehm	Zeleznikar
Coulter	Hansen, R.	Kiel	Nash	Reyer	Spk. Hortman
Curran	Hanson, J.	Klevorn	Nelson, M.	Robbins	
Daniels	Harder	Knudsen	Nelson, N.	Schomacker	

A quorum was present.

Engen, Pfarr and Urdahl were excused.

Kozlowski was excused until 4:30 p.m.

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.

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REPORTS OF CHIEF CLERK

S. F. No. 4579 and H. F. No. 4558, which had been referred to the Chief Clerk for comparison, were examined and found to be not identical.

Hollins moved that S. F. No. 4579 be substituted for H. F. No. 4558 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Long from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 685, A bill for an act relating to housing; restricting residential rentals by corporate home owners; establishing a statewide landlord database; proposing coding for new law in Minnesota Statutes, chapters 462A; 500; 504B.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Housing Finance and Policy.

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

Long from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 912, A bill for an act relating to human services; establishing the Layla Jackson Law; modifying child welfare provisions; establishing the African American Child Well-Being Advisory Council; requiring reports; appropriating money; amending Minnesota Statutes 2022, section 260C.329, subdivisions 3, 8; proposing coding for new law in Minnesota Statutes, chapter 260.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Ways and Means.

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

Klevorn from the Committee on State and Local Government Finance and Policy to which was referred:

H. F. No. 3276, A bill for an act relating to elections; providing for ranked choice voting; authorizing jurisdictions to adopt ranked choice voting for local offices; establishing procedures for adoption, implementation, and use of ranked choice voting for local jurisdictions; allowing local jurisdictions to use electronic voting systems with a reallocation feature; authorizing rulemaking; amending Minnesota Statutes 2022, sections 204B.35, subdivision 1; 204C.21, by adding a subdivision; 204D.07, subdivision 3; 205.13, subdivision 2; 206.57, subdivision 6; 206.58, subdivision 1; 206.83; 211A.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 206; proposing coding for new law as Minnesota Statutes, chapter 204E.

Reported the same back with the following amendments:

Page 3, line 28, delete everything after "official" and insert "is presumed to be the county auditor if the county has adopted ranked choice voting. If an overlapping city and school district adopt ranked choice voting, the municipal clerk is presumed to be the ranked choice voting election official. Nothing in this subdivision prohibits overlapping jurisdictions from agreeing to an alternative ranked choice voting election official."

Page 3, delete lines 29 and 30

Page 5, after line 5, insert:

"Subd. 28. Undeclared candidate. "Undeclared candidate" means a candidate who does not file a request within the time required by section 204E.05, subdivision 4, for the candidate's write-in votes to be counted and whose name does not otherwise appear on the ballot."

Renumber the subdivisions in sequence

Page 5, line 9, after "2025," insert "or the adoption of administrative rules governing ranked choice voting by the secretary of state, whichever is later," and delete everything after "subdivisions"

Page 5, line 10, delete everything before "may"

Page 5, line 13, delete "and"

Page 5, line 14, delete the period and insert "; and"

Page 5, after line 14, insert:

"(3) counties."

Page 5, line 17, delete everything after the period

Page 5, delete lines 18 to 20 and insert:

"(c) Before adopting the use of ranked choice voting for an election held in conjunction with a statewide election, a jurisdiction must enter into an agreement, or a conditional agreement if adopting by ballot question, with the county or counties responsible for administering the jurisdiction's election.

"(d) If a home rule charter or statutory city adopts ranked choice voting without an agreement with the county or counties, the election conducted by ranked choice voting must not be held in conjunction with a statewide election and the jurisdiction must administer its own election.

"(e) Before a school district can adopt the use of ranked choice voting for an election not held in conjunction with a statewide election, the district must first enter into an agreement, or a conditional agreement if adopting by ballot question, with the city or cities within the district's boundaries responsible for administering any elections conducted not in conjunction with a statewide election."

Reletter the paragraphs in sequence

Page 5, delete lines 23 to 25

Page 5, line 29, after "than" insert "20 weeks before the state primary or"

Page 5, line 30, after "election" insert "if the election is not held in conjunction with a state primary or state general election"

Page 6, line 5, delete "30 days" and insert "four weeks"

Page 6, line 19, delete everything after the period and insert "A jurisdiction may not deviate from the standard ballot order of federal offices, state offices, or state constitutional amendments, but may deviate from the standard ballot order for other offices to allow separation of ranked choice voting and nonranked choice voting elections."

Page 6, delete lines 20 to 22

Page 6, delete subdivision 3 and insert:

"Subd. 3. **Ballot format rules.** The secretary of state must adopt rules regarding ranked choice voting ballot format, consistent with this section. Notwithstanding section 204B.36, the rules adopted under this subdivision may provide a standard for ballot format that differs from the standards required by that section."

Page 6, delete line 29

Page 6, line 30, delete everything before "If"

Page 7, delete subdivision 2 and insert:

"Subd. 2. **Precinct tabulation.** In an election where ranked choice voting is used, the county auditor, municipal clerk, or school district clerk shall deliver one set of summary statements; all spoiled ballots; and the envelopes containing the ballots to the ranked choice voting tabulation center as soon as possible after the vote counting is completed and the election judges have returned materials pursuant to section 204C.27."

Page 7, line 21, before "At" insert "(a)"

Page 7, line 25, delete "declared" and after "candidate" insert "who submits a request as required by this subdivision"

Page 7, line 26, delete "subdivision 2 will" and insert "this subdivision must"

Page 7, after line 27, insert:

"(b) Notwithstanding section 204B.09, subdivision 3, a candidate for a city or school district office whose election is governed by this chapter and who wants write-in votes for the candidate to be counted must file a written request with the filing officer not more than seven days before the election. The filing officer shall provide copies of the form to make the request. The filing officer shall not accept a written request later than 5:00 p.m. on the last day for filing a written request."

Page 8, line 26, delete everything after "only." and insert "all undeclared candidates"

Page 8, delete line 27

Page 8, line 28, delete "in subdivision 2"

Page 11, line 12, delete the second "a" and insert "an additional"

Page 11, line 24, delete "exhausted" and insert "inactive"

Page 11, line 27, after "record" insert ", consistent with the requirements of section 206.845" and delete everything after the period

Page 11, delete line 28

Page 11, line 29, delete everything after "to" and insert "applicable state statutes for the election being held"

Page 11, line 30, delete "205.185"

Page 12, delete lines 1 and 2 and insert "persons registered to vote before election day by precinct, the number of persons registered on election day by precinct, and the number of accepted regular, military, and overseas absentee ballots and mail ballots. If the election is held in conjunction with a state general election, the canvass report must also include the number of federal office only absentee ballots and, if applicable, the number of presidential absentee ballots."

Page 12, delete lines 16 and 17 and insert:

"(c) The secretary of state must adopt rules governing recounts conducted under this section."

Page 12, line 20, delete "on" and insert "or"

Page 13, delete lines 16 to 24

Renumber the subdivisions in sequence

Page 13, line 28, delete "percentage" and insert "threshold" and delete "204C.36" and insert "206.89, subdivision 4,"

Page 14, line 1, delete "percentage"

Page 14, line 2, delete "204C.36" and insert "206.89, subdivision 4,"

Page 14, line 7, delete "percentage" and delete "204C.36" and insert "206.89, subdivision 4"

Page 14, line 23, delete "may" and insert "must"

Page 14, line 30, after the period, insert "If ranked choice voting pursuant to chapter 204E is to be used,"

Page 15, delete sections 16 and 17 and insert:

"Sec. 16. Minnesota Statutes 2022, section 206.57, is amended by adding a subdivision to read:

Subd. 6a. **Required certification for ranked choice voting.** In addition to the requirements of this section, a voting system used to administer ranked choice voting under chapter 204E must provide a test lab report from a voting system test lab accredited by the Election Assistance Commission or other appropriate federal agency responsible for testing and certification of compliance with the federal voting systems guidelines at the time of submission of the application required by subdivision 1. The test lab report must show that the system is in conformity with voluntary voting system guidelines issued by the Election Assistance Commission or other appropriate federal agency."

Page 16, line 10, after "Minnesota" insert "to administer ranked choice voting"

Page 16, line 18, delete "as"

Page 16, line 19, delete everything before the semicolon

Page 17, delete sections 19 and 20 and insert:

"Sec. 18. Minnesota Statutes 2023 Supplement, section 206.83, is amended to read:

206.83 TESTING OF VOTING SYSTEMS.

(a) At least three days before voting equipment is used, the official in charge of elections shall have the voting system tested to ascertain that the system will correctly mark ballots using all methods supported by the system, including ranked choice voting if applicable, and through assistive technology, and count the votes cast for all candidates and on all questions. Public notice of the time and place of the test must be given at least two days in advance by publication once in official newspapers. The test must be observed by at least two election judges, who are not of the same major political party, and must be open to representatives of the political parties, candidates, the press, and the public. The test must be conducted by (1) processing a preaudited group of ballots punched or marked to record a predetermined number of valid votes for each candidate and on each question, and must include for each office one or more ballot cards which have votes in excess of the number allowed by law in order to test the ability of the voting system tabulator and electronic ballot marker to reject those votes; and (2) processing an additional test deck of ballots marked using the electronic ballot marker for the precinct, including ballots marked using the electronic ballot display, audio ballot reader, and any assistive voting technology used with the electronic ballot marker. If an election is to be conducted using ranked choice voting, the equipment must also be tested to ensure that each ranking for each candidate is recorded properly.

(b) If any error is detected, the cause must be ascertained and corrected and an errorless count must be made before the voting system may be used in the election.

(c) After the completion of the test, the programs used and ballot cards must be sealed, retained, and disposed of as provided for paper ballots."

Renumber the sections in sequence

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.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 8, H. F. No. 3276 was re-referred to the Committee on Rules and Legislative Administration.

Klevorn from the Committee on State and Local Government Finance and Policy to which was referred:

H. F. No. 4010, A bill for an act relating to local government; establishing requirements for multifamily residential developments in cities; proposing coding for new law in Minnesota Statutes, chapter 462.

Reported the same back with the following amendments:

Page 1, after line 16, insert:

"(c) "Blighted area" has the meaning under section 469.002, subdivision 11."

Page 1, delete lines 20 and 21

Page 2, delete lines 1 to 13

Page 2, before line 14, insert:

"(f) "Major transit stop" means a stop or station for a guideway or busway, as the terms are defined in section 473.4485, subdivision 1."

Page 2, line 17, delete everything after the period

Page 2, delete lines 18 to 30

Page 3, delete lines 1 to 7

Page 3, delete lines 10 to 17

Reletter the paragraphs in sequence

Page 3, after line 27, insert:

"(d) A city may establish municipal controls or ordinances to require that:

(1) multifamily residential developments constructed under this section that replace existing commercial or industrial structures be mixed use and include at least the same square footage of commercial space as the previous structure; and

(2) multifamily residential developments constructed under this section in undeveloped commercial areas be mixed use."

Page 4, line 17, after "unit" insert "in a multifamily residential development constructed under this section within one-quarter mile of a major transit stop"

Page 5, line 6, delete "not related to" and insert "other than"

Page 5, line 7, after "welfare" insert "or for the purpose of increasing the supply of affordable housing"

Page 5, line 17, delete "January 1, 2025" and insert "June 1, 2025"

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

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 8, H. F. No. 4010 was re-referred to the Committee on Rules and Legislative Administration.

Long from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 4822, A bill for an act relating to taxation; property; modifying distribution of excess proceeds from sales of tax-forfeited property; appropriating money; amending Minnesota Statutes 2022, sections 281.23, subdivision 2; 282.08; 282.241, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 282.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Taxes.

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

Becker-Finn from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 5033, A bill for an act relating to welfare data; making technical corrections; amending Minnesota Statutes 2022, section 13.46, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2023 Supplement, section 256.01, subdivision 12b, is amended to read:

Subd. 12b. **Department of Human Services systemic critical incident review team.** (a) The commissioner may establish a Department of Human Services systemic critical incident review team to review (1) critical incidents reported as required under section 626.557 for which the Department of Human Services is responsible under section 626.5572, subdivision 13; chapter 245D; or Minnesota Rules, chapter 9544; or (2) child fatalities and near fatalities that occur in licensed facilities and are not due to natural causes. When reviewing a critical incident, the systemic critical incident review team shall identify systemic influences to the incident rather than determine the culpability of any actors involved in the incident. The systemic critical incident review may assess the entire critical incident process from the point of an entity reporting the critical incident through the ongoing case management process. Department staff shall lead and conduct the reviews and may utilize county staff as reviewers. The systemic critical incident review process may include but is not limited to:

(1) data collection about the incident and actors involved. Data may include the relevant critical services; the service provider's policies and procedures applicable to the incident; the community support plan as defined in section 245D.02, subdivision 4b, for the person receiving services; or an interview of an actor involved in the critical incident or the review of the critical incident. Actors may include:

(i) staff of the provider agency;

(ii) lead agency staff administering home and community-based services delivered by the provider;

(iii) Department of Human Services staff with oversight of home and community-based services;

(iv) Department of Health staff with oversight of home and community-based services;

(v) members of the community including advocates, legal representatives, health care providers, pharmacy staff, or others with knowledge of the incident or the actors in the incident; and

(vi) staff from the Office of the Ombudsman for Mental Health and Developmental Disabilities and the Office of Ombudsman for Long-Term Care;

(2) systemic mapping of the critical incident. The team conducting the systemic mapping of the incident may include any actors identified in clause (1), designated representatives of other provider agencies, regional teams, and representatives of the local regional quality council identified in section 256B.097; and

(3) analysis of the case for systemic influences.

Data collected by the critical incident review team shall be aggregated and provided to regional teams, participating regional quality councils, and the commissioner. The regional teams and quality councils shall analyze the data and make recommendations to the commissioner regarding systemic changes that would decrease the number and severity of critical incidents in the future or improve the quality of the home and community-based service system.

(b) Cases selected for the systemic critical incident review process shall be selected by a selection committee among the following critical incident categories:

- (1) cases of caregiver neglect identified in section 626.5572, subdivision 17;
- (2) cases involving financial exploitation identified in section 626.5572, subdivision 9;
- (3) incidents identified in section 245D.02, subdivision 11;
- (4) behavior interventions identified in Minnesota Rules, part 9544.0110;
- (5) service terminations reported to the department in accordance with section 245D.10, subdivision 3a; and
- (6) other incidents determined by the commissioner.

(c) The systemic critical incident review under this section shall not replace the process for screening or investigating cases of alleged maltreatment of an adult under section 626.557 or of a child under chapter 260E. The department may select cases for systemic critical incident review, under the jurisdiction of the commissioner, reported for suspected maltreatment and closed following initial or final disposition.

(d) The proceedings and records of the review team are confidential data on individuals or protected nonpublic data as defined in section 13.02, subdivisions 3 and 13. Data that document a person's opinions formed as a result of the review are not subject to discovery or introduction into evidence in a civil or criminal action against a professional, the state, or a county agency arising out of the matters that the team is reviewing. Information, documents, and records otherwise available from other sources are not immune from discovery or use in a civil or criminal action solely because the information, documents, and records were assessed or presented during proceedings of the review team. A person who presented information before the systemic critical incident review team or who is a member of the team shall not be prevented from testifying about matters within the person's knowledge. In a civil or criminal proceeding, a person shall not be questioned about opinions formed by the person as a result of the review.

(e) By October 1 of each year, the commissioner shall prepare an annual public report containing the following information:

(1) the number of cases reviewed under each critical incident category identified in paragraph (b) and a geographical description of where cases under each category originated;

(2) an aggregate summary of the systemic themes from the critical incidents examined by the critical incident review team during the previous year;

(3) a synopsis of the conclusions, incident analyses, or exploratory activities taken in regard to the critical incidents examined by the critical incident review team; and

(4) recommendations made to the commissioner regarding systemic changes that could decrease the number and severity of critical incidents in the future or improve the quality of the home and community-based service system.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 2. **[260E.39] CHILD FATALITY AND NEAR FATALITY REVIEW.**

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

(b) "Critical incident" means a child fatality or near fatality in which maltreatment was a known or suspected contributing cause.

(c) "Joint review" means the critical incident review conducted by the child mortality review panel jointly with the local review team under subdivision 4, paragraph (b).

(d) "Local review" means the local critical incident review conducted by the local review team under subdivision 4, paragraph (c).

(e) "Local review team" means a local child mortality review team established under subdivision 2.

(f) "Panel" means the child mortality review panel established under subdivision 3.

Subd. 2. **Local child mortality review teams.** (a) Each county shall establish a multidisciplinary local child mortality review team and shall participate in local critical incident reviews that are based on safety-science principles to support a culture of learning. The local welfare agency's child protection team may serve as the local review team. The local review team shall include but not be limited to professionals with knowledge of the critical incident being reviewed.

(b) The local review team shall conduct reviews of critical incidents jointly with the child mortality review panel or as otherwise required under subdivision 4, paragraph (c).

Subd. 3. **Child mortality review panel; establishment and membership.** (a) The commissioner shall establish a child mortality review panel to review critical incidents attributed to child maltreatment. The purpose of the panel is to identify systemic changes to improve child safety and well-being and recommend modifications in statute, rule, policy, and procedure.

(b) The panel shall consist of:

(1) the commissioner of children, youth, and families, or a designee;

(2) the commissioner of human services, or a designee;

(3) the commissioner of health, or a designee;

(4) the commissioner of education, or a designee;

(5) a judge, appointed by the Minnesota judicial branch; and

(6) other members appointed by the governor, including but not limited to:

(i) a physician who is a medical examiner;

(ii) a physician who is a child abuse specialist pediatrician;

(iii) a county attorney who works on child protection cases;

(iv) two current child protection supervisors for local welfare agencies, each of whom has previous experience as a frontline child protection worker;

(v) a current local welfare agency director who has previous experience as a frontline child protection worker or supervisor;

(vi) two current child protection supervisors or directors for Tribal child welfare agencies, each of whom has previous experience as a frontline child protection worker or supervisor;

(vii) a county public health worker; and

(viii) a member representing law enforcement.

(c) The governor shall designate one member as chair of the panel from the members listed in paragraph (b), clauses (5) and (6).

(d) Members of the panel shall serve terms of four years for an unlimited number of terms. A member of the panel may be removed by the authority responsible for appointing the member.

(e) The commissioner shall employ an executive director for the panel to:

(1) provide administrative support to the panel and the chair, including providing the panel with critical incident notices submitted by local welfare agencies;

(2) compile and synthesize information for the panel;

(3) draft recommendations and reports for the panel's final approval; and

(4) conduct or otherwise direct training and consultation under subdivision 7.

Subd. 4. **Critical incident review process.** (a) A local welfare agency that has determined that maltreatment was the cause of or a contributing factor in a critical incident must notify the commissioner and the executive director of the panel within three business days of making the determination.

(b) The panel shall conduct a joint review with the local review team for:

(1) any critical incident relating to a family, child, or caregiver involved in a local welfare agency family assessment or investigation within the 12 months preceding the critical incident;

(2) a critical incident the governor or commissioner directs the panel to review; and

(3) any other critical incident the panel chooses for review.

(c) The local review team must review all critical incident cases not subject to joint review under paragraph (b).

(d) Within 120 days of initiating a joint review or local review of a critical incident, except as provided under paragraph (h), the panel or local review team shall complete the joint review or local review and compile a report. The report must include any systemic learnings that may increase child safety and well-being and may include policy or practice considerations for systems changes that may improve child well-being and safety.

(e) A local review team must provide its report following a local review to the panel within three business days after the report is complete. After receiving the local review team report, the panel may conduct a further joint review.

(f) Following the panel's joint review or after receiving a local review team report, the panel may make recommendations to any state or local agency, branch of government, or system partner to improve child safety and well-being.

(g) The commissioner shall conduct additional information gathering as requested by the panel or the local review team. The commissioner must conduct information gathering for all cases for which the panel requests assistance. The commissioner shall compile a summary report for each critical incident for which information gathering is conducted and provide the report to the panel and the local welfare agency that reported the critical incident.

(h) If the panel or local review team requests information gathering from the commissioner, the panel or local review team may conduct the joint review or local review and compile its report under paragraph (d) after receiving the commissioner's summary information gathering report. The timeline for a local or joint review under paragraph (d) may be extended if the panel or local review team requests additional information gathering to complete their review. If the local review team extends the timeline for its review and report, the local welfare agency must notify the executive director of the panel of the extension and the expected completion date.

(i) The review of any critical incident shall proceed as specified in this section, regardless of the status of any pending litigation or other active investigation.

Subd. 5. Critical incident reviews; data practices and immunity. (a) In conducting reviews, the panel, the local review team, and the commissioner shall have access to not public data under chapter 13 maintained by state agencies, statewide systems, or political subdivisions that are related to the child's critical incident or circumstances surrounding the care of the child. The panel, the local review team, and the commissioner shall also have access to records of private hospitals as necessary to carry out the duties prescribed by this section. A state agency, statewide system, or political subdivision shall provide the data upon request from the commissioner. Not public data may be shared with members of the panel, a local review team, or the commissioner in connection with an individual case.

(b) Notwithstanding the data's classification in the possession of any other agency, data acquired by a local review team, the panel, or the commissioner in the exercise of their duties are protected nonpublic or confidential data as defined in section 13.02 but may be disclosed as necessary to carry out the duties of the review team, panel, or commissioner. The data are not subject to subpoena or discovery.

(c) The commissioner shall disclose information regarding a critical incident upon request but shall not disclose data classified as confidential or private data on decedents under section 13.10 or private, confidential, or protected nonpublic data in the disseminating agency, except that the commissioner may disclose local social services agency data as provided in section 260E.35 on individual cases involving a critical incident with a person served by the local social services agency prior to the date of the critical incident.

(d) A person attending a local review team or child mortality review panel meeting shall not disclose what transpired at the meeting except to carry out the purposes of the local review team or panel. The commissioner shall not disclose what transpired during the information gathering process except to carry out the duties of the commissioner. The proceedings and records of the local review team, the panel, and the commissioner are protected nonpublic data as defined in section 13.02, subdivision 13, and are not subject to discovery or introduction into evidence in a civil or criminal action. Information, documents, and records otherwise available from other sources are not immune from discovery or use in a civil or criminal action solely because they were presented during proceedings of the local review team, the panel, or the commissioner.

(e) A person who presented information before the local review team, the panel, or the commissioner or who is a member of the local review team or the panel, or an employee conducting information gathering as designated by the commissioner, shall not be prevented from testifying about matters within the person's knowledge. However, in a civil or criminal proceeding, a person may not be questioned about the person's presentation of information to the local review team, the panel, or the commissioner, or about the information reviewed or discussed during a critical incident review or the information gathering process, any conclusions drawn or recommendations made related to information gathering or a critical incident review, or opinions formed by the person as a result of the panel or review team meetings.

(f) A person who presented information before the local review team, the panel, or the commissioner, or who is a member of the local review team or the panel, or an employee conducting information gathering as designated by the commissioner, is immune from any civil or criminal liability that might otherwise result from the person's presentation or statements if the person was acting in good faith and assisting with information gathering or in a critical incident review under this section.

Subd. 6. **Child mortality review panel; annual report.** Beginning December 15, 2026, and on or before December 15 annually thereafter, the commissioner shall publish a report of the child mortality review panel. The report shall include, but not be limited to de-identified summary data on the number of critical incidents reported to the panel, the number of critical incidents reviewed by the panel and local review teams, and systemic learnings identified by the panel or local review teams during the period covered by the report. The report shall also include recommendations on improving the child protection system, including modifications to statutes, rules, policies, and procedures. The panel may make recommendations to the legislature or any state or local agency at any time outside of the annual report.

Subd. 7. **Local welfare agency critical incident review training.** The commissioner shall provide training and support to local review teams and the panel to assist with local or joint review processes and procedures. The commissioner shall also provide consultation to local review teams and the panel conducting local or joint reviews pursuant to this section.

Subd. 8. **Culture of learning and improvement.** Local review teams and the panel shall advance and support a culture of learning and improvement within Minnesota's child welfare system.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 3. **SUPREME COURT COUNCIL ON CHILD PROTECTION.**

Subdivision 1. **Establishment.** The chief justice of the supreme court is invited to establish a Supreme Court Council on Child Protection as part of Minnesota's Court Improvement Program, the Children's Justice Initiative, authorized under Public Law 116-260, Division CC, title III, section 305, of the Consolidated Appropriations Act of 2021, to develop a comprehensive blueprint to improve Minnesota's child protection system.

Subd. 2. **Membership.** The council must consist of the following members:

- (1) the chief justice of the supreme court or a designee;
- (2) at least one representative of the executive branch, appointed by the governor;
- (3) two members of the legislature, one appointed by the speaker of the house or the senate majority leader and one appointed by the minority leader of the house of representatives or senate minority leader;
- (4) members representing Indian Tribes, appointed by the executive board of the Minnesota Indian Affairs Council;
- (5) professionals, including law enforcement officers, with substantial experience responding to reports of child maltreatment, appointed by the chief justice of the supreme court;
- (6) professionals with experience providing child protective services, foster care, adoption services, and postpermanency services, appointed by the chief justice of the supreme court;
- (7) legal professionals and guardians ad litem with significant experience in juvenile protection matters, appointed by the chief justice of the supreme court;
- (8) educational professionals, including professionals with experience in early childhood education and providing educational services to children with disabilities, appointed by the chief justice of the supreme court;
- (9) professionals from nonprofit community organizations with experience providing services and supports to children, parents, and relatives involved in child maltreatment and juvenile protection matters, appointed by the chief justice of the supreme court;
- (10) professionals with expertise on childhood trauma and adverse childhood experiences, appointed by the chief justice of the supreme court;
- (11) professionals with expertise providing services to persons with disabilities involved with the child protection system, appointed by the chief justice of the supreme court; and
- (12) persons with lived experience as a parent or child involved with the child protection system, appointed by the chief justice of the supreme court.

Subd. 3. **Organization and administration.** (a) The council is governed by Minnesota Statutes, section 15.059, except that subdivision 6 does not apply. The state court administrator must provide the council with staff support, office and meeting space, and access to office equipment and services.

(b) Council members serve at the pleasure of the appointing authority. The chief justice of the supreme court must select a chair from among the members. The council may select other officers, subcommittees, and work groups as it deems necessary.

Subd. 4. **Meetings.** (a) The council must meet at the call of the chair.

(b) The chair must convene the council's first meeting, which must occur by September 15, 2024.

Subd. 5. **Duties.** The council must develop a comprehensive blueprint that addresses all aspects of the child protection system by:

(1) reviewing policies, laws, practices, latest research, and data related to children in the child protection system;

(2) gathering information through surveys or focus groups, including consultation with individuals who have lived experience with the child protection system; and

(3) making recommendations for improvements in policies and law that improve outcomes for children.

Subd. 6. **Reports.** By January 15, 2025, the Supreme Court Council on Child Protection must submit a progress report on the council's duties under subdivision 5 to the governor, the chief justice of the supreme court, and the chairs and ranking minority members of the legislative committees with jurisdiction over child protection. By January 15, 2026, the council must submit its final report to the governor, the chief justice of the supreme court, and the chairs and ranking minority members of the legislative committees with jurisdiction over child protection, detailing the comprehensive blueprint developed under subdivision 5.

Subd. 7. **Expiration.** The Supreme Court Council on Child Protection expires upon the submission of its final report under subdivision 6.

Sec. 4. **APPROPRIATION; SUPREME COURT COUNCIL ON CHILD PROTECTION.**

\$800,000 in fiscal year 2025 is appropriated from the general fund to the supreme court for the establishment and administration of the Supreme Court Council on Child Protection. This is a onetime appropriation and is available until June 30, 2026.

Sec. 5. **REPEALER.**

(a) Minnesota Statutes 2022, section 256.01, subdivisions 12 and 12a, are repealed.

(b) Minnesota Rules, part 9560.0232, subpart 5, is repealed.

EFFECTIVE DATE. This section is effective July 1, 2025."

Delete the title and insert:

"A bill for an act relating to human services; establishing a child fatality and near fatality review process and a Supreme Court council on child protection; requiring reports; appropriating money; amending Minnesota Statutes 2023 Supplement, section 256.01, subdivision 12b; proposing coding for new law in Minnesota Statutes, chapter 260E; repealing Minnesota Statutes 2022, section 256.01, subdivisions 12, 12a; Minnesota Rules, part 9560.0232, subpart 5."

With the recommendation that when so amended the bill be re-referred to the Committee on Children and Families Finance and Policy.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 8, H. F. No. 5033 was re-referred to the Committee on Rules and Legislative Administration.

Long from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 5274, A bill for an act relating to horse racing; providing for the conduct of advance deposit wagering, card playing, and pari-mutuel betting; prohibiting the authorization of historical horse racing and other games; providing definitions; making clarifying and conforming changes; amending Minnesota Statutes 2022, sections 240.01, subdivisions 1c, 5, 8, 14, by adding subdivisions; 240.30, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 240.

Reported the same back with the recommendation that the bill be re-referred to the Committee on State and Local Government Finance and Policy.

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

SECOND READING OF SENATE BILLS

S. F. No. 4579 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Tabke introduced:

H. F. No. 5364, A bill for an act relating to the Racing Commission; appropriating money for a grant to the Benevolence Fund of the Minnesota Horsemen's Benevolent and Protective Association.

The bill was read for the first time and referred to the Committee on State and Local Government Finance and Policy.

Agbaje introduced:

H. F. No. 5365, A bill for an act relating to workforce development; appropriating money for a grant to Urban League Twin Cities.

The bill was read for the first time and referred to the Committee on Workforce Development Finance and Policy.

Anderson, P. H.; Jacob; Harder and Burkel introduced:

H. F. No. 5366, A bill for an act relating to agriculture; appropriating money for county agricultural inspector grants.

The bill was read for the first time and referred to the Committee on Agriculture Finance and Policy.

Altendorf introduced:

H. F. No. 5367, A bill for an act relating to taxation; property; modifying interest rate charged on confessions of judgments for homestead property; amending Minnesota Statutes 2022, section 279.37, subdivision 2.

The bill was read for the first time and referred to the Committee on Taxes.

Petersburg and Davids introduced:

H. F. No. 5368, A bill for an act relating to firearms; clarifying law on use of force in defense of home and person; codifying and extending Minnesota's self-defense and defense of home laws; eliminating the common law duty to retreat in cases of self-defense outside the home; expanding the boundaries of dwelling for purposes of self-defense; creating a presumption in the case of a person entering a dwelling or occupied vehicle by stealth or force; extending the rights available to a person in that person's dwelling to a person defending against entry of that person's occupied vehicle; amending Minnesota Statutes 2022, section 609.065.

The bill was read for the first time and referred to the Committee on Public Safety Finance and Policy.

Petersburg introduced:

H. F. No. 5369, A bill for an act relating to taxation; sales and use; dedicating revenues from the sales tax on various products and services to the highway user tax distribution fund; amending Minnesota Statutes 2023 Supplement, section 297A.94.

The bill was read for the first time and referred to the Committee on Transportation Finance and Policy.

Lislegard, Skraba and Zeleznikar introduced:

H. F. No. 5370, A bill for an act relating to economic development; establishing a relief program for businesses due to lack of snow and ice; appropriating money.

The bill was read for the first time and referred to the Committee on Economic Development Finance and Policy.

Anderson, P. H., and Franson introduced:

H. F. No. 5371, A bill for an act relating to capital investment; amending a prior appropriation for improvements at the Eagle's Healing Nest campuses; amending Laws 2017, First Special Session chapter 8, article 1, section 20, subdivision 9, as amended.

The bill was read for the first time and referred to the Committee on Capital Investment.

Kozlowski and Olson, L., introduced:

H. F. No. 5372, A bill for an act relating to capital investment; appropriating money for the Duluth Children's Museum.

The bill was read for the first time and referred to the Committee on Capital Investment.

Kozlowski and Olson, L., introduced:

H. F. No. 5373, A bill for an act relating to capital investment; appropriating money for an academic health center facility on the Duluth campus of the University of Minnesota.

The bill was read for the first time and referred to the Committee on Capital Investment.

Wolgamott and Gillman introduced:

H. F. No. 5374, A bill for an act relating to transportation; allowing motorcycles to split lanes under certain circumstances; requiring public awareness campaign; appropriating money; amending Minnesota Statutes 2022, section 169.974, subdivision 5.

The bill was read for the first time and referred to the Committee on Transportation Finance and Policy.

Urdahl by request introduced:

H. F. No. 5375, A bill for an act relating to elections; modifying certain school board election requirements; repealing combined school district polling places; amending Minnesota Statutes 2022, section 123B.09, subdivision 5b; repealing Minnesota Statutes 2022, section 205A.11, subdivisions 2, 2a, 3.

The bill was read for the first time and referred to the Committee on Elections Finance and Policy.

Urdahl introduced:

H. F. No. 5376, A bill for an act relating to capital investment; appropriating money for water infrastructure improvements in the city of Danube; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Hussein, Pérez-Vega and Clardy introduced:

H. F. No. 5377, A bill for an act relating to arts and cultural heritage; appropriating money for Walker West Music Academy.

The bill was read for the first time and referred to the Committee on Legacy Finance.

Hussein, Pérez-Vega and Clardy introduced:

H. F. No. 5378, A bill for an act relating to arts and cultural heritage; appropriating money for the arts organization The Black Gate.

The bill was read for the first time and referred to the Committee on Legacy Finance.

Hussein, Pérez-Vega and Clardy introduced:

H. F. No. 5379, A bill for an act relating to capital investment; appropriating money for improvements at the Rondo Commemorative Plaza.

The bill was read for the first time and referred to the Committee on Capital Investment.

Youakim introduced:

H. F. No. 5380, A bill for an act relating to education; expanding authority of the Department of Education Office of the Inspector General; amending Minnesota Statutes 2023 Supplement, section 127A.21, subdivision 2, by adding subdivisions.

The bill was read for the first time and referred to the Committee on Education Finance.

Youakim introduced:

H. F. No. 5381, A bill for an act relating to education; expanding authority of the Department of Education Office of the Inspector General; amending Minnesota Statutes 2023 Supplement, section 127A.21, subdivision 2, by adding subdivisions.

The bill was read for the first time and referred to the Committee on Judiciary Finance and Civil Law.

Robbins, Niska, Neu Brindley, Scott, Garofalo, Bakeberg and Bennett introduced:

H. F. No. 5382, A bill for an act relating to education; requiring the Department of Education to adopt a model policy for cell phones in schools; proposing coding for new law in Minnesota Statutes, chapter 121A.

The bill was read for the first time and referred to the Committee on Education Policy.

Backer introduced:

H. F. No. 5383, A bill for an act relating to arts and cultural heritage; appropriating money for the Pelican Rapids VFW Post.

The bill was read for the first time and referred to the Committee on Legacy Finance.

Lee, F., introduced:

H. F. No. 5384, A bill for an act relating to capital investment; providing notice of state contribution for local projects; proposing coding for new law in Minnesota Statutes, chapter 16A.

The bill was read for the first time and referred to the Committee on Capital Investment.

Hornstein introduced:

H. F. No. 5385, A bill for an act relating to economic development; modifying appropriations for PROMISE grants and loans.

The bill was read for the first time and referred to the Committee on Economic Development Finance and Policy.

Franson and Novotny introduced:

H. F. No. 5386, A bill for an act relating to education; allowing a district to place a student in an alternate setting; proposing coding for new law in Minnesota Statutes, chapter 121A.

The bill was read for the first time and referred to the Committee on Education Policy.

Becker-Finn introduced:

H. F. No. 5387, A bill for an act relating to capital investment; appropriating money for a school supply distribution and educator resource center in the city of Roseville; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Feist introduced:

H. F. No. 5388, A bill for an act relating to economic development; modifying an appropriation to provide a capacity building grant to GiveMN.

The bill was read for the first time and referred to the Committee on Economic Development Finance and Policy.

Engen introduced:

H. F. No. 5389, A bill for an act relating to capital investment; appropriating money for an inclusive playground in the city of Lino Lakes; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Lee, F., introduced:

H. F. No. 5390, A bill for an act relating to agriculture; modifying the scope of certain local plant pest control resolutions and ordinances; requiring the modification of certain existing ordinances; amending Minnesota Statutes 2022, section 18G.13, subdivision 7.

The bill was read for the first time and referred to the Committee on Agriculture Finance and Policy.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 3631, A bill for an act relating to capital investment; amending previous appropriations for capital projects; changing the date of submission of a report; amending Minnesota Statutes 2022, sections 16A.642, subdivision 1; 469.53; Laws 2017, First Special Session chapter 8, article 1, section 20, subdivision 8, as amended; Laws 2018, chapter 214, article 1, sections 16, subdivision 14, as amended; 21, subdivision 16, as amended; Laws 2020, Fifth Special Session chapter 3, article 1, sections 7, subdivisions 3, as amended, 26; 14, subdivisions 5, 6; 16, subdivision 36, as amended; 21, subdivisions 7, 27, 37, as amended; 22, subdivision 17; 25, subdivision 2; article 2, section 2, subdivision 3; Laws 2021, First Special Session chapter 5, article 2, section 3; Laws 2023, chapter 68, article 2, section 3; Laws 2023, chapter 71, article 1, sections 9, subdivision 7; 10, subdivisions 3, 7, 8, 11, 15; 11, subdivision 15; 14, subdivisions 1, 5, 6, 10, 12, 13, 23, 37, 40, 51, 53, 57, 58, 66, 67, 73, 77, 81, 84, 93, 94, 103, 106; 15, subdivisions 2, 5, 6, 12; 17, subdivision 3; Laws 2023, chapter 72, article 1, sections 7, subdivision 8; 16, subdivisions 10, 14; 17, subdivision 2; 23, subdivision 10; 27, subdivision 1; article 2, sections 3, subdivision 4; 7, subdivisions 3, 4, 5; 10, subdivisions 3, 6, 12, 13.

THOMAS S. BOTTERN, Secretary of the Senate

Madam Speaker:

I hereby announce the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 3567, A bill for an act relating to education; modifying provisions for prekindergarten through grade 12 education including general education, education excellence, teachers, Read Act, special education, charter schools, nutrition and libraries, health and safety, early learning, and education partnerships and compacts; requiring reports; amending Minnesota Statutes 2022, sections 120A.05, subdivision 10a, by adding a subdivision; 120A.22, subdivision 1; 120A.35; 120B.022, subdivisions 1a, 1b; 120B.11, as amended; 120B.13, subdivision 4; 120B.234, subdivisions 1, 2; 121A.22, subdivisions 2, 4; 121A.2207, subdivision 1; 121A.41, subdivision 8; 122A.091, subdivision 5; 122A.181, by adding a subdivision; 122A.182, by adding a subdivision; 122A.185, subdivision 3; 122A.20, by adding a subdivision; 123B.09, subdivision 10; 123B.37, subdivision 2; 124D.151, as amended; 124D.60, subdivision 1; 124D.61; 124E.01, subdivision 1; 124E.05, subdivisions 2, 3, 5; 124E.07; 124E.10, subdivisions 2, 4, 5; 124E.12, subdivision 2; 124E.14; 124E.17; 124E.26; 125A.02, subdivision 1a; 125A.27, subdivision 8; 125A.56, subdivision 1; 127A.70, subdivision 1; 128C.02, by adding a subdivision; 260E.14, subdivision 1; Minnesota Statutes 2023 Supplement, sections 13.32, subdivision 5; 120B.021, subdivision 1; 120B.024, subdivision 1; 120B.1117; 120B.1118, subdivisions 7, 10, by adding a subdivision; 120B.117, subdivision 4; 120B.12, subdivisions 1, 2, 2a, 4, 4a; 120B.123, subdivisions 1, 2, 5; 120B.30, subdivisions 7, 12, by adding a subdivision; 120B.302; 120B.305; 120B.31, subdivision 4; 120B.36, subdivision 1; 121A.041, subdivisions 2, 3; 121A.20, subdivision 2; 121A.642, by adding a subdivision; 122A.18, subdivision 1; 122A.181, subdivision 2; 122A.183, subdivision 2; 122A.184, subdivision 1; 122A.185, subdivision 1; 122A.40, subdivision 8; 122A.41, subdivision 5; 122A.631, subdivisions 2, 4; 122A.70, subdivision 2; 124D.09, subdivision 5; 124D.094, subdivisions 2, 3; 124D.111, subdivision 2a; 124D.165, subdivisions 2, 2a; 124D.42, subdivision 8; 124D.901, subdivision 4; 124E.02; 124E.03, subdivision 2; 124E.06, subdivisions 1, 4, 5; 124E.11; 124E.12, subdivision 1;

124E.16, subdivision 1; 125A.08; 126C.40, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 120B; 121A; 127A; 134; repealing Minnesota Statutes 2022, sections 120B.31, subdivisions 2, 6; 122A.2451, subdivision 9; Minnesota Statutes 2023 Supplement, section 122A.185, subdivision 4; Laws 2017, First Special Session chapter 5, article 8, section 9.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Cwodzinski, Maye Quade, and Abeler.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

THOMAS S. BOTTERN, Secretary of the Senate

Pryor moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 3567. The motion prevailed.

Madam Speaker:

I hereby announce the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 3852, A bill for an act relating to labor; making policy and technical changes to programs and provisions under the Department of Labor and Industry; making policy and technical changes to provisions under the Bureau of Mediation Services; amending Minnesota Statutes 2022, sections 13.79, subdivision 1; 13.7905, by adding a subdivision; 177.23, by adding subdivisions; 177.24, subdivision 1, by adding a subdivision; 177.30; 178.011, subdivision 9; 178.012, subdivision 1; 178.035, subdivisions 2, 4, 6, 7; 178.036, subdivisions 3, 4, 5, 6, 7; 178.044, subdivision 3; 178.07, subdivisions 1, 3; 178.09, subdivision 2; 178.091, subdivisions 2, 4, by adding subdivisions; 178.10; 179.01, subdivisions 1, 9, 16; 179.06; 179.08; 179.11; 179.12; 179.254, subdivision 1; 179.256; 179.26; 179.27; 179.35, subdivision 1; 179.40; 179.43; 179A.02; 179A.03, subdivision 17; 179A.06, subdivisions 1, 2, 3; 179A.08, subdivision 2; 179A.10, subdivision 1; 179A.104, subdivision 1; 179A.12, subdivision 1; 179A.15; 179A.16, subdivisions 1, 7; 179A.18, subdivisions 2, 3; 179A.19, subdivision 6; 179A.20, subdivision 4; 179A.23; 181.941, subdivision 4; 181.943; 181.950, by adding a subdivision; 181.951, subdivision 1; 181A.08; 181A.12, subdivision 1, by adding subdivisions; 182.664, subdivisions 3, 5; 182.665; 182.666, subdivision 6; 182.667, by adding a subdivision; 326.02, subdivision 5; 326B.0981, subdivisions 3, 4, 8; 326B.33, subdivisions 7, 21; 326B.36, subdivision 2; 326B.46, subdivision 6; 626.892, subdivision 12; Minnesota Statutes 2023 Supplement, sections 177.27, subdivisions 2, 4, 7; 177.42, subdivision 2; 178.01; 181.212, subdivision 7; 181.213, subdivision 1; 181.531, subdivision 3; 181.939, subdivision 2; 181.953, subdivisions 1, 3, by adding a subdivision; 182.6526, subdivision 1; 182.677, subdivisions 1, 2; 204B.19, subdivision 6; 326B.36, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 178; 181; 182; repealing Minnesota Statutes 2022, section 178.036, subdivision 10; Minnesota Rules, parts 5200.0080, subpart 7; 5200.0400; 5510.0310, subpart 13.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators McEwen, Hauschild, and Oumou Verbeten.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

THOMAS S. BOTTERN, Secretary of the Senate

Nelson, M., moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 3852. The motion prevailed.

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 3436, A bill for an act relating to transportation; modifying various transportation-related provisions, including but not limited to motor vehicles, driving rules, accident reporting requirements, child passenger restraint requirements, roadable aircraft, legislative routes, drivers' licenses and exams, excavation notices, and greater Minnesota transit; establishing criminal penalties; modifying prior appropriations; making technical changes; appropriating money; requiring reports; amending Minnesota Statutes 2022, sections 43A.17, by adding a subdivision; 65B.28, subdivision 2; 161.115, subdivisions 116, 117, by adding a subdivision; 161.321, subdivisions 2, 2b; 168.002, subdivisions 18, 24, 26, 27; 168.013, subdivision 1d; 168.0135, by adding a subdivision; 168.12, subdivision 1; 168.33, subdivision 8a; 168A.085, by adding a subdivision; 168B.035, subdivision 3; 169.011, subdivisions 3a, 44, by adding subdivisions; 169.09, subdivisions 5, 14a, 19; 169.19, subdivision 2; 169.224, subdivision 3; 169.34, subdivision 1; 169.444, subdivision 4; 169.685, subdivisions 4, 5, by adding subdivisions; 169.79, by adding a subdivision; 169.80, by adding a subdivision; 169.801, subdivision 7; 169.974, subdivision 2; 169A.52, subdivision 7; 171.01, subdivisions 40, 41a, 47, by adding a subdivision; 171.06, subdivision 2a; 171.0605, subdivision 2; 171.072; 171.13, subdivision 6, by adding a subdivision; 171.30, subdivisions 2a, 5; 174.03, subdivision 12; 174.22, subdivisions 2b, 7, 12, 14, by adding subdivisions; 174.23, subdivision 2; 174.24, subdivisions 1a, 3b, 3c; 174.247; 174.632, subdivision 2; 174.636, subdivision 1; 216D.01, subdivision 12, by adding subdivisions; 216D.03, by adding a subdivision; 216D.04; 216D.05; 221.033, subdivision 1, by adding a subdivision; 360.013, by adding a subdivision; 360.075, subdivision 1; 473.121, subdivision 19; Minnesota Statutes 2023 Supplement, sections 4.076, subdivision 3; 115E.042, subdivision 4; 161.045, subdivision 3; 168.1235, subdivision 1; 168.1259, subdivision 5; 168.345, subdivision 2; 169.09, subdivision 8; 171.06, subdivision 3; 171.0605, subdivision 5; 171.12, subdivisions 5c, 11; 171.13, subdivision 1a; 171.395, subdivision 1; 171.396; 174.40, subdivision 4a; 256B.0625, subdivision 17; 609.855, subdivision 7; Laws 2021, First Special Session chapter 5, article 2, section 3; Laws 2023, chapter 68, article 1, section 2, subdivision 4; article 2, sections 2, subdivisions 3, 4, 5, 7, 9; 3; proposing coding for new law in Minnesota Statutes, chapters 168; 169; 171; 174; repealing Minnesota Statutes 2022, sections 169.011, subdivision 70; 169.25; 171.0605, subdivision 4; 174.22, subdivisions 5, 15; 174.23, subdivision 7; 216D.06, subdivision 3; 221.033, subdivision 2c; Minnesota Statutes 2023 Supplement, section 171.06, subdivisions 9, 10, 11; Minnesota Rules, parts 7411.7600, subpart 3; 8835.0110, subparts 1, 1a, 6, 7, 10, 11a, 12a, 12b, 13a, 14a, 15, 15a, 16, 17, 18, 19; 8835.0210; 8835.0220; 8835.0230; 8835.0240; 8835.0250; 8835.0260; 8835.0265; 8835.0270; 8835.0275; 8835.0280; 8835.0290; 8835.0310; 8835.0320; 8835.0330, subparts 1, 3, 4; 8835.0350, subparts 1, 3, 4, 5.

The Senate has appointed as such committee:

Senators Dibble, Morrison, and Jasinski.

Said House File is herewith returned to the House.

THOMAS S. BOTTERN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 3631.

THOMAS S. BOTTERN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 3631, A bill for an act relating to state government; modifying environment and natural resources laws; modifying forestry laws; modifying game and fish laws; modifying water law; requiring reports; making technical corrections; appropriating money; requiring rulemaking; amending Minnesota Statutes 2022, sections 13.7931, by adding a subdivision; 14.386; 16A.125, subdivision 5; 17.4983, subdivision 2; 17.4984, subdivision 2; 17.4988, subdivision 4; 17.4992, subdivisions 1, 3; 17.4996; 41A.02, subdivision 6; 84.027, subdivisions 12, 15; 84.0874; 84.0895, subdivisions 1, 8; 84.152, subdivision 3; 84.788, subdivision 11; 84.798, subdivision 10; 84.8035, subdivision 1; 84.82, subdivisions 2a, 11; 84.8205; 84.83, subdivision 2; 84.922, subdivision 12; 84.96, subdivisions 2, 3, 5; 84B.061; 85.41, subdivisions 1, 4; 85.45, subdivision 1; 85.46, subdivision 3; 86B.415, subdivision 11; 88.82; 89.002, subdivision 3; 89.36, subdivision 1; 89.37, subdivision 3; 93.0015, subdivision 3; 97A.015, subdivisions 3a, 3b, 39, 43, by adding subdivisions; 97A.055, subdivision 4b; 97A.075, subdivision 2; 97A.215, by adding a subdivision; 97A.255, subdivision 5; 97A.341, subdivisions 1, 2, 3; 97A.345; 97A.405, subdivisions 3, 4, 4a; 97A.420, as amended; 97A.421, subdivision 2; 97A.425, subdivision 4, by adding a subdivision; 97A.445, by adding a subdivision; 97A.473, subdivisions 1, 3, 4, 5, 5a; 97A.474, subdivision 3; 97A.475, subdivision 39; 97A.481; 97A.485, subdivision 6; 97A.505, subdivision 8; 97A.535, subdivisions 1, 2, 2a, 4; 97A.551, subdivisions 2, 6; 97B.022, subdivisions 2, 3; 97B.055, subdivision 2; 97B.106; 97B.303; 97B.318, subdivision 1; 97B.401; 97B.603; 97B.716, subdivision 2; 97B.721; 97C.001, subdivision 2; 97C.005, subdivision 2; 97C.025; 97C.035, subdivision 3; 97C.045; 97C.081, subdivision 3a; 97C.087; 97C.211, subdivision 5; 97C.301, subdivision 2a; 97C.355, subdivision 2; 97C.375; 97C.376, subdivisions 1, 5; 97C.381; 97C.385; 97C.391, subdivision 1; 97C.395, as amended; 97C.411; 97C.505, subdivision 8; 97C.801, subdivision 2; 97C.805, subdivisions 1, 4; 97C.811, subdivision 2; 97C.831, subdivision 1; 97C.835, subdivisions 2, 3; 97C.865, subdivision 1; 103B.101, subdivision 13; 103C.005; 103C.221; 103C.331, subdivisions 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, by adding subdivisions; 103D.011, subdivision 10; 103D.201, subdivision 2; 103D.205, subdivision 4; 103D.251, subdivisions 5, 6; 103D.255; 103D.261, subdivisions 1, 2; 103D.271, subdivision 7; 103D.301, subdivisions 1, 3; 103D.305, subdivisions 2, 5; 103D.311, subdivision 4; 103D.315, subdivisions 9, 10; 103D.321, subdivision 1; 103D.331, subdivision 2; 103D.335, subdivision 11; 103D.341, subdivision 1; 103D.345, subdivision 4; 103D.355, subdivision 1; 103D.401; 103D.405, subdivision 1; 103D.535, subdivision 3; 103D.701; 103D.705, subdivision 1, by adding a subdivision; 103D.711; 103D.715, subdivision 1; 103D.729, subdivisions 1, 2; 103D.731; 103D.745, subdivision 3; 103D.805; 103D.811, subdivision 3; 103D.901, subdivision 2; 103E.729, subdivision 9; 103F.211, subdivision 1; 103F.48, subdivision 1; 103F.511, by adding subdivisions; 103F.515; 103F.535, subdivision 5; 103G.005, subdivisions 14d, 17b; 103G.222, subdivision 1; 103G.2241, subdivisions 1, 2, 6, 9; 103G.2242, subdivisions 2, 2a, 3; 103G.315, subdivision 15; 115.55, by adding a subdivision; 115A.5502; 116.0711, subdivision 1; 116D.02, subdivision 2; Minnesota Statutes 2023 Supplement, sections 84.83, subdivision 3; 97A.405, subdivision 2; 97B.037; 97B.071; 97C.041; 97C.371, subdivision 1; 103G.005, subdivision 19; 103G.2242, subdivision 1; 103G.301, subdivision 2; 115.03, subdivision 1; Laws 2023, chapter 60, article 4, section 109; proposing coding for new law in Minnesota Statutes, chapters 11A; 84; 103D; 103F; 115; 115A; 116; repealing Minnesota Statutes 2022, sections 97A.015, subdivision 27a; 97A.485, subdivision 13; 103A.206; 103D.315, subdivision 4; 103D.405,

subdivisions 2, 3, 4, 5, 6; 103D.411; 103D.601; 103D.605, subdivisions 1, 2, 3, 4; 103D.611; 103F.511, subdivision 8b; 103F.950; 115A.5501; Minnesota Statutes 2023 Supplement, section 103D.605, subdivision 5; Minnesota Rules, parts 8400.3000; 8400.3030; 8400.3110; 8400.3210; 8400.3260; 8400.3300; 8400.3400; 8400.3460; 8400.3600; 8400.3610; 8400.3630; 8400.3700; 8400.3730; 8400.3800; 8400.3830; 8400.3930.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance and Policy.

Long moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by Speaker pro tempore Her.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 3567:

Pryor, Hill and Bennett.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 3852:

Nelson, M.; Berg and Myers.

CALENDAR FOR THE DAY

H. F. No. 3508, A bill for an act relating to state lands; modifying fee provisions for certain state land transfers; adding land to state parks; authorizing sales and conveyances of certain state lands; deauthorizing Upper Sioux Agency State Park; appropriating money; amending Minnesota Statutes 2022, sections 85.015, subdivision 1b; 94.343, subdivision 8a; 94.3495, by adding a subdivision; repealing Minnesota Statutes 2022, sections 85.012, subdivisions 27b, 58; 138.662, subdivision 33.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 76 yeas and 55 nays as follows:

Those who voted in the affirmative were:

Acomb	Becker-Finn	Bierman	Cha	Curran	Feist
Agbaje	Bennett	Brand	Clardy	Edelson	Finke
Bahner	Berg	Carroll	Coulter	Elkins	Fischer

Frazier	Hicks	Klevorn	Long	Pérez-Vega	Vang
Frederick	Hill	Koegel	Moller	Pinto	Virnig
Freiberg	Hollins	Kotzya-Witthuhn	Myers	Pryor	Wiens
Gomez	Hornstein	Kozlowski	Nadeau	Pursell	Wolgamott
Greenman	Howard	Kraft	Nelson, M.	Rehm	Xiong
Hansen, R.	Huot	Lee, F.	Newton	Reyer	Youakim
Hanson, J.	Hussein	Lee, K.	Noor	Sencer-Mura	Zelevnikar
Hassan	Igo	Liebling	Norris	Smith	Spk. Hortman
Hemmingsen-Jaeger	Jordan	Lillie	Olson, L.	Stephenson	
Her	Keeler	Lislegard	Pelowski	Tabke	

Those who voted in the negative were:

Altendorf	Davis	Hudella	McDonald	Olson, B.	Swedzinski
Anderson, P. E.	Demuth	Hudson	Mekeland	Perryman	Torkelson
Anderson, P. H.	Dotseth	Jacob	Mueller	Petersburg	West
Backer	Fogelman	Johnson	Murphy	Quam	Wiener
Bakeberg	Franson	Joy	Nash	Rarick	Witte
Baker	Garofalo	Kiel	Nelson, N.	Robbins	
Bliss	Gillman	Knudsen	Neu Brindley	Schomacker	
Burkel	Grossell	Koznick	Niska	Schultz	
Daniels	Harder	Kresha	Novotny	Scott	
Davids	Heintzeman	Lawrence	O'Driscoll	Skraba	

The bill was passed and its title agreed to.

S. F. No. 2904 was reported to the House.

Heintzeman moved to amend S. F. No. 2904, the unofficial engrossment, as follows:

Page 88, line 14, after "protect" insert a comma

Page 88, line 15, delete "the public values of watercourses that are not public waters" and insert ", intermittent and perennial watercourses upstream of public waters identified under section 103G.005, subdivision 15, paragraph (a), clause (9) or (10)"

The motion prevailed and the amendment was adopted.

Heintzeman moved to amend S. F. No. 2904, the unofficial engrossment, as amended, as follows:

Page 67, delete section 61

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Heintzeman amendment and the roll was called. There were 62 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davis	Hudson	McDonald	O'Driscoll	Swedzinski
Anderson, P. E.	Demuth	Igo	Mekeland	Olson, B.	Torkelson
Anderson, P. H.	Dotseth	Jacob	Mueller	Perryman	West
Backer	Fogelman	Johnson	Murphy	Petersburg	Wiener
Bakeberg	Franson	Joy	Myers	Quam	Wiens
Baker	Garofalo	Kiel	Nadeau	Rarick	Witte
Bennett	Gillman	Knudsen	Nash	Robbins	Zeleznikar
Bliss	Grossell	Koznick	Nelson, N.	Schomacker	
Burkel	Harder	Kresha	Neu Brindley	Schultz	
Daniels	Heintzeman	Lawrence	Niska	Scott	
Davids	Hudella	Lislegard	Novotny	Skraba	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Newton	Smith
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Stephenson
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Tabke
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Vang
Berg	Fischer	Hill	Kraft	Pelowski	Virmig
Bierman	Frazier	Hollins	Lee, F.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Lee, K.	Pinto	Xiong
Carroll	Freiberg	Howard	Liebling	Pryor	Youakim
Cha	Gomez	Huot	Lillie	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Long	Rehm	
Coulter	Hansen, R.	Jordan	Moller	Reyer	
Curran	Hanson, J.	Keeler	Nelson, M.	Sencer-Mura	

The motion did not prevail and the amendment was not adopted.

S. F. No. 2904, A bill for an act relating to state government; modifying environment and natural resources laws; modifying forestry laws; modifying game and fish laws; modifying water law; modifying certain collective bargaining provisions; requiring reports; making technical corrections; amending Minnesota Statutes 2022, sections 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; 84.922, subdivision 4; 84.992, subdivisions 2, 5; 85.015, subdivision 10; 85.052, subdivision 6; 89A.11; 90.181, subdivision 2; 97A.015, subdivisions 29, 51; 97A.031; 97A.126; 97A.137, subdivisions 3, 5; 97A.401, subdivision 1, by adding a subdivision; 97A.405, subdivision 5; 97A.421, subdivision 3; 97B.031, subdivision 1; 97B.036; 97B.037; 97B.071; 97B.301, subdivisions 2, 6; 97B.318, subdivision 1; 97B.668; 97C.041; 97C.211, subdivision 2a; 97C.315, subdivision 1; 97C.345, subdivision 1; 97C.371, subdivisions 1, 2, 4; 97C.395, subdivision 1; 97C.515, subdivision 2; 97C.601, subdivision 1; 97C.836; 103G.005, by adding subdivisions; 103G.271, subdivision 4a; 103G.287, subdivision 2; 103G.299, subdivisions 1, 2, 5, 10; 103G.301, subdivisions 6, 7; 115.061; 179A.10, by adding a subdivision; Laws 2022, chapter 80, section 3; proposing coding for new law in Minnesota Statutes, chapters 11A; 103G; repealing Minnesota Statutes 2022, sections 97C.055; 97C.515, subdivisions 4, 5; Minnesota Rules, parts 6100.5000, subparts 3, 4, 5; 6100.5700, subpart 4.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 72 yeas and 58 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Newton	Smith
Bahner	Feist	Her	Kotyza-Witthuhn	Noor	Stephenson
Becker-Finn	Finke	Hicks	Kozlowski	Norris	Tabke
Berg	Fischer	Hill	Kraft	Olson, L.	Vang
Bierman	Frazier	Hollins	Lee, F.	Pelowski	Virnig
Brand	Frederick	Hornstein	Lee, K.	Pérez-Vega	Wiens
Carroll	Freiberg	Howard	Liebling	Pinto	Wolgamott
Cha	Gomez	Huot	Lillie	Pryor	Xiong
Clardy	Greenman	Hussein	Lislegard	Pursell	Youakim
Coulter	Hansen, R.	Jordan	Long	Rehm	Zeleznikar
Curran	Hanson, J.	Keeler	Moller	Reyer	Spk. Hortman

Those who voted in the negative were:

Altendorf	Davids	Heintzeman	Kresha	Neu Brindley	Schomacker
Anderson, P. E.	Davis	Hudella	Lawrence	Niska	Schultz
Anderson, P. H.	Demuth	Hudson	McDonald	Novotny	Scott
Backer	Dotseth	Igo	Mekeland	O'Driscoll	Skraba
Bakeberg	Fogelman	Jacob	Mueller	Olson, B.	Swedzinski
Baker	Franson	Johnson	Murphy	Perryman	Torkelson
Bennett	Garofalo	Joy	Myers	Petersburg	West
Bliss	Gillman	Kiel	Nadeau	Quam	Witte
Burkel	Grossell	Knudsen	Nash	Rarick	
Daniels	Harder	Koznick	Nelson, N.	Robbins	

The bill was passed, as amended, and its title agreed to.

S. F. No. 4399 was reported to the House.

Fischer moved to amend S. F. No. 4399, the second engrossment, as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 4392, the second engrossment:

"ARTICLE 1
DISABILITY SERVICES

Section 1. Minnesota Statutes 2022, section 144G.45, subdivision 3, is amended to read:

Subd. 3. **Local laws apply.** Assisted living facilities shall comply with all applicable state and local governing laws, regulations, standards, ordinances, and codes for fire safety, building, and zoning requirements, except a facility with a licensed resident capacity of six or fewer is exempt from rental licensing regulations imposed by any town, municipality, or county.

Sec. 2. Minnesota Statutes 2022, section 245A.11, subdivision 2, is amended to read:

Subd. 2. **Permitted single-family residential use.** (a) Residential programs with a licensed capacity of six or fewer persons shall be considered a permitted single-family residential use of property for the purposes of zoning and other land use regulations, except that a residential program whose primary purpose is to treat juveniles who have violated criminal statutes relating to sex offenses or have been adjudicated delinquent on the basis of conduct in violation of criminal statutes relating to sex offenses shall not be considered a permitted use. This exception shall not apply to residential programs licensed before July 1, 1995. Programs otherwise allowed under this subdivision shall not be prohibited by operation of restrictive covenants or similar restrictions, regardless of when entered into, which cannot be met because of the nature of the licensed program, including provisions which require the home's occupants be related, and that the home must be occupied by the owner, or similar provisions.

~~(b) Unless otherwise provided in any town, municipal, or county zoning regulation, licensed residential services provided to more than four persons with developmental disabilities in a supervised living facility, including intermediate care facilities for persons with developmental disabilities, with a licensed capacity of seven to eight persons shall be considered a permitted single family residential use of property for the purposes of zoning and other land use regulations. A town, municipal, or county zoning authority may require a conditional use or special use permit to assure proper maintenance and operation of the residential program. Conditions imposed on the residential program must not be more restrictive than those imposed on other conditional uses or special uses of residential property in the same zones, unless the additional conditions are necessary to protect the health and safety of the persons being served by the program. This paragraph expires July 1, 2023.~~

(b) A community residential setting as defined in section 245D.02, subdivision 4a, with a licensed capacity of six or fewer persons that is actively serving residents for which it is licensed is exempt from rental licensing regulations imposed by any town, municipality, or county.

Sec. 3. Minnesota Statutes 2022, section 245D.071, subdivision 3, is amended to read:

Subd. 3. **Assessment and initial service planning.** (a) Within 15 days of service initiation the license holder must complete a preliminary support plan addendum based on the support plan.

(b) Within the scope of services, the license holder must, at a minimum, complete assessments in the following areas ~~before the 45 day planning meeting~~ providing 45 days of service or within 60 calendar days of service initiation, whichever is shorter:

(1) the person's ability to self-manage health and medical needs to maintain or improve physical, mental, and emotional well-being, including, when applicable, allergies, seizures, choking, special dietary needs, chronic medical conditions, self-administration of medication or treatment orders, preventative screening, and medical and dental appointments;

(2) the person's ability to self-manage personal safety to avoid injury or accident in the service setting, including, when applicable, risk of falling, mobility, regulating water temperature, community survival skills, water safety skills, and sensory disabilities; and

(3) the person's ability to self-manage symptoms or behavior that may otherwise result in an incident as defined in section 245D.02, subdivision 11, clauses (4) to (7), suspension or termination of services by the license holder, or other symptoms or behaviors that may jeopardize the health and welfare of the person or others.

Assessments must produce information about the person that describes the person's overall strengths, functional skills and abilities, and behaviors or symptoms. Assessments must be based on the person's status within the last 12 months at the time of service initiation. Assessments based on older information must be documented and justified.

Assessments must be conducted annually at a minimum or within 30 days of a written request from the person or the person's legal representative or case manager. The results must be reviewed by the support team or expanded support team as part of a service plan review.

(c) Before providing 45 days of service or within 60 calendar days of service initiation, whichever is shorter, the license holder must ~~meet~~ hold an initial planning meeting with the person, the person's legal representative, the case manager, other members of the support team or expanded support team, and other people as identified by the person or the person's legal representative to determine the following based on information obtained from the assessments identified in paragraph (b), the person's identified needs in the support plan, and the requirements in subdivision 4 and section 245D.07, subdivision 1a:

- (1) the scope of the services to be provided to support the person's daily needs and activities;
- (2) the person's desired outcomes and the supports necessary to accomplish the person's desired outcomes;
- (3) the person's preferences for how services and supports are provided, including how the provider will support the person to have control of the person's schedule;
- (4) whether the current service setting is the most integrated setting available and appropriate for the person;
- (5) opportunities to develop and maintain essential and life-enriching skills, abilities, strengths, interests, and preferences;
- (6) opportunities for community access, participation, and inclusion in preferred community activities;
- (7) opportunities to develop and strengthen personal relationships with other persons of the person's choice in the community;
- (8) opportunities to seek competitive employment and work at competitively paying jobs in the community; and
- (9) how services must be coordinated across other providers licensed under this chapter serving the person and members of the support team or expanded support team to ensure continuity of care and coordination of services for the person.

(d) A discussion of how technology might be used to meet the person's desired outcomes must be included in the ~~45-day~~ initial planning meeting. The support plan or support plan addendum must include a summary of this discussion. The summary must include a statement regarding any decision that is made regarding the use of technology and a description of any further research that needs to be completed before a decision regarding the use of technology can be made. Nothing in this paragraph requires that the support plan include the use of technology for the provision of services.

Sec. 4. Minnesota Statutes 2022, section 245D.071, subdivision 4, is amended to read:

Subd. 4. **Service outcomes and supports.** (a) Within ten working days of the ~~45-day~~ initial planning meeting, the license holder must develop a service plan that documents the service outcomes and supports based on the assessments completed under subdivision 3 and the requirements in section 245D.07, subdivision 1a. The outcomes and supports must be included in the support plan addendum.

(b) The license holder must document the supports and methods to be implemented to support the person and accomplish outcomes related to acquiring, retaining, or improving skills and physical, mental, and emotional health and well-being. The documentation must include:

(1) the methods or actions that will be used to support the person and to accomplish the service outcomes, including information about:

(i) any changes or modifications to the physical and social environments necessary when the service supports are provided;

(ii) any equipment and materials required; and

(iii) techniques that are consistent with the person's communication mode and learning style;

(2) the measurable and observable criteria for identifying when the desired outcome has been achieved and how data will be collected;

(3) the projected starting date for implementing the supports and methods and the date by which progress towards accomplishing the outcomes will be reviewed and evaluated; and

(4) the names of the staff or position responsible for implementing the supports and methods.

(c) Within 20 working days of the ~~45-day~~ initial planning meeting, the license holder must submit to and obtain dated signatures from the person or the person's legal representative and case manager to document completion and approval of the assessment and support plan addendum. If, within ten working days of the submission of the assessment or support plan addendum, the person or the person's legal representative or case manager has not signed and returned to the license holder the assessment and support plan addendum or has not proposed written modifications to the license holder's submission, the submission is deemed approved and the assessment and support plan addendum become effective and remain in effect until the legal representative or case manager submits a written request to revise the assessment or support plan addendum.

Sec. 5. Minnesota Statutes 2022, section 245D.081, subdivision 2, is amended to read:

Subd. 2. **Coordination and evaluation of individual service delivery.** (a) Delivery and evaluation of services provided by the license holder must be coordinated by a designated staff person. Except as provided in clause (3), the designated coordinator must provide supervision, support, and evaluation of activities that include:

(1) oversight of the license holder's responsibilities assigned in the person's support plan and the support plan addendum;

(2) taking the action necessary to facilitate the accomplishment of the outcomes according to the requirements in section 245D.07;

(3) instruction and assistance to direct support staff implementing the support plan and the service outcomes, including direct observation of service delivery sufficient to assess staff competency. The designated coordinator may delegate the direct observation and competency assessment of the service delivery activities of direct support staff to an individual whom the designated coordinator has previously deemed competent in those activities; and

(4) evaluation of the effectiveness of service delivery, methodologies, and progress on the person's outcomes based on the measurable and observable criteria for identifying when the desired outcome has been achieved according to the requirements in section 245D.07.

(b) The license holder must ensure that the designated coordinator is competent to perform the required duties identified in paragraph (a) through education, training, and work experience relevant to the primary disability of persons served by the license holder and the individual persons for whom the designated coordinator is responsible. The designated coordinator must have the skills and ability necessary to develop effective plans and to design and use data systems to measure effectiveness of services and supports. The license holder must verify and document competence according to the requirements in section 245D.09, subdivision 3. The designated coordinator must minimally have:

- (1) a baccalaureate degree ~~in a field related to human services~~, and one year of full-time work experience providing direct care services to persons with disabilities or persons age 65 and older;
- (2) an associate degree ~~in a field related to human services~~, and two years of full-time work experience providing direct care services to persons with disabilities or persons age 65 and older;
- (3) a diploma ~~in a field related to human services~~ from an accredited postsecondary institution and three years of full-time work experience providing direct care services to persons with disabilities or persons age 65 and older; or
- (4) a minimum of 50 hours of education and training related to human services and disabilities; and
- (5) four years of ~~full-time work~~ experience providing direct care services to persons with disabilities or persons age 65 and older ~~under the supervision of a staff person who meets the qualifications identified in clauses (1) to (3)~~.

Sec. 6. Minnesota Statutes 2022, section 245D.081, subdivision 3, is amended to read:

Subd. 3. **Program management and oversight.** (a) The license holder must designate a managerial staff person or persons to provide program management and oversight of the services provided by the license holder. The designated manager is responsible for the following:

- (1) maintaining a current understanding of the licensing requirements sufficient to ensure compliance throughout the program as identified in section 245A.04, subdivision 1, paragraph (e), and when applicable, as identified in section 256B.04, subdivision 21, paragraph (g);
- (2) ensuring the duties of the designated coordinator are fulfilled according to the requirements in subdivision 2;
- (3) ensuring the program implements corrective action identified as necessary by the program following review of incident and emergency reports according to the requirements in section 245D.11, subdivision 2, clause (7). An internal review of incident reports of alleged or suspected maltreatment must be conducted according to the requirements in section 245A.65, subdivision 1, paragraph (b);
- (4) evaluation of satisfaction of persons served by the program, the person's legal representative, if any, and the case manager, with the service delivery and progress toward accomplishing outcomes identified in sections 245D.07 and 245D.071, and ensuring and protecting each person's rights as identified in section 245D.04;
- (5) ensuring staff competency requirements are met according to the requirements in section 245D.09, subdivision 3, and ensuring staff orientation and training is provided according to the requirements in section 245D.09, subdivisions 4, 4a, and 5;
- (6) ensuring corrective action is taken when ordered by the commissioner and that the terms and conditions of the license and any variances are met; and

(7) evaluating the information identified in clauses (1) to (6) to develop, document, and implement ongoing program improvements.

(b) The designated manager must be competent to perform the duties as required and must minimally meet the education and training requirements identified in subdivision 2, paragraph (b), and have a minimum of three years of supervisory level experience ~~in a program providing direct support services to persons with disabilities or persons age 65 and older.~~

Sec. 7. Minnesota Statutes 2022, section 245D.09, subdivision 3, is amended to read:

Subd. 3. **Staff qualifications.** (a) The license holder must ensure that staff providing direct support, or staff who have responsibilities related to supervising or managing the provision of direct support service, are competent as demonstrated through skills and knowledge training, experience, and education relevant to the primary disability of the person and to meet the person's needs and additional requirements as written in the support plan or support plan addendum, or when otherwise required by the case manager or the federal waiver plan. The license holder must verify and maintain evidence of staff competency, including documentation of:

(1) education and experience qualifications relevant to the job responsibilities assigned to the staff and to the primary disability of persons served by the program, including a valid degree and transcript, or a current license, registration, or certification, when a degree or licensure, registration, or certification is required by this chapter or in the support plan or support plan addendum;

(2) demonstrated competency in the orientation and training areas required under this chapter, and when applicable, completion of continuing education required to maintain professional licensure, registration, or certification requirements. Competency in these areas is determined by the license holder through knowledge testing or observed skill assessment conducted by the trainer or instructor or by an individual who has been previously deemed competent by the trainer or instructor in the area being assessed; and

(3) except for a license holder who is the sole direct support staff, periodic performance evaluations completed by the license holder of the direct support staff person's ability to perform the job functions based on direct observation.

(b) Staff under 18 years of age may not perform overnight duties ~~or administer medication.~~

Sec. 8. Minnesota Statutes 2022, section 245D.10, subdivision 1, is amended to read:

Subdivision 1. **Policy and procedure requirements.** A license holder providing either basic or intensive supports and services must establish, enforce, and maintain policies and procedures as required in this chapter, chapter 245A, and other applicable state and federal laws and regulations governing the provision of home and community-based services licensed according to this chapter. A license holder must use forms provided by the commissioner to report service suspensions and service terminations under subdivisions 3 and 3a.

EFFECTIVE DATE. This section is effective August 1, 2024.

Sec. 9. Minnesota Statutes 2023 Supplement, section 256B.057, subdivision 9, is amended to read:

Subd. 9. **Employed persons with disabilities.** (a) Medical assistance may be paid for a person who is employed and who:

(1) but for excess earnings or assets meets the definition of disabled under the Supplemental Security Income program; and

(2) pays a premium and other obligations under paragraph ~~(e)~~ (d).

(b) For purposes of eligibility, there is a \$65 earned income disregard. To be eligible for medical assistance under this subdivision, a person must have more than \$65 of earned income, be receiving an unemployment insurance benefit under chapter 268 that the person began receiving while eligible under this subdivision, or be receiving family and medical leave benefits under chapter 268B that the person began receiving while eligible under this subdivision. ~~Earned income must have Medicare, Social Security, and applicable state and federal taxes withheld. The person must document earned income tax withholding.~~ A person who is self-employed must file and pay all applicable taxes. Any spousal income shall be disregarded for purposes of eligibility and premium determinations.

(c) After the month of enrollment, a person enrolled in medical assistance under this subdivision who would otherwise be ineligible and be disenrolled due to one of the following circumstances may retain eligibility for up to four consecutive months after a month of job loss if the person:

(1) is temporarily unable to work and without receipt of earned income due to a medical condition, as verified by a physician, advanced practice registered nurse, or physician assistant; or

(2) loses employment for reasons not attributable to the enrollee, and is without receipt of earned income.

To receive a four-month extension of continued eligibility under this paragraph, enrollees must verify the medical condition or provide notification of job loss, continue to meet all other eligibility requirements, and continue to pay all calculated premium costs.

(d) All enrollees must pay a premium to be eligible for medical assistance under this subdivision, except as provided under clause (5).

(1) An enrollee must pay the greater of a \$35 premium or the premium calculated based on the person's gross earned and unearned income and the applicable family size using a sliding fee scale established by the commissioner, which begins at one percent of income at 100 percent of the federal poverty guidelines and increases to 7.5 percent of income for those with incomes at or above 300 percent of the federal poverty guidelines.

(2) Annual adjustments in the premium schedule based upon changes in the federal poverty guidelines shall be effective for premiums due in July of each year.

(3) All enrollees who receive unearned income must pay one-half of one percent of unearned income in addition to the premium amount, except as provided under clause (5).

(4) Increases in benefits under title II of the Social Security Act shall not be counted as income for purposes of this subdivision until July 1 of each year.

(5) Effective July 1, 2009, American Indians are exempt from paying premiums as required by section 5006 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5. For purposes of this clause, an American Indian is any person who meets the definition of Indian according to Code of Federal Regulations, title 42, section 447.50.

(e) A person's eligibility and premium shall be determined by the local county agency. Premiums must be paid to the commissioner. All premiums are dedicated to the commissioner.

(f) Any required premium shall be determined at application and redetermined at the enrollee's ~~six-month~~ 12-month income review or when a change in income or household size is reported. Enrollees must report any change in income or household size within ~~ten~~ 30 days of when the change occurs. A decreased premium resulting

from a reported change in income or household size shall be effective the first day of the next available billing month after the change is reported. Except for changes occurring from annual cost-of-living increases, a change resulting in an increased premium shall not affect the premium amount until the next ~~six-month~~ 12-month review.

(g) Premium payment is due upon notification from the commissioner of the premium amount required. Premiums may be paid in installments at the discretion of the commissioner.

(h) Nonpayment of the premium shall result in denial or termination of medical assistance unless the person demonstrates good cause for nonpayment. "Good cause" means an excuse for the enrollee's failure to pay the required premium when due because the circumstances were beyond the enrollee's control or not reasonably foreseeable. The commissioner shall determine whether good cause exists based on the weight of the supporting evidence submitted by the enrollee to demonstrate good cause. Except when an installment agreement is accepted by the commissioner, all persons disenrolled for nonpayment of a premium must pay any past due premiums as well as current premiums due prior to being reenrolled. Nonpayment shall include payment with a returned, refused, or dishonored instrument. The commissioner may require a guaranteed form of payment as the only means to replace a returned, refused, or dishonored instrument.

(i) For enrollees whose income does not exceed 200 percent of the federal poverty guidelines and who are also enrolled in Medicare, the commissioner shall reimburse the enrollee for Medicare part B premiums under section 256B.0625, subdivision 15, paragraph (a).

(j) The commissioner is authorized to determine that a premium amount was calculated or billed in error, make corrections to financial records and billing systems, and refund premiums collected in error.

Sec. 10. Minnesota Statutes 2022, section 256B.0911, subdivision 24, is amended to read:

Subd. 24. **Remote reassessments.** (a) Assessments performed according to subdivisions 17 to 20 and 23 must be in person unless the assessment is a reassessment meeting the requirements of this subdivision. Remote reassessments conducted by interactive video or telephone may substitute for in-person reassessments.

(b) For services provided by the developmental disabilities waiver under section 256B.092, and the community access for disability inclusion, community alternative care, and brain injury waiver programs under section 256B.49, remote reassessments may be substituted for two consecutive reassessments if followed by an in-person reassessment.

(c) For services provided by alternative care under section 256B.0913, essential community supports under section 256B.0922, and the elderly waiver under chapter 256S, remote reassessments may be substituted for one reassessment if followed by an in-person reassessment.

(d) For personal care assistance provided under section 256B.0659 and community first services and supports provided under section 256B.85, remote reassessments may be substituted for two consecutive reassessments if followed by an in-person reassessment.

~~(d)~~ (e) A remote reassessment is permitted only if the lead agency provides informed choice and the person being reassessed or the person's legal representative provides informed consent for a remote assessment. Lead agencies must document that informed choice was offered.

~~(e)~~ (f) The person being reassessed, or the person's legal representative, may refuse a remote reassessment at any time.

~~(f)~~ (g) During a remote reassessment, if the certified assessor determines an in-person reassessment is necessary in order to complete the assessment, the lead agency shall schedule an in-person reassessment.

~~(g)~~ (h) All other requirements of an in-person reassessment apply to a remote reassessment, including updates to a person's support plan.

EFFECTIVE DATE. This section is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 11. Minnesota Statutes 2022, section 256B.092, is amended by adding a subdivision to read:

Subd. 3a. **Authorization of technology services.** (a) Lead agencies must not implement additional requirements, in addition to those required by the commissioner, that could result in the delay of approval or implementation of technology.

(b) For individuals receiving waiver services under this section, approval or denial of technology must occur within 30 business days of the receipt of the initial request. If denied, the lead agency must submit a notice of action form clearly stating the reason for the denial, including information describing why the technology is not appropriate to meet the individual's assessed need.

Sec. 12. Minnesota Statutes 2022, section 256B.49, is amended by adding a subdivision to read:

Subd. 16b. **Authorization of technology services.** (a) Lead agencies must not implement additional requirements, in addition to those required by the commissioner, that could result in the delay of approval or implementation of technology.

(b) For individuals receiving waiver services under this section, approval or denial of technology must occur within 30 business days of the receipt of the initial request. If denied, the lead agency must submit a notice of action form clearly stating the reason for the denial, including information describing why the technology is not appropriate to meet the individual's assessed need.

Sec. 13. Minnesota Statutes 2022, section 256B.4905, subdivision 12, is amended to read:

Subd. 12. **Informed choice ~~in~~ and technology prioritization in implementation for disability waiver services.** The commissioner of human services shall ensure that:

(1) disability waivers under sections 256B.092 and 256B.49 support the presumption that all adults who have disabilities and children who have disabilities may use assistive technology, remote supports, or both to enhance the adult's or child's independence and quality of life; and

(2) each individual accessing waiver services is offered, after an informed decision-making process and during a person-centered planning process, the opportunity to choose assistive technology, remote support, or both prior to the commissioner offering or reauthorizing services that utilize direct support staff to ensure equitable access.

Sec. 14. Minnesota Statutes 2023 Supplement, section 256B.4914, subdivision 4, is amended to read:

Subd. 4. **Data collection for rate determination.** (a) Rates for applicable home and community-based waived services, including customized rates under subdivision 12, are set by the rates management system.

(b) Data and information in the rates management system must be used to calculate an individual's rate.

(c) Service providers, with information from the support plan and oversight by lead agencies, shall provide values and information needed to calculate an individual's rate in the rates management system. Lead agencies must use forms provided by the commissioner to collect this information. The determination of service levels must be part of a discussion with members of the support team as defined in section 245D.02, subdivision 34. This discussion must occur prior to the final establishment of each individual's rate. The values and information include:

(1) shared staffing hours;

(2) individual staffing hours;

(3) direct registered nurse hours;

(4) direct licensed practical nurse hours;

(5) staffing ratios;

(6) information to document variable levels of service qualification for variable levels of reimbursement in each framework;

(7) shared or individualized arrangements for unit-based services, including the staffing ratio;

(8) number of trips and miles for transportation services; and

(9) service hours provided through monitoring technology.

(d) Updates to individual data must include:

(1) data for each individual that is updated annually when renewing service plans; and

(2) requests by individuals or lead agencies to update a rate whenever there is a change in an individual's service needs, with accompanying documentation.

(e) Lead agencies shall review and approve all services reflecting each individual's needs, and the values to calculate the final payment rate for services with variables under subdivisions 6 to 9 for each individual. Lead agencies must notify the individual and the service provider of the final agreed-upon values and rate, and provide information that is identical to what was entered into the rates management system. If a value used was mistakenly or erroneously entered and used to calculate a rate, a provider may petition lead agencies to correct it. Lead agencies must respond to these requests. When responding to the request, the lead agency must consider:

(1) meeting the health and welfare needs of the individual or individuals receiving services by service site, identified in their support plan under section 245D.02, subdivision 4b, and any addendum under section 245D.02, subdivision 4c;

(2) meeting the requirements for staffing under subdivision 2, paragraphs (h), (n), and (o); and meeting or exceeding the licensing standards for staffing required under section 245D.09, subdivision 1; and

(3) meeting the staffing ratio requirements under subdivision 2, paragraph (o), and meeting or exceeding the licensing standards for staffing required under section 245D.31.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 15. Minnesota Statutes 2022, section 256B.85, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purposes of this section and section 256B.851, the terms defined in this subdivision have the meanings given.

(b) "Activities of daily living" or "ADLs" means:

(1) dressing, including assistance with choosing, applying, and changing clothing and applying special appliances, wraps, or clothing;

(2) grooming, including assistance with basic hair care, oral care, shaving, applying cosmetics and deodorant, and care of eyeglasses and hearing aids. Grooming includes nail care, except for recipients who are diabetic or have poor circulation;

(3) bathing, including assistance with basic personal hygiene and skin care;

(4) eating, including assistance with hand washing and applying orthotics required for eating, ~~transfers~~, or feeding;

(5) transfers, including assistance with transferring the participant from one seating or reclining area to another;

(6) mobility, including assistance with ambulation and use of a wheelchair. Mobility does not include providing transportation for a participant;

(7) positioning, including assistance with positioning or turning a participant for necessary care and comfort; and

(8) toileting, including assistance with bowel or bladder elimination and care, transfers, mobility, positioning, feminine hygiene, use of toileting equipment or supplies, cleansing the perineal area, inspection of the skin, and adjusting clothing.

(c) "Agency-provider model" means a method of CFSS under which a qualified agency provides services and supports through the agency's own employees and policies. The agency must allow the participant to have a significant role in the selection and dismissal of support workers of their choice for the delivery of their specific services and supports.

(d) "Behavior" means a description of a need for services and supports used to determine the home care rating and additional service units. The presence of Level I behavior is used to determine the home care rating.

(e) "Budget model" means a service delivery method of CFSS that allows the use of a service budget and assistance from a financial management services (FMS) provider for a participant to directly employ support workers and purchase supports and goods.

(f) "Complex health-related needs" means an intervention listed in clauses (1) to (8) that has been ordered by a physician, advanced practice registered nurse, or physician's assistant and is specified in an assessment summary, including:

(1) tube feedings requiring:

(i) a gastrojejunostomy tube; or

(ii) continuous tube feeding lasting longer than 12 hours per day;

(2) wounds described as:

(i) stage III or stage IV;

(ii) multiple wounds;

(iii) requiring sterile or clean dressing changes or a wound vac; or

(iv) open lesions such as burns, fistulas, tube sites, or ostomy sites that require specialized care;

(3) parenteral therapy described as:

(i) IV therapy more than two times per week lasting longer than four hours for each treatment; or

(ii) total parenteral nutrition (TPN) daily;

(4) respiratory interventions, including:

(i) oxygen required more than eight hours per day;

(ii) respiratory vest more than one time per day;

(iii) bronchial drainage treatments more than two times per day;

(iv) sterile or clean suctioning more than six times per day;

(v) dependence on another to apply respiratory ventilation augmentation devices such as BiPAP and CPAP; and

(vi) ventilator dependence under section 256B.0651;

(5) insertion and maintenance of catheter, including:

(i) sterile catheter changes more than one time per month;

(ii) clean intermittent catheterization, and including self-catheterization more than six times per day; or

(iii) bladder irrigations;

(6) bowel program more than two times per week requiring more than 30 minutes to perform each time;

(7) neurological intervention, including:

(i) seizures more than two times per week and requiring significant physical assistance to maintain safety; or

(ii) swallowing disorders diagnosed by a physician, advanced practice registered nurse, or physician's assistant and requiring specialized assistance from another on a daily basis; and

(8) other congenital or acquired diseases creating a need for significantly increased direct hands-on assistance and interventions in six to eight activities of daily living.

(g) "Community first services and supports" or "CFSS" means the assistance and supports program under this section needed for accomplishing activities of daily living, instrumental activities of daily living, and health-related tasks through hands-on assistance to accomplish the task or constant supervision and cueing to accomplish the task, or the purchase of goods as defined in subdivision 7, clause (3), that replace the need for human assistance.

(h) "Community first services and supports service delivery plan" or "CFSS service delivery plan" means a written document detailing the services and supports chosen by the participant to meet assessed needs that are within the approved CFSS service authorization, as determined in subdivision 8. Services and supports are based on the support plan identified in sections 256B.092, subdivision 1b, and 256S.10.

(i) "Consultation services" means a Minnesota health care program enrolled provider organization that provides assistance to the participant in making informed choices about CFSS services in general and self-directed tasks in particular, and in developing a person-centered CFSS service delivery plan to achieve quality service outcomes.

(j) "Critical activities of daily living" means transferring, mobility, eating, and toileting.

(k) "Dependency" in activities of daily living means a person requires hands-on assistance or constant supervision and cueing to accomplish one or more of the activities of daily living every day or on the days during the week that the activity is performed; however, a child must not be found to be dependent in an activity of daily living if, because of the child's age, an adult would either perform the activity for the child or assist the child with the activity and the assistance needed is the assistance appropriate for a typical child of the same age.

(l) "Extended CFSS" means CFSS services and supports provided under CFSS that are included in the CFSS service delivery plan through one of the home and community-based services waivers and as approved and authorized under chapter 256S and sections 256B.092, subdivision 5, and 256B.49, which exceed the amount, duration, and frequency of the state plan CFSS services for participants. Extended CFSS excludes the purchase of goods.

(m) "Financial management services provider" or "FMS provider" means a qualified organization required for participants using the budget model under subdivision 13 that is an enrolled provider with the department to provide vendor fiscal/employer agent financial management services (FMS).

(n) "Health-related procedures and tasks" means procedures and tasks related to the specific assessed health needs of a participant that can be taught or assigned by a state-licensed health care or mental health professional and performed by a support worker.

(o) "Instrumental activities of daily living" means activities related to living independently in the community, including but not limited to: meal planning, preparation, and cooking; shopping for food, clothing, or other essential items; laundry; housecleaning; assistance with medications; managing finances; communicating needs and preferences during activities; arranging supports; and assistance with traveling around and participating in the community, including traveling to medical appointments. For purposes of this paragraph, traveling includes driving and accompanying the recipient in the recipient's chosen mode of transportation and according to the individual CFSS service delivery plan.

(p) "Lead agency" has the meaning given in section 256B.0911, subdivision 10.

(q) "Legal representative" means parent of a minor, a court-appointed guardian, or another representative with legal authority to make decisions about services and supports for the participant. Other representatives with legal authority to make decisions include but are not limited to a health care agent or an attorney-in-fact authorized through a health care directive or power of attorney.

(r) "Level I behavior" means physical aggression toward self or others or destruction of property that requires the immediate response of another person.

(s) "Medication assistance" means providing verbal or visual reminders to take regularly scheduled medication, and includes any of the following supports listed in clauses (1) to (3) and other types of assistance, except that a support worker must not determine medication dose or time for medication or inject medications into veins, muscles, or skin:

(1) under the direction of the participant or the participant's representative, bringing medications to the participant including medications given through a nebulizer, opening a container of previously set-up medications, emptying the container into the participant's hand, opening and giving the medication in the original container to the participant, or bringing to the participant liquids or food to accompany the medication;

(2) organizing medications as directed by the participant or the participant's representative; and

(3) providing verbal or visual reminders to perform regularly scheduled medications.

(t) "Participant" means a person who is eligible for CFSS.

(u) "Participant's representative" means a parent, family member, advocate, or other adult authorized by the participant or participant's legal representative, if any, to serve as a representative in connection with the provision of CFSS. If the participant is unable to assist in the selection of a participant's representative, the legal representative shall appoint one.

(v) "Person-centered planning process" means a process that is directed by the participant to plan for CFSS services and supports.

(w) "Service budget" means the authorized dollar amount used for the budget model or for the purchase of goods.

(x) "Shared services" means the provision of CFSS services by the same CFSS support worker to two or three participants who voluntarily enter into a written agreement to receive services at the same time, in the same setting, and through the same agency-provider or FMS provider.

(y) "Support worker" means a qualified and trained employee of the agency-provider as required by subdivision 11b or of the participant employer under the budget model as required by subdivision 14 who has direct contact with the participant and provides services as specified within the participant's CFSS service delivery plan.

(z) "Unit" means the increment of service based on hours or minutes identified in the service agreement.

(aa) "Vendor fiscal employer agent" means an agency that provides financial management services.

(bb) "Wages and benefits" means the hourly wages and salaries, the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, mileage reimbursement, health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, contributions to employee retirement accounts, or other forms of employee compensation and benefits.

(cc) "Worker training and development" means services provided according to subdivision 18a for developing workers' skills as required by the participant's individual CFSS service delivery plan that are arranged for or provided by the agency-provider or purchased by the participant employer. These services include training, education, direct observation and supervision, and evaluation and coaching of job skills and tasks, including supervision of health-related tasks or behavioral supports.

Sec. 16. Minnesota Statutes 2022, section 256B.85, subdivision 6, is amended to read:

Subd. 6. **Community first services and supports service delivery plan.** (a) The CFSS service delivery plan must be developed and evaluated through a person-centered planning process by the participant, or the participant's representative or legal representative who may be assisted by a consultation services provider. The CFSS service delivery plan must reflect the services and supports that are important to the participant and for the participant to meet the needs assessed by the certified assessor and identified in the support plan identified in sections 256B.092, subdivision 1b, and 256S.10. The CFSS service delivery plan must be reviewed by the participant, the consultation services provider, and the agency-provider or FMS provider prior to starting services and at least annually upon reassessment, or when there is a significant change in the participant's condition, or a change in the need for services and supports.

(b) The commissioner shall establish the format and criteria for the CFSS service delivery plan.

(c) The CFSS service delivery plan must be person-centered and:

(1) specify the consultation services provider, agency-provider, or FMS provider selected by the participant;

(2) reflect the setting in which the participant resides that is chosen by the participant;

(3) reflect the participant's strengths and preferences;

(4) include the methods and supports used to address the needs as identified through an assessment of functional needs;

(5) include the participant's identified goals and desired outcomes;

(6) reflect the services and supports, paid and unpaid, that will assist the participant to achieve identified goals, including the costs of the services and supports, and the providers of those services and supports, including natural supports;

(7) identify the amount and frequency of face-to-face supports and amount and frequency of remote supports and technology that will be used;

(8) identify risk factors and measures in place to minimize them, including individualized backup plans;

(9) be understandable to the participant and the individuals providing support;

(10) identify the individual or entity responsible for monitoring the plan;

(11) be finalized and agreed to in writing by the participant and signed by individuals and providers responsible for its implementation;

(12) be distributed to the participant and other people involved in the plan;

(13) prevent the provision of unnecessary or inappropriate care;

(14) include a detailed budget for expenditures for budget model participants or participants under the agency-provider model if purchasing goods; and

(15) include a plan for worker training and development provided according to subdivision 18a detailing what service components will be used, when the service components will be used, how they will be provided, and how these service components relate to the participant's individual needs and CFSS support worker services.

(d) The CFSS service delivery plan must describe the units or dollar amount available to the participant. The total units of agency-provider services or the service budget amount for the budget model include both annual totals and a monthly average amount that cover the number of months of the service agreement. The amount used each month may vary, but additional funds must not be provided above the annual service authorization amount, determined according to subdivision 8, unless a change in condition is assessed and authorized by the certified assessor and documented in the support plan and CFSS service delivery plan.

(e) In assisting with the development or modification of the CFSS service delivery plan during the authorization time period, the consultation services provider shall:

(1) consult with the FMS provider on the spending budget when applicable; and

(2) consult with the participant or participant's representative, agency-provider, and case manager or care coordinator.

(f) The CFSS service delivery plan must be approved by the ~~consultation services provider~~ lead agency for participants without a case manager or care coordinator who is responsible for authorizing services. A case manager or care coordinator must approve the plan for a waiver or alternative care program participant.

Sec. 17. Minnesota Statutes 2022, section 256B.85, subdivision 6a, is amended to read:

Subd. 6a. **Person-centered planning process.** The person-centered planning process must:

(1) include people chosen by the participant;

(2) provide necessary information and support to ensure that the participant directs the process to the maximum extent possible, and is enabled to make informed choices and decisions;

(3) be timely and occur at times and locations convenient to the participant;

(4) reflect cultural considerations of the participant;

(5) include within the process strategies for solving conflict or disagreement, including clear conflict-of-interest guidelines as identified in Code of Federal Regulations, title 42, section ~~441.500~~ 441.540, for all planning;

(6) provide the participant choices of the services and supports the participant receives and the staff providing those services and supports;

(7) include a method for the participant to request updates to the plan; and

(8) record the alternative home and community-based settings that were considered by the participant.

Sec. 18. Minnesota Statutes 2022, section 256B.85, subdivision 11, is amended to read:

Subd. 11. **Agency-provider model.** (a) The agency-provider model includes services provided by support workers and staff providing worker training and development services who are employed by an agency-provider that meets the criteria established by the commissioner, including required training.

(b) The agency-provider shall allow the participant to have a significant role in the selection and dismissal of the support workers for the delivery of the services and supports specified in the participant's CFSS service delivery plan. The agency must make a reasonable effort to fulfill the participant's request for the participant's preferred support worker.

(c) A participant may use authorized units of CFSS services as needed within a service agreement that is not greater than 12 months. Using authorized units in a flexible manner in either the agency-provider model or the budget model does not increase the total amount of services and supports authorized for a participant or included in the participant's CFSS service delivery plan.

(d) A participant may share CFSS services. Two or three CFSS participants may share services at the same time provided by the same support worker.

(e) The agency-provider must use a minimum of 72.5 percent of the revenue generated by the medical assistance payment for CFSS for support worker wages and benefits, except all of the revenue generated by a medical assistance rate increase due to a collective bargaining agreement under section 179A.54 must be used for support worker wages and benefits. The agency-provider must document how this requirement is being met. The revenue generated by the worker training and development services and the reasonable costs associated with the worker training and development services must not be used in making this calculation.

(f) The agency-provider model must be used by participants who are restricted by the Minnesota restricted recipient program under Minnesota Rules, parts 9505.2160 to 9505.2245.

(g) Participants purchasing goods under this model, along with support worker services, must:

(1) specify the goods in the CFSS service delivery plan and detailed budget for expenditures that must be approved by the ~~consultation services provider~~ lead agency, case manager, or care coordinator; and

(2) use the FMS provider for the billing and payment of such goods.

(h) The agency provider is responsible for ensuring that any worker driving a participant under subdivision 2, paragraph (o), has a valid driver's license and the vehicle used is registered and insured according to Minnesota law.

Sec. 19. Minnesota Statutes 2023 Supplement, section 256B.85, subdivision 13a, is amended to read:

Subd. 13a. **Financial management services.** (a) Services provided by an FMS provider include but are not limited to: filing and payment of federal and state payroll taxes and premiums on behalf of the participant; initiating and complying with background study requirements under chapter 245C and maintaining documentation of background study requests and results; billing for approved CFSS services with authorized funds; monitoring expenditures; accounting for and disbursing CFSS funds; providing assistance in obtaining and filing for liability, workers' compensation, family and medical benefit insurance, and unemployment coverage; and providing participant instruction and technical assistance to the participant in fulfilling employer-related requirements in accordance with section 3504 of the Internal Revenue Code and related regulations and interpretations, including Code of Federal Regulations, title 26, section 31.3504-1.

(b) Agency-provider services shall not be provided by the FMS provider.

(c) The FMS provider shall provide service functions as determined by the commissioner for budget model participants that include but are not limited to:

(1) assistance with the development of the detailed budget for expenditures portion of the CFSS service delivery plan as requested by the consultation services provider or participant;

(2) data recording and reporting of participant spending;

(3) other duties established by the department, including with respect to providing assistance to the participant, participant's representative, or legal representative in performing employer responsibilities regarding support workers. The support worker shall not be considered the employee of the FMS provider; and

(4) billing, payment, and accounting of approved expenditures for goods.

(d) The FMS provider shall obtain an assurance statement from the participant employer agreeing to follow state and federal regulations and CFSS policies regarding employment of support workers.

(e) The FMS provider shall:

(1) not limit or restrict the participant's choice of service or support providers or service delivery models consistent with any applicable state and federal requirements;

(2) provide the participant, consultation services provider, and case manager or care coordinator, if applicable, with a monthly written summary of the spending for services and supports that were billed against the spending budget;

(3) be knowledgeable of state and federal employment regulations, including those under the Fair Labor Standards Act of 1938, and comply with the requirements under chapter 268B and section 3504 of the Internal Revenue Code and related regulations and interpretations, including Code of Federal Regulations, title 26, section 31.3504-1, regarding agency employer tax liability for vendor fiscal/employer agent, and any requirements necessary to process employer and employee deductions, provide appropriate and timely submission of employer tax liabilities, and maintain documentation to support medical assistance claims;

(4) have current and adequate liability insurance and bonding and sufficient cash flow as determined by the commissioner and have on staff or under contract a certified public accountant or an individual with a baccalaureate degree in accounting;

(5) assume fiscal accountability for state funds designated for the program and be held liable for any overpayments or violations of applicable statutes or rules, including but not limited to the Minnesota False Claims Act, chapter 15C;

(6) maintain documentation of receipts, invoices, and bills to track all services and supports expenditures for any goods purchased and maintain time records of support workers. The documentation and time records must be maintained for a minimum of five years from the claim date and be available for audit or review upon request by the commissioner. Claims submitted by the FMS provider to the commissioner for payment must correspond with services, amounts, and time periods as authorized in the participant's service budget and service plan and must contain specific identifying information as determined by the commissioner; and

(7) provide written notice to the participant or the participant's representative at least 30 calendar days before a proposed service termination becomes effective, except in cases where:

(i) the participant engages in conduct that significantly alters the terms of the CFSS service delivery plan with the FMS;

(ii) the participant or other persons at the setting where services are being provided engage in conduct that creates an imminent risk of harm to the support worker or other staff; or

(iii) an emergency or a significant change in the participant's condition occurs within a 24-hour period that results in the participant's service needs exceeding the participant's identified needs in the current CFSS service delivery plan so that the plan cannot safely meet the participant's needs.

(f) The commissioner shall:

- (1) establish rates and payment methodology for the FMS provider;
- (2) identify a process to ensure quality and performance standards for the FMS provider and ensure statewide access to FMS providers; and
- (3) establish a uniform protocol for delivering and administering CFSS services to be used by eligible FMS providers.

Sec. 20. Minnesota Statutes 2022, section 256B.85, subdivision 17, is amended to read:

Subd. 17. **Consultation services duties.** Consultation services is a required service that includes:

- (1) entering into a written agreement with the participant, participant's representative, or legal representative that includes but is not limited to the details of services, service delivery methods, dates of services, and contact information;
- (2) providing an initial and annual orientation to CFSS information and policies, including selecting a service model;
- (3) assisting with accessing FMS providers or agency-providers;
- (4) providing assistance with the development, implementation, management, documentation, and evaluation of the person-centered CFSS service delivery plan;
- ~~(5) approving the CFSS service delivery plan for a participant without a case manager or care coordinator who is responsible for authorizing services;~~
- ~~(6) (5) maintaining documentation of the approved CFSS service delivery plan;~~
- ~~(7) (6) distributing copies of the final CFSS service delivery plan to the participant and to the agency-provider or FMS provider, case manager or care coordinator, and other designated parties;~~
- ~~(8) (7) assisting to fulfill responsibilities and requirements of CFSS, including modifying CFSS service delivery plans and changing service models;~~
- ~~(9) (8) if requested, providing consultation on recruiting, selecting, training, managing, directing, supervising, and evaluating support workers;~~
- ~~(10) (9) evaluating services upon receiving information from an FMS provider indicating spending or participant employer concerns;~~
- ~~(11) (10) reviewing the use of and access to informal and community supports, goods, or resources;~~
- ~~(12) (11) a semiannual review of services if the participant does not have a case manager or care coordinator and when the support worker is a paid parent of a minor participant or the participant's spouse;~~

~~(13)~~ (12) collecting and reporting of data as required by the department;

~~(14)~~ (13) providing the participant with a copy of the participant protections under subdivision 20 at the start of consultation services;

~~(15)~~ (14) providing assistance to resolve issues of noncompliance with the requirements of CFSS;

~~(16)~~ (15) providing recommendations to the commissioner for changes to services when support to participants to resolve issues of noncompliance have been unsuccessful; and

~~(17)~~ (16) other duties as assigned by the commissioner.

Sec. 21. Minnesota Statutes 2022, section 256B.85, is amended by adding a subdivision to read:

Subd. 18b. **Worker training and development services; remote visits.** (a) Except as provided in paragraph (b), the worker training and development services specified in subdivision 18a, paragraph (c), clauses (3) and (4), may be provided to recipients with chronic health conditions or severely compromised immune systems via two-way interactive audio and visual telecommunications if, at the recipient's request, the recipient's primary health care provider:

(1) determines that remote worker training and development services are appropriate; and

(2) documents the determination under clause (1) in a statement of need or other document that is subsequently included in the recipient's CFSS service delivery plan.

(b) The worker training and development services specified in subdivision 18a, paragraph (c), clause (3), provided at the start of services or the start of employment of a new support worker must not be conducted via two-way interactive audio and visual telecommunications.

(c) Notwithstanding any other provision of law, a CFSS service delivery plan developed or amended via remote worker training and development services may be executed by electronic signature.

(d) A recipient may request to return to in-person worker training and development services at any time.

EFFECTIVE DATE. This section is effective upon community first services and supports implementation. The commissioner of human services shall notify the revisor of statutes upon CFSS implementation.

Sec. 22. Minnesota Statutes 2022, section 256B.85, subdivision 20, is amended to read:

Subd. 20. **Participant protections.** (a) All CFSS participants have the protections identified in this subdivision.

(b) Participants or participant's representatives must be provided with adequate information, counseling, training, and assistance, as needed, to ensure that the participant is able to choose and manage services, models, and budgets. This information must be provided by the consultation services provider at the time of the initial or annual orientation to CFSS, at the time of reassessment, or when requested by the participant or participant's representative. This information must explain:

(1) person-centered planning;

(2) the range and scope of participant choices, including the differences between the agency-provider model and the budget model, available CFSS providers, and other services available in the community to meet the participant's needs;

(3) the process for changing plans, services, and budgets;

(4) identifying and assessing appropriate services; and

(5) risks to and responsibilities of the participant under the budget model.

(c) The consultation services provider must ensure that the participant chooses freely between the agency-provider model and the budget model and among available agency-providers and that the participant may change agency-providers after services have begun.

(d) A participant who appeals a reduction in previously authorized CFSS services may continue previously authorized services pending an appeal in accordance with section 256.045.

(e) If the units of service or budget allocation for CFSS are reduced, denied, or terminated, the commissioner must provide notice of the reasons for the reduction in the participant's notice of denial, termination, or reduction.

(f) If all or part of a CFSS service delivery plan is denied approval by the ~~consultation services provider~~ lead agency, the ~~consultation services provider~~ lead agency must provide a notice that describes the basis of the denial.

ARTICLE 2 DEAF, DEAFBLIND, AND HARD-OF-HEARING SERVICES

Section 1. Minnesota Statutes 2022, section 256C.21, is amended to read:

256C.21 DEAF, DEAFBLIND, AND HARD-OF-HEARING SERVICES ACT; CITATION.

Sections 256C.21 to ~~256C.26~~ 256C.261 may be cited as the "Deaf, DeafBlind, and Hard-of-Hearing Services Act."

EFFECTIVE DATE. This section is effective August 1, 2024.

Sec. 2. Minnesota Statutes 2022, section 256C.23, subdivision 1a, is amended to read:

Subd. 1a. **Culturally affirmative.** "Culturally affirmative" describes services that are designed and delivered within the context of the culture, identity, language, communication, and life experiences of ~~a person~~ persons who ~~is~~ are deaf, ~~a person~~ persons who ~~is~~ are deafblind, and ~~a person~~ persons who ~~is~~ are hard-of-hearing.

EFFECTIVE DATE. This section is effective August 1, 2024.

Sec. 3. Minnesota Statutes 2022, section 256C.23, is amended by adding a subdivision to read:

Subd. 1b. **Linguistically affirmative.** "Linguistically affirmative" describes services that are designed and delivered within the context of the language and communication experiences of persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing.

EFFECTIVE DATE. This section is effective August 1, 2024.

Sec. 4. Minnesota Statutes 2022, section 256C.23, subdivision 2, is amended to read:

Subd. 2. **Deaf.** "Deaf" means a hearing loss ~~of such severity that the individual must depend where the person communicates primarily on visual communication such as through~~ American Sign Language or ~~other another~~ signed language, ~~visual and manual means of communication such as signing systems in English or,~~ Cued Speech, reading and writing, speech reading, and gestures or other visual communication.

EFFECTIVE DATE. This section is effective August 1, 2024.

Sec. 5. Minnesota Statutes 2022, section 256C.23, subdivision 2a, is amended to read:

Subd. 2a. **Hard-of-hearing.** "Hard-of-hearing" means a hearing loss ~~resulting in a functional loss of hearing, but not to the extent that the individual must depend where the person does not communicate primarily upon through~~ visual communication.

EFFECTIVE DATE. This section is effective August 1, 2024.

Sec. 6. Minnesota Statutes 2022, section 256C.23, subdivision 2b, is amended to read:

Subd. 2b. **Deafblind.** "Deafblind" means any combination of vision and hearing loss ~~which interferes with acquiring information from the environment to the extent that compensatory~~ where the person uses visual, auditory, or tactile strategies and skills ~~are necessary~~ such as the use of a tactile form of a visual or spoken language to access ~~that communication, information from the environment,~~ or other information.

EFFECTIVE DATE. This section is effective August 1, 2024.

Sec. 7. Minnesota Statutes 2022, section 256C.23, subdivision 2c, is amended to read:

Subd. 2c. **Interpreting services.** "Interpreting services" means services that include:

(1) interpreting between a spoken language, such as English, and a visual language, such as American Sign Language or another signed language;

(2) interpreting between a spoken language and a visual representation of a spoken language, such as Cued Speech ~~and~~ or signing systems in English;

(3) interpreting within one language where the interpreter ~~uses natural gestures and~~ silently repeats the spoken message, replacing some words or phrases to ~~give higher visibility on the lips~~ make the message more readable;

(4) interpreting using low vision or tactile methods, signing systems, or signed languages for persons who ~~have a combined hearing and vision loss or~~ are deafblind; and

(5) interpreting from one communication mode or language into another communication mode or language that is linguistically and culturally appropriate for the participants in the communication exchange.

EFFECTIVE DATE. This section is effective August 1, 2024.

Sec. 8. Minnesota Statutes 2022, section 256C.23, subdivision 6, is amended to read:

Subd. 6. **Real-time captioning.** "Real-time captioning" means a method of captioning in which a ~~caption is~~ captions are simultaneously prepared and displayed or transmitted at the time of origination by specially trained real-time captioners.

EFFECTIVE DATE. This section is effective August 1, 2024.

Sec. 9. Minnesota Statutes 2022, section 256C.23, subdivision 7, is amended to read:

Subd. 7. **Family and community intervener.** "Family and community intervener" means a ~~paraprofessional, person who is~~ specifically trained in deafblindness, ~~who and~~ works one-on-one with a child who is deafblind to provide critical ~~connections~~ access to language, communication, people, and the environment.

EFFECTIVE DATE. This section is effective August 1, 2024.

Sec. 10. Minnesota Statutes 2022, section 256C.233, subdivision 1, is amended to read:

Subdivision 1. **~~Deaf, DeafBlind, and Hard-of-Hearing~~ Hard of Hearing State Services Division.** The commissioners of commerce, education, employment and economic development, and health shall ~~advise partner with~~ the commissioner of human services on the interagency activities of the Deaf, DeafBlind, and Hard of Hearing Hard of Hearing State Services Division. This division ~~addresses the developmental and social-emotional needs of~~ provides services for persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing through a statewide network of programs, services, and supports. This division also advocates on behalf of and provides information and training about how to best serve persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing. The commissioner of human services shall coordinate the work of the interagency ~~advisers and partners,~~ receive legislative appropriations for the division, and provide grants through the division for programs, services, and supports for persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing in identified areas of need such as deafblind services, family services, interpreting services, and mental health services.

EFFECTIVE DATE. This section is effective August 1, 2024.

Sec. 11. Minnesota Statutes 2022, section 256C.233, subdivision 2, is amended to read:

Subd. 2. **Responsibilities.** The Deaf, DeafBlind, and Hard of Hearing Hard of Hearing State Services Division shall:

(1) establish and maintain a statewide network of regional culturally and linguistically affirmative services for Minnesotans who are deaf, Minnesotans who are deafblind, and Minnesotans who are hard-of-hearing;

(2) work across divisions within the Department of Human Services, as well as with other agencies and counties, to ensure that there is an understanding of:

(i) the communication access challenges faced by persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing;

(ii) the best practices for accommodating and ~~mitigating~~ addressing communication access challenges; and

(iii) the legal requirements for providing access to and effective communication with persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing;

(3) assess the supply and demand statewide for ~~interpreter~~ interpreting services and real-time captioning services, implement strategies to provide greater access to these services in areas without sufficient supply, and ~~build the base of partner with interpreting service providers and real-time captioning service providers~~ across the state;

(4) maintain a statewide information resource that includes contact information and professional ~~certification credentials~~ certifications of interpreting service providers and real-time captioning service providers;

(5) provide culturally and linguistically affirmative mental health services to persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing who:

(i) use a visual language such as American Sign Language, another sign language, or a tactile form of a visual language; or

(ii) otherwise need culturally and linguistically affirmative ~~therapeutic~~ mental health services;

(6) research and develop best practices and recommendations for emerging issues; and

(7) provide as much information as practicable on the division's stand-alone website in American Sign Language; ~~and.~~

~~(8) report to the chairs and ranking minority members of the legislative committees with jurisdiction over human services biennially, beginning on January 1, 2019, on the following:~~

~~(i) the number of regional service center staff, the location of the office of each staff person, other service providers with which they are collocated, the number of people served by each staff person and a breakdown of whether each person was served on site or off site, and for those served off site, a list of locations where services were delivered and the number who were served in person and the number who were served via technology;~~

~~(ii) the amount and percentage of the division budget spent on reasonable accommodations for staff;~~

~~(iii) the number of people who use demonstration equipment and consumer evaluations of the experience;~~

~~(iv) the number of training sessions provided by division staff, the topics covered, the number of participants, and consumer evaluations, including a breakdown by delivery method such as in person or via technology;~~

~~(v) the number of training sessions hosted at a division location provided by another service provider, the topics covered, the number of participants, and consumer evaluations, including a breakdown by delivery method such as in person or via technology;~~

~~(vi) for each grant awarded, the amount awarded to the grantee and a summary of the grantee's results, including consumer evaluations of the services or products provided;~~

~~(vii) the number of people on waiting lists for any services provided by division staff or for services or equipment funded through grants awarded by the division;~~

~~(viii) the amount of time staff spent driving to appointments to deliver direct one to one client services in locations outside of the regional service centers; and~~

~~(ix) the regional needs and feedback on addressing service gaps identified by the advisory committees.~~

EFFECTIVE DATE. This section is effective August 1, 2024.

Sec. 12. Minnesota Statutes 2022, section 256C.24, subdivision 1, is amended to read:

Subdivision 1. **Location.** The Deaf, ~~DeafBlind, and Hard-of-Hearing~~ Hard of Hearing State Services Division shall establish at least six regional service centers for persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing. The centers shall be distributed regionally to provide access for persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing in all parts of the state.

EFFECTIVE DATE. This section is effective August 1, 2024.

Sec. 13. Minnesota Statutes 2022, section 256C.24, subdivision 2, is amended to read:

Subd. 2. **Responsibilities.** Each regional service center shall:

(1) employ qualified staff to work with persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing;

~~(1) (2) establish connections and collaborations and explore colcoating with other public and private entities providing services to persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing in the region;~~

~~(2) (3) for those in need of services, assist in coordinating services between service providers and persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing, and the persons' families, and make referrals to the services needed;~~

~~(3) employ staff trained to work with persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing;~~

~~(4) if adequate or accessible services are not available from another public or private service provider in the region, provide individual culturally and linguistically affirmative assistance with service supports and solutions to persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing, and the persons' families. Individual culturally affirmative assistance may be provided using technology only in areas of the state where a person has access to sufficient quality telecommunications or broadband services to allow effective communication. When a person who is deaf, a person who is deafblind, or a person who is hard of hearing does not have access to sufficient telecommunications or broadband service, individual assistance shall be available in person;~~

~~(5) identify regional training and resource needs, work with deaf and hard-of-hearing services training staff, and collaborate with others to and deliver training and resources for persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing, and the persons' families, and other service providers about subjects including the persons' rights under the law, American Sign Language, and the impact of hearing loss and options for accommodating it;~~

~~(6) have a mobile or permanent lab where persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing can try a selection of modern assistive technology, telecommunications equipment, and other technology and equipment to determine what would best meet the persons' needs;~~

~~(7) collaborate with the Resource Center for the Deaf and Hard of Hearing Persons, other divisions of the Department of Education and local school districts to develop and deliver programs and services for provide information and resources to families with children who are deaf, children who are deafblind, or children who are hard-of-hearing and to support school personnel serving these children;~~

(8) provide training, resources, and consultation to the ~~social service or income maintenance staff employed by counties or by organizations with whom counties contract for services to ensure that~~ human services providers about communication barriers which prevent access and other needs of persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing ~~from using services are removed;~~

~~(9) provide training to human service agencies in the region regarding program access for persons who are deaf, persons who are deafblind, and persons who are hard of hearing;~~

~~(10) (9) assess the ongoing need and supply of services for persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing in all parts of the state; annually consult with the division's advisory committees to identify regional needs and solicit feedback on addressing service gaps; and cooperate~~ collaborate with public and private service providers ~~to develop these services on service solutions;~~

~~(11) (10) provide culturally and linguistically affirmative mental health services to persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing who:~~

(i) use a visual language such as American Sign Language, another sign language, or a tactile form of a visual language; or

(ii) otherwise need culturally and linguistically affirmative ~~therapeutic~~ mental health services; and

~~(12) (11) establish partnerships with state and regional entities statewide that have the technological capacity to provide Minnesotans with virtual access to the division's services and division-sponsored training via~~ through technology.

EFFECTIVE DATE. This section is effective August 1, 2024.

Sec. 14. Minnesota Statutes 2022, section 256C.24, subdivision 3, is amended to read:

Subd. 3. **Advisory committee.** The director of the Deaf, DeafBlind, and ~~Hard of Hearing~~ Hard of Hearing State Services Division shall appoint eight advisory committees of up to nine persons per advisory committee. Each committee shall represent a specific region of the state. The director shall determine the boundaries of each advisory committee region. The committees shall advise the director on the needs of persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing and service gaps in the region of the state the committee represents. Members shall include persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing, persons who have communication disabilities, parents of children who are deaf, parents of children who are deafblind, and parents of children who are hard-of-hearing, parents of children who have communication disabilities, and representatives of county and regional human services, including representatives of private service providers. At least 50 percent of the members must be deaf or deafblind or hard-of-hearing or have a communication disability. Committee members shall serve for a three-year term, ~~and may be appointed to~~ Committee members shall serve no more than three consecutive terms and no more than nine years in total. Each advisory committee shall elect a chair. The director of the Deaf, DeafBlind, and ~~Hard of Hearing~~ Hard of Hearing State Services Division shall may assign staff to serve as nonvoting members of the committee. Members shall not receive a per diem. Otherwise, the compensation, removal of members, and filling of vacancies on the committee shall be as provided in section 15.0575.

EFFECTIVE DATE. This section is effective August 1, 2024.

Sec. 15. Minnesota Statutes 2022, section 256C.26, is amended to read:

256C.26 EMPLOYMENT SERVICES.

The commissioner of employment and economic development shall work with the Deaf, ~~DeafBlind~~, and ~~Hard of Hearing~~ Hard of Hearing State Services Division to develop and implement a plan to deal with the underemployment of persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing persons.

EFFECTIVE DATE. This section is effective August 1, 2024.

Sec. 16. Minnesota Statutes 2022, section 256C.261, is amended to read:

256C.261 SERVICES FOR PERSONS WHO ARE DEAFBLIND.

(a) The commissioner of human services shall use at least ~~35~~ 60 percent of the deafblind services biennial base level grant funding for programs, services, and other supports for a child adults who are deafblind and for children who is are deafblind and the child's family children's families. ~~The commissioner shall use at least 25 percent of the deafblind services biennial base level grant funding for services and other supports for an adult who is deafblind.~~

(b) The commissioner shall award grants for the purposes of:

~~(1)~~ (1) providing programs, services, and supports to persons who are deafblind; and

~~(2) developing and providing training to counties and the network of senior citizen service providers. The purpose of the training grants is to teach counties how to use existing programs that capture federal financial participation to meet the needs of eligible persons who are deafblind and to build capacity of senior service programs to meet the needs of seniors with a dual sensory hearing and vision loss.~~

~~(b)~~ (c) The commissioner may make grants:

~~(1)~~ (1) for services and training provided by organizations to persons who are deafblind; and

~~(2)~~ (2) to develop and administer consumer-directed services: for persons who are deafblind; and

~~(3) to develop and provide training to counties and service providers on how to meet the needs of persons who are deafblind.~~

~~(e)~~ (d) Consumer-directed services ~~shall~~ must be provided in whole by grant-funded providers. ~~The Deaf and Hard of Hearing Services Division's regional service centers shall not provide any aspect of a grant funded consumer directed services program.~~

~~(d)~~ (d) Any entity that is able to satisfy the grant criteria is eligible to receive a grant under paragraph (a).

(e) Deafblind service providers may, but are not required to, provide ~~intervenor~~ intervener services as part of the service package provided with grant funds under this section. Intervener services include services provided by a family and community intervener as described in paragraph (f).

(f) The family and community intervener, as defined in section 256C.23, subdivision 7, provides services to open channels of communication between the child and others; facilitates the development or use of receptive and expressive communication skills by the child; and develops and maintains a trusting, interactive relationship that

promotes social and emotional well-being. The family and community intervener also provides access to information and the environment, and facilitates opportunities for learning and development. A family and community intervener must have specific training in deafblindness, building language and communication skills, and intervention strategies.

EFFECTIVE DATE. This section is effective August 1, 2024.

Sec. 17. Minnesota Statutes 2022, section 256C.28, subdivision 1, is amended to read:

Subdivision 1. **Membership.** (a) The Commission of the Deaf, DeafBlind and Hard of Hearing consists of ~~seven ten~~ members appointed at large and one member each from ~~each up to five~~ advisory ~~committee committees~~ established under section 256C.24, subdivision 3. At least 50 percent of the voting members must be deaf or deafblind or hard-of-hearing. Members shall include ~~persons who are deaf, deafblind, and hard of hearing, parents at least one parent or guardian of children a person who are is deaf, deafblind, and or hard-of-hearing, and representatives of county and regional human services, including representatives of private service providers. The commissioners of education, health, and employment and economic development and the director of the Deaf, DeafBlind, and Hard of Hearing State Services Division in the Department of Human Services, or their designees, shall serve as ex officio, nonvoting members of the commission. The commission may appoint additional ex officio members from other bureaus, divisions, or sections of state departments directly concerned with the provision of services to persons who are deaf, deafblind, or hard-of-hearing.~~

~~Commission~~ (b) Voting members of the commission are appointed by the governor for a four-year term and until successors are appointed and qualify. ~~Commission~~ Voting members of the commission shall serve no more than three consecutive full terms, ~~and no more than 12 years in total.~~

(c) Annually, by January 31, the commission shall select one member as chair and one member as vice-chair to serve until January 31 of the following year or until the commission selects a new chair or vice-chair, whichever occurs later.

ARTICLE 3

PHASE-OUT OF SUBMINIMUM MINIMUM WAGE FOR PERSONS WITH DISABILITIES

Section 1. Minnesota Statutes 2022, section 177.24, is amended by adding a subdivision to read:

Subd. 6. Special certificate prohibition. (a) On or after August 1, 2026, an employer must not hire a new employee with a disability at a wage that is less than the highest applicable minimum wage, regardless of whether the employer holds a special certificate from the United States Department of Labor under section 14(c) of the federal Fair Labor Standards Act.

(b) On or after August 1, 2028, an employer must not pay an employee with a disability less than the highest applicable minimum wage, regardless of whether the employer holds a special certificate from the United States Department of Labor under section 14(c) of the federal Fair Labor Standards Act.

Sec. 2. Minnesota Statutes 2022, section 252.44, is amended to read:

252.44 LEAD AGENCY BOARD RESPONSIBILITIES.

When the need for day services in a county or Tribe has been determined under section 252.28, the board of commissioners for that lead agency shall:

(1) authorize the delivery of services according to the support plans and support plan addendums required as part of the lead agency's provision of case management services under sections 256B.0913, subdivision 8; 256B.092, subdivision 1b; 256B.49, subdivision 15; and 256S.10 and Minnesota Rules, parts 9525.0004 to 9525.0036;

(2) ensure that transportation is provided or arranged by the vendor in the most efficient and reasonable way possible; ~~and~~

(3) monitor and evaluate the cost and effectiveness of the services;

(4) ensure that on or after August 1, 2026, an employer does not hire a new employee at a wage that is less than the highest applicable minimum wage, regardless of whether the employer holds a special certificate from the United States Department of Labor under section 14(c) of the federal Fair Labor Standards Act; and

(5) ensure that on or after August 1, 2028, a day service program, including county, Tribal, or privately funded day services, pays employees with disabilities the highest applicable minimum wage, regardless of whether the employer holds a special certificate from the United States Department of Labor under section 14(c) of the federal Fair Labor Standards Act.

Sec. 3. Minnesota Statutes 2023 Supplement, section 256B.4906, is amended to read:

256B.4906 SUBMINIMUM WAGES IN HOME AND COMMUNITY-BASED SERVICES REPORTING.

Subdivision 1. Data reporting. (a) A provider of home and community-based services for people with developmental disabilities under section 256B.092 or home and community-based services for people with disabilities under section 256B.49 that holds a credential listed in clause (1) or (2) as of August 1, 2023, must submit to the commissioner of human services data on individuals who are currently being paid subminimum wages or were being paid subminimum wages by the provider organization as of August 1, 2023:

(1) a certificate through the United States Department of Labor under United States Code, title 29, section 214(c), of the Fair Labor Standards Act authorizing the payment of subminimum wages to workers with disabilities; or

(2) a permit by the Minnesota Department of Labor and Industry under section 177.28.

(b) The report required under paragraph (a) must include the following data about each individual being paid subminimum wages:

(1) name;

(2) date of birth;

(3) identified race and ethnicity;

(4) disability type;

(5) key employment status measures as determined by the commissioner; and

(6) key community-life engagement measures as determined by the commissioner.

(c) The information in paragraph (b) must be submitted in a format determined by the commissioner.

(d) A provider must submit the data required under this section annually on a date specified by the commissioner. The commissioner must give a provider at least 30 calendar days to submit the data following notice of the due date. If a provider fails to submit the requested data by the date specified by the commissioner, the commissioner may delay medical assistance reimbursement until the requested data is submitted.

(e) Individually identifiable data submitted to the commissioner under this section are considered private data on individuals as defined by section 13.02, subdivision 12.

(f) The commissioner must analyze data annually for tracking employment and community-life engagement outcomes.

Subd. 2. **Prohibition of subminimum wages.** A provider of home and community-based services must not pay a person with a disability a wage below the highest applicable minimum wage on the basis of the person's disability. A special certificate authorizing the payment of less than the highest applicable minimum wage to a person with a disability issued pursuant to a law of this state or to a federal law is without effect as of August 1, 2028.

Sec. 4. **PHASE-OUT OF USE OF SUBMINIMUM WAGE FOR MEDICAL ASSISTANCE DISABILITY SERVICES.**

The commissioner must seek all necessary amendments to Minnesota's federally approved disability waiver plans to require an individual receiving prevocational or employment support services be compensated at or above the highest applicable minimum wage no later than August 1, 2028.

ARTICLE 4
AGING SERVICES

Section 1. Minnesota Statutes 2022, section 256.975, subdivision 7e, is amended to read:

~~Subd. 7e. **Long-term care options counseling for assisted living at critical care transitions.** (a) The purpose of long-term care options counseling for assisted living is to support persons with current or anticipated long-term care needs in making informed choices among options that include the most cost-effective and least restrictive settings. Prospective residents maintain the right to choose assisted living if that option is their preference. Reaching people before a crisis and during care transitions is important to ensure quality of care and life, prevent unnecessary hospitalizations and readmissions, reduce the burden on the health care system, reduce costs, and support personal preferences.~~

~~(b) Licensed assisted living facilities shall inform each prospective resident or the prospective resident's designated or legal representative of the availability of long term care options counseling for assisted living and the need to receive and verify the counseling prior to signing a contract. Long term care options counseling for assisted living is provided as determined by the commissioner of human services. The service is delivered under a partnership between lead agencies as defined in subdivision 10, paragraph (g), and the Area Agencies on Aging, and is a point of entry to a combination of telephone based long term care options counseling provided by Senior LinkAge Line and in-person long term care consultation provided by lead agencies. The point of entry service must be provided within five working days of the request of the prospective resident as follows Counseling must be delivered by Senior LinkAge Line either by telephone or in person. Counseling must:~~

~~(1) the counseling shall be conducted with the prospective resident, or in the alternative, the resident's designated or legal representative, if:~~

~~(i) the resident verbally requests; or~~

~~(ii) the assisted living facility has documentation of the designated or legal representative's authority to enter into a lease or contract on behalf of the prospective resident and accepts the documentation in good faith;~~

~~(2) the counseling shall (1) be performed in a manner that provides objective and complete information;~~

~~(3) the counseling must (2) include a review of the prospective resident's reasons for considering assisted living services, the prospective resident's person's personal goals, a discussion of the prospective resident's person's immediate and projected long-term care needs, and alternative community services or settings that may meet the prospective resident's person's needs; and~~

~~(4) the prospective resident must be informed of the availability of an in-person visit from a long-term care consultation team member at no charge to the prospective resident to assist the prospective resident in assessment and planning to meet the prospective resident's long-term care needs; and~~

~~(5) verification of counseling shall be generated and provided to the prospective resident by Senior LinkAge Line upon completion of the telephone-based counseling (3) include the counseling and referral protocols in subdivision 7, paragraph (b), clauses (11) to (13).~~

(c) An assisted living facility licensed under chapter 144G ~~shall:~~

~~(1) must~~ inform each prospective resident or the prospective resident's designated or legal representative of the availability of and contact information for long-term care options counseling services under this subdivision; by providing Senior LinkAge Line information at the facility tour.

~~(2) receive a copy of the verification of counseling prior to executing a contract with the prospective resident; and~~

~~(3) retain a copy of the verification of counseling as part of the resident's file.~~

~~(d) Emergency admissions to licensed assisted living facilities prior to consultation under paragraph (b) are permitted according to policies established by the commissioner. Prior to discharge, hospitals must refer older adults who are at risk of nursing home placement to the Senior LinkAge Line for long-term care options counseling. Hospitals must make these referrals using referral protocols and processes developed under subdivision 7.~~

EFFECTIVE DATE. This section is effective August 1, 2024.

Sec. 2. Minnesota Statutes 2022, section 256B.69, is amended by adding a subdivision to read:

Subd. 6h. **Continuity of care for seniors receiving personal assistance.** (a) If an individual 65 years of age or older is receiving personal assistance from the same agency continuously during the six months prior to being newly enrolled with any managed care or county-based purchasing plan, the managed care or county-based purchasing plan with which the individual is newly enrolled must offer the agency a contract for the purposes of allowing the enrollee to receive any personal assistance covered under the terms of the plan from the enrollee's current agency, provided the enrollee continues to live in the service area of the enrollee's current agency.

(b) For the purposes of this subdivision, the following terms have the meanings given:

(1) "agency" means any of the following:

(i) a personal care assistance provider agency as defined under section 256B.0659, subdivision 1, paragraph (1);

(ii) an agency provider as described in section 256B.85, subdivision 2, paragraph (c); or

(iii) a financial management services provider for an enrollee who directly employs direct care staff through the community first services and supports budget model or through the consumer-directed community supports option available under the elderly waiver; and

(2) "personal assistance" means any of the following:

(i) personal care assistance services, extended personal care assistance services, or enhanced rate personal care assistance services under section 256B.0659;

(ii) community first services and supports, extended community first services and supports, or enhanced rate community first services and supports under section 256B.85; or

(iii) personal assistance provided through the consumer-directed community supports option available under the elderly waiver.

(c) This subdivision applies only if the enrollee's current agency agrees to accept as payment in full the managed care plan's or county-based purchasing plan's in-network reimbursement rate for the same covered service at the time the service is provided, and agrees to enter into a managed care plan's or county-based purchasing plan's contract for services of like kind.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 3. Minnesota Statutes 2022, section 256R.08, subdivision 1, is amended to read:

Subdivision 1. **Reporting of financial statements.** (a) No later than February 1 of each year, a nursing facility must:

(1) provide the state agency with a copy of its ~~audited financial statements or its working trial balance~~;

(2) provide the state agency with a copy of its audited financial statements for each year an audit is conducted;

~~(2)~~ (3) provide the state agency with a statement of ownership for the facility;

~~(3)~~ (4) provide the state agency with separate, audited financial statements ~~or~~ and working trial balances for every other facility owned in whole or in part by an individual or entity that has an ownership interest in the facility;

(5) provide the state agency with information regarding whether the licensee or a general partner, director, or officer of the licensee controls or has an ownership interest of five percent or more in a related organization that provides any services, facilities, or supplies to the nursing facility;

~~(4)~~ (6) upon request, provide the state agency with separate, audited financial statements ~~or~~ and working trial balances for every organization with which the facility conducts business and which is owned in whole or in part by an individual or entity which has an ownership interest in the facility;

~~(5)~~ (7) provide the state agency with copies of leases, purchase agreements, and other documents related to the lease or purchase of the nursing facility; and

~~(6)~~ (8) upon request, provide the state agency with copies of leases, purchase agreements, and other documents related to the acquisition of equipment, goods, and services which are claimed as allowable costs.

(b) If the licensee or the general partner, director, or officer of the licensee controls or has an interest as described in paragraph (a), clause (5), the licensee must disclose all services, facilities, or supplies provided to the nursing facility; the number of individuals who provide services, facilities, or supplies at the nursing facility; and any other information requested by the state agency.

~~(b)~~ (c) Audited financial statements submitted under ~~paragraph paragraphs~~ (a) and (b) must include a balance sheet, income statement, statement of the rate or rates charged to private paying residents, statement of retained earnings, statement of cash flows, notes to the financial statements, audited applicable supplemental information, and the public accountant's report. Public accountants must conduct audits in accordance with chapter 326A. The cost of an audit must not be an allowable cost unless the nursing facility submits its audited financial statements in the manner otherwise specified in this subdivision. A nursing facility must permit access by the state agency to the public accountant's audit work papers that support the audited financial statements submitted under ~~paragraph paragraphs~~ (a) and (b).

~~(e)~~ (d) Documents or information provided to the state agency pursuant to this subdivision must be public unless prohibited by the Health Insurance Portability and Accountability Act or any other federal or state regulation. Data, notes, and preliminary drafts of reports created, collected, and maintained by the audit offices of government entities, or persons performing audits for government entities, and relating to an audit or investigation are confidential data on individuals or protected nonpublic data until the final report has been published or the audit or investigation is no longer being pursued actively, except that the data must be disclosed as required to comply with section 6.67 or 609.456.

~~(d)~~ (e) If the requirements of paragraphs (a) ~~and~~, (b), and (c) are not met, the reimbursement rate may be reduced to 80 percent of the rate in effect on the first day of the fourth calendar month after the close of the reporting period and the reduction must continue until the requirements are met.

(f) Licensees must provide the information required in this section to the commissioner in a manner prescribed by the commissioner.

(g) For purposes of this section, "related organization" and "control" have the meaning given in section 256R.02, subdivision 43.

EFFECTIVE DATE. This section is effective August 1, 2024.

Sec. 4. Minnesota Statutes 2022, section 256R.08, is amended by adding a subdivision to read:

Subd. 5. **Notice of costs associated with leases, rent, and use of land or other real property by nursing homes.** (a) Nursing homes must annually report to the commissioner, in a manner determined by the commissioner, their cost associated with leases, rent, and use of land or other real property and any other related information requested by the state agency.

(b) A nursing facility that violates this subdivision is subject to the penalties and procedures under section 256R.04, subdivision 7.

EFFECTIVE DATE. This section is effective August 1, 2024.

Sec. 5. **REPEALER.**

(a) Minnesota Statutes 2022, section 256.975, subdivisions 7f and 7g, are repealed.

(b) Minnesota Statutes 2022, section 256R.18, is repealed.

EFFECTIVE DATE. Paragraph (a) is effective August 1, 2024. Paragraph (b) is effective July 1, 2024.

ARTICLE 5
SUBSTANCE USE DISORDER SERVICES

Section 1. Minnesota Statutes 2022, section 245F.02, subdivision 17, is amended to read:

Subd. 17. **Peer recovery support services.** "Peer recovery support services" means ~~mentoring and education, advocacy, and nonclinical recovery support provided by a recovery peer~~ services provided according to section 245F.08, subdivision 3.

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

Sec. 2. Minnesota Statutes 2022, section 245F.02, subdivision 21, is amended to read:

Subd. 21. **Recovery peer.** "Recovery peer" means a person who has progressed in the person's own recovery from substance use disorder and is willing to serve as a peer to assist others in their recovery and is qualified according to section 245F.15, subdivision 7.

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

Sec. 3. Minnesota Statutes 2022, section 245F.08, subdivision 3, is amended to read:

Subd. 3. **Peer recovery support services.** ~~(a) Peers in recovery serve as mentors or recovery support partners for individuals in recovery, and may provide encouragement, self disclosure of recovery experiences, transportation to appointments, assistance with finding resources that will help locate housing, job search resources, and assistance finding and participating in support groups.~~

~~(b) Peer recovery support services are provided by a recovery peer and must be supervised by the responsible staff person.~~

Peer recovery support services must meet the requirements in section 245G.07, subdivision 2, clause (8), and must be provided by a person who is qualified according to the requirements in section 245F.15, subdivision 7.

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

Sec. 4. Minnesota Statutes 2022, section 245F.15, subdivision 7, is amended to read:

Subd. 7. **Recovery peer qualifications.** Recovery peers must:

~~(1) be at least 21 years of age and have a high school diploma or its equivalent;~~

~~(2) have a minimum of one year in recovery from substance use disorder;~~

~~(3) have completed a curriculum designated by the commissioner that teaches specific skills and training in the domains of ethics and boundaries, advocacy, mentoring and education, and recovery and wellness support; and~~

~~(4) receive supervision in areas specific to the domains of their role by qualified supervisory staff.~~

(1) meet the qualifications in section 245I.04, subdivision 18; and

(2) provide services according to the scope of practice established in section 245I.04, subdivision 19, under the supervision of an alcohol and drug counselor.

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

Sec. 5. Minnesota Statutes 2022, section 245G.04, is amended by adding a subdivision to read:

Subd. 3. **Opioid educational material.** (a) If a client is identified as having opioid use issues, the license holder must provide opioid educational material to the client on the day of service initiation. The license holder must use the opioid educational material approved by the commissioner that contains information on:

(1) risks for opioid use disorder and dependence;

(2) treatment options, including the use of a medication for opioid use disorder;

(3) the risk and recognition of opioid overdose; and

(4) the use, availability, and administration of an opiate antagonist to respond to opioid overdose.

(b) If the client is identified as having opioid use issues at a later date, the required educational material must be provided at that time.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 6. Minnesota Statutes 2023 Supplement, section 245G.05, subdivision 3, is amended to read:

Subd. 3. **Comprehensive assessment requirements.** ~~(a)~~ A comprehensive assessment must meet the requirements under section 245I.10, subdivision 6, paragraphs (b) and (c). It must also include:

(1) a diagnosis of a substance use disorder or a finding that the client does not meet the criteria for a substance use disorder;

(2) a determination of whether the individual screens positive for co-occurring mental health disorders using a screening tool approved by the commissioner pursuant to section 245.4863;

(3) a risk rating and summary to support the risk ratings within each of the dimensions listed in section 254B.04, subdivision 4; and

(4) a recommendation for the ASAM level of care identified in section 254B.19, subdivision 1.

~~(b) If the individual is assessed for opioid use disorder, the program must provide educational material to the client within 24 hours of service initiation on:~~

~~(1) risks for opioid use disorder and dependence;~~

~~(2) treatment options, including the use of a medication for opioid use disorder;~~

~~(3) the risk and recognition of opioid overdose; and~~

~~(4) the use, availability, and administration of an opiate antagonist to respond to opioid overdose.~~

~~If the client is identified as having opioid use disorder at a later point, the required educational material must be provided at that point. The license holder must use the educational materials that are approved by the commissioner to comply with this requirement.~~

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 7. Minnesota Statutes 2023 Supplement, section 245G.09, subdivision 3, is amended to read:

Subd. 3. **Contents.** Client records must contain the following:

(1) documentation that the client was given information on client rights and responsibilities, grievance procedures, tuberculosis, and HIV, and that the client was provided an orientation to the program abuse prevention plan required under section 245A.65, subdivision 2, paragraph (a), clause (4). If the client has an opioid use disorder, the record must contain documentation that the client was provided educational information according to section ~~245G.05~~ 245G.04, subdivision 3, ~~paragraph (b)~~;

(2) an initial services plan completed according to section 245G.04;

(3) a comprehensive assessment completed according to section 245G.05;

(4) an individual abuse prevention plan according to sections 245A.65, subdivision 2, and 626.557, subdivision 14, when applicable;

(5) an individual treatment plan according to section 245G.06, subdivisions 1 and 1a;

(6) documentation of treatment services, significant events, appointments, concerns, and treatment plan reviews according to section 245G.06, subdivisions 2a, 2b, 3, and 3a; and

(7) a summary at the time of service termination according to section 245G.06, subdivision 4.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 8. Minnesota Statutes 2023 Supplement, section 245G.11, subdivision 10, is amended to read:

Subd. 10. **Student interns and former students.** (a) A qualified staff member must supervise and be responsible for a treatment service performed by a student intern and must review and sign each assessment, individual treatment plan, and treatment plan review prepared by a student intern.

(b) An alcohol and drug counselor must supervise and be responsible for a treatment service performed by a former student and must review and sign each assessment, individual treatment plan, and treatment plan review prepared by the former student.

(c) A student intern or former student must receive the orientation and training required in section 245G.13, subdivisions 1, clause (7), and 2. No more than 50 percent of the treatment staff may be ~~students, student interns or former students, or licensing candidates~~ with time documented to be directly related to the provision of treatment services for which the staff are authorized.

Sec. 9. Minnesota Statutes 2023 Supplement, section 245G.22, subdivision 2, is amended to read:

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

(b) "Diversion" means the use of a medication for the treatment of opioid addiction being diverted from intended use of the medication.

(c) "Guest dose" means administration of a medication used for the treatment of opioid addiction to a person who is not a client of the program that is administering or dispensing the medication.

(d) "Medical director" means a practitioner licensed to practice medicine in the jurisdiction that the opioid treatment program is located who assumes responsibility for administering all medical services performed by the program, either by performing the services directly or by delegating specific responsibility to a practitioner of the opioid treatment program.

(e) "Medication used for the treatment of opioid use disorder" means a medication approved by the Food and Drug Administration for the treatment of opioid use disorder.

(f) "Minnesota health care programs" has the meaning given in section 256B.0636.

(g) "Opioid treatment program" has the meaning given in Code of Federal Regulations, title 42, section 8.12, and includes programs licensed under this chapter.

(h) "Practitioner" means a staff member holding a current, unrestricted license to practice medicine issued by the Board of Medical Practice or nursing issued by the Board of Nursing and is currently registered with the Drug Enforcement Administration to order or dispense controlled substances in Schedules II to V under the Controlled Substances Act, United States Code, title 21, part B, section 821. ~~Practitioner includes an advanced practice registered nurse and physician assistant if the staff member receives a variance by the state opioid treatment authority under section 254A.03 and the federal Substance Abuse and Mental Health Services Administration.~~

(i) "Unsupervised use" means the use of a medication for the treatment of opioid use disorder dispensed for use by a client outside of the program setting.

Sec. 10. Minnesota Statutes 2022, section 245G.22, subdivision 6, is amended to read:

Subd. 6. **Criteria for unsupervised use.** (a) To limit the potential for diversion of medication used for the treatment of opioid use disorder to the illicit market, medication dispensed to a client for unsupervised use shall be subject to the requirements of this subdivision. Any client in an opioid treatment program may receive ~~a single unsupervised use dose for a day that the clinic is closed for business, including Sundays and state and federal holidays~~ individualized unsupervised use doses as ordered for days that the clinic is closed for business, including one weekend day and state and federal holidays, no matter the client's length of time in treatment, as allowed under Code of Federal Regulations, title 42, section 8.12(i)(1).

(b) ~~For unsupervised use doses beyond those allowed in paragraph (a), a practitioner with authority to prescribe must review and document the criteria in this paragraph and paragraph (c) Code of Federal Regulations, title 42, section 8.12(i)(2), when determining whether dispensing medication for a client's unsupervised use is safe and when it is appropriate to implement, increase, or extend the amount of time between visits to the program. The criteria are:~~

- ~~(1) absence of recent abuse of drugs including but not limited to opioids, non-narcotics, and alcohol;~~
- ~~(2) regularity of program attendance;~~
- ~~(3) absence of serious behavioral problems at the program;~~
- ~~(4) absence of known recent criminal activity such as drug dealing;~~
- ~~(5) stability of the client's home environment and social relationships;~~
- ~~(6) length of time in comprehensive maintenance treatment;~~
- ~~(7) reasonable assurance that unsupervised use medication will be safely stored within the client's home; and~~

~~(8) whether the rehabilitative benefit the client derived from decreasing the frequency of program attendance outweighs the potential risks of diversion or unsupervised use.~~

(c) The determination, including the basis of the determination must be documented in the client's medical record.

Sec. 11. Minnesota Statutes 2023 Supplement, section 245G.22, subdivision 17, is amended to read:

Subd. 17. **Policies and procedures.** (a) A license holder must develop and maintain the policies and procedures required in this subdivision.

(b) For a program that is not open every day of the year, the license holder must maintain a policy and procedure that covers requirements under ~~section 245G.22, subdivisions 6 and 7~~ subdivision 6. Unsupervised use of medication used for the treatment of opioid use disorder for days that the program is closed for business, including ~~but not limited to Sundays~~ one weekend day and state and federal holidays, must meet the requirements under ~~section 245G.22, subdivisions 6 and 7~~ subdivision 6.

(c) The license holder must maintain a policy and procedure that includes specific measures to reduce the possibility of diversion. The policy and procedure must:

(1) specifically identify and define the responsibilities of the medical and administrative staff for performing diversion control measures; and

(2) include a process for contacting no less than five percent of clients who have unsupervised use of medication, excluding clients approved solely under subdivision 6, paragraph (a), to require clients to physically return to the program each month. The system must require clients to return to the program within a stipulated time frame and turn in all unused medication containers related to opioid use disorder treatment. The license holder must document all related contacts on a central log and the outcome of the contact for each client in the client's record. The medical director must be informed of each outcome that results in a situation in which a possible diversion issue was identified.

(d) Medication used for the treatment of opioid use disorder must be ordered, administered, and dispensed according to applicable state and federal regulations and the standards set by applicable accreditation entities. If a medication order requires assessment by the person administering or dispensing the medication to determine the amount to be administered or dispensed, the assessment must be completed by an individual whose professional scope of practice permits an assessment. For the purposes of enforcement of this paragraph, the commissioner has the authority to monitor the person administering or dispensing the medication for compliance with state and federal regulations and the relevant standards of the license holder's accreditation agency and may issue licensing actions according to sections 245A.05, 245A.06, and 245A.07, based on the commissioner's determination of noncompliance.

~~(e) A counselor in an opioid treatment program must not supervise more than 50 clients. The license holder must maintain a ratio of one full-time equivalent alcohol and drug counselor for every 60 clients enrolled in the program. The license holder must determine the appropriate number of clients for which each counselor is responsible based on the needs of each client. The license holder must maintain documentation of the clients assigned to each counselor to demonstrate compliance with this paragraph. For the purpose of this paragraph, "full-time equivalent" means working at least 32 hours each week.~~

~~(f) Notwithstanding paragraph (e), From July 1, 2023, to June 30, 2024, a counselor in an opioid treatment program may supervise up to 60 clients. The license holder may continue to serve a client who was receiving services at the program on June 30, 2024, at a counselor to client ratio of up to one to 60 and is not required to discharge any clients in order to return to the counselor to client ratio of one to 50. The license holder may not, however, serve a new client after June 30, 2024, unless the counselor who would supervise the new client is supervising fewer than 50 existing clients.~~

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 12. Minnesota Statutes 2023 Supplement, section 245I.04, subdivision 18, is amended to read:

Subd. 18. **Recovery peer qualifications.** (a) A recovery peer must:

(1) have a minimum of one year in recovery from substance use disorder; and

(2) hold a current credential from the Minnesota Certification Board, the Upper Midwest Indian Council on Addictive Disorders, or the National Association for Alcoholism and Drug Abuse Counselors that demonstrates skills and training in the domains of ethics and boundaries, advocacy, mentoring and education, and recovery and wellness support.

(b) A recovery peer who receives a credential from a Tribal Nation when providing peer recovery support services in a tribally licensed program satisfies the requirement in paragraph (a), clause (2).

(c) A recovery peer must not be classified as an independent contractor.

Sec. 13. Minnesota Statutes 2023 Supplement, section 254A.19, subdivision 3, is amended to read:

Subd. 3. **Comprehensive assessments.** (a) An eligible vendor under section 254B.05 conducting a comprehensive assessment for an individual seeking treatment shall ~~approve~~ recommend the nature, intensity level, and duration of treatment service if a need for services is indicated, but the individual assessed can access any enrolled provider that is licensed to provide the level of service authorized, including the provider or program that completed the assessment. If an individual is enrolled in a prepaid health plan, the individual must comply with any provider network requirements or limitations.

(b) When a comprehensive assessment is completed while the individual is in a substance use disorder treatment program, the comprehensive assessment must meet the requirements of section 245G.05.

(c) When a comprehensive assessment is completed for purposes of payment under section 254B.05, subdivision 1, paragraph (b), (c), or (h), or if the assessment is completed prior to service initiation by a licensed substance use disorder treatment program licensed under chapter 245G or applicable Tribal license, the assessor must:

(1) include all components under section 245G.05, subdivision 3;

(2) provide the assessment within five days of request or refer the individual to other locations where they may access this service sooner;

(3) provide information on payment options for substance use disorder services when the individual is uninsured or underinsured;

(4) provide the individual with a notice of privacy practices;

(5) provide a copy of the completed comprehensive assessment, upon request;

(6) provide resources and contact information for the level of care being recommended; and

(7) provide an individual diagnosed with an opioid use disorder with educational material approved by the commissioner that contains information on:

(i) risks for opioid use disorder and opioid dependence;

(ii) treatment options, including the use of a medication for opioid use disorder;

(iii) the risk and recognition of opioid overdose; and

(iv) the use, availability, and administration of an opiate antagonist to respond to opioid overdose.

Sec. 14. Minnesota Statutes 2022, section 254B.03, subdivision 4, is amended to read:

Subd. 4. **Division of costs.** (a) Except for services provided by a county under section 254B.09, subdivision 1, or services provided under section 256B.69, the county shall, out of local money, pay the state for 22.95 percent of the cost of substance use disorder services, except for those services provided to persons enrolled in medical assistance under chapter 256B and room and board services under section 254B.05, subdivision 5, paragraph (b); ~~clause (12).~~ Counties may use the indigent hospitalization levy for treatment and hospital payments made under this section.

(b) 22.95 percent of any state collections from private or third-party pay, less 15 percent for the cost of payment and collections, must be distributed to the county that paid for a portion of the treatment under this section.

Sec. 15. Minnesota Statutes 2023 Supplement, section 254B.04, subdivision 1a, is amended to read:

Subd. 1a. **Client eligibility.** (a) Persons eligible for benefits under Code of Federal Regulations, title 25, part 20, who meet the income standards of section 256B.056, subdivision 4, and are not enrolled in medical assistance, are entitled to behavioral health fund services. State money appropriated for this paragraph must be placed in a separate account established for this purpose.

(b) Persons with dependent children who are determined to be in need of substance use disorder treatment pursuant to an assessment under section 260E.20, subdivision 1, or in need of chemical dependency treatment pursuant to a case plan under section 260C.201, subdivision 6, or 260C.212, shall be assisted by the local agency to access needed treatment services. Treatment services must be appropriate for the individual or family, which may include long-term care treatment or treatment in a facility that allows the dependent children to stay in the treatment facility. The county shall pay for out-of-home placement costs, if applicable.

(c) Notwithstanding paragraph (a), persons enrolled in medical assistance are eligible for room and board services under section 254B.05, subdivision 5, paragraph (b); ~~clause (12).~~

(d) A client is eligible to have substance use disorder treatment paid for with funds from the behavioral health fund when the client:

(1) is eligible for MFIP as determined under chapter 256J;

(2) is eligible for medical assistance as determined under Minnesota Rules, parts 9505.0010 to 9505.0150;

(3) is eligible for general assistance, general assistance medical care, or work readiness as determined under Minnesota Rules, parts 9500.1200 to 9500.1318; or

(4) has income that is within current household size and income guidelines for entitled persons, as defined in this subdivision and subdivision 7.

(e) Clients who meet the financial eligibility requirement in paragraph (a) and who have a third-party payment source are eligible for the behavioral health fund if the third-party payment source pays less than 100 percent of the cost of treatment services for eligible clients.

(f) A client is ineligible to have substance use disorder treatment services paid for with behavioral health fund money if the client:

(1) has an income that exceeds current household size and income guidelines for entitled persons as defined in this subdivision and subdivision 7; or

(2) has an available third-party payment source that will pay the total cost of the client's treatment.

(g) A client who is disenrolled from a state prepaid health plan during a treatment episode is eligible for continued treatment service that is paid for by the behavioral health fund until the treatment episode is completed or the client is re-enrolled in a state prepaid health plan if the client:

(1) continues to be enrolled in MinnesotaCare, medical assistance, or general assistance medical care; or

(2) is eligible according to paragraphs (a) and (b) and is determined eligible by a local agency under section 254B.04.

(h) When a county commits a client under chapter 253B to a regional treatment center for substance use disorder services and the client is ineligible for the behavioral health fund, the county is responsible for the payment to the regional treatment center according to section 254B.05, subdivision 4.

Sec. 16. Minnesota Statutes 2023 Supplement, section 254B.04, subdivision 2a, is amended to read:

Subd. 2a. **Eligibility for room and board services for persons in outpatient substance use disorder treatment.** A person eligible for room and board services under section 254B.05, subdivision 5, paragraph (b); ~~clause (12),~~ must score at level 4 on assessment dimensions related to readiness to change, relapse, continued use, or recovery environment in order to be assigned to services with a room and board component reimbursed under this section. Whether a treatment facility has been designated an institution for mental diseases under United States Code, title 42, section 1396d, shall not be a factor in making placements.

Sec. 17. Minnesota Statutes 2023 Supplement, section 254B.04, subdivision 6, is amended to read:

Subd. 6. **Local agency to determine client financial eligibility.** (a) The local agency shall determine a client's financial eligibility for the behavioral health fund according to section 254B.04, subdivision 1a, with the income calculated prospectively for one year from the date of ~~comprehensive assessment request.~~ The local agency shall pay for eligible clients according to chapter 256G. ~~The local agency shall enter the financial eligibility span within ten calendar days of request.~~ Client eligibility must be determined using only forms prescribed by the ~~department commissioner unless the local agency has a reasonable basis for believing that the information submitted on a form is false.~~ To determine a client's eligibility, the local agency must determine the client's income, the size of the client's household, the availability of a third-party payment source, and a responsible relative's ability to pay for the client's substance use disorder treatment.

(b) A client who is a minor child must not be deemed to have income available to pay for substance use disorder treatment, unless the minor child is responsible for payment under section 144.347 for substance use disorder treatment services sought under section 144.343, subdivision 1.

(c) The local agency must determine the client's household size as follows:

(1) if the client is a minor child, the household size includes the following persons living in the same dwelling unit:

(i) the client;

(ii) the client's birth or adoptive parents; and

(iii) the client's siblings who are minors; and

(2) if the client is an adult, the household size includes the following persons living in the same dwelling unit:

(i) the client;

(ii) the client's spouse;

(iii) the client's minor children; and

(iv) the client's spouse's minor children.

For purposes of this paragraph, household size includes a person listed in clauses (1) and (2) who is in an out-of-home placement if a person listed in clause (1) or (2) is contributing to the cost of care of the person in out-of-home placement.

(d) The local agency must determine the client's current prepaid health plan enrollment, the availability of a third-party payment source, including the availability of total payment, partial payment, and amount of co-payment.

(e) The local agency must provide the required eligibility information to the department in the manner specified by the department.

(f) The local agency shall require the client and policyholder to conditionally assign to the department the client and policyholder's rights and the rights of minor children to benefits or services provided to the client if the department is required to collect from a third-party pay source.

(g) The local agency must redetermine a client's eligibility for the behavioral health fund every 12 months.

(h) A client, responsible relative, and policyholder must provide income or wage verification, household size verification, and must make an assignment of third-party payment rights under paragraph (f). If a client, responsible relative, or policyholder does not comply with the provisions of this subdivision, the client is ineligible for behavioral health fund payment for substance use disorder treatment, and the client and responsible relative must be obligated to pay for the full cost of substance use disorder treatment services provided to the client.

Sec. 18. Minnesota Statutes 2023 Supplement, section 254B.04, is amended by adding a subdivision to read:

Subd. 6a. **Span of eligibility.** The local agency must enter the financial eligibility span within five business days of a request. If the comprehensive assessment is completed within the timelines required under chapter 245G, then the span of eligibility must begin on the date services were initiated. If the comprehensive assessment is not completed within the timelines required under chapter 245G, then the span of eligibility must begin on the date the comprehensive assessment was completed.

Sec. 19. Minnesota Statutes 2023 Supplement, section 254B.05, subdivision 1, is amended to read:

Subdivision 1. **Licensure or certification required.** (a) Programs licensed by the commissioner are eligible vendors. Hospitals may apply for and receive licenses to be eligible vendors, notwithstanding the provisions of section 245A.03. American Indian programs that provide substance use disorder treatment, extended care, transitional residence, or outpatient treatment services, and are licensed by Tribal government are eligible vendors.

(b) A licensed professional in private practice as defined in section 245G.01, subdivision 17, who meets the requirements of section 245G.11, subdivisions 1 and 4, is an eligible vendor of a comprehensive assessment and assessment summary provided according to section 245G.05, and treatment services provided according to sections 245G.06 and 245G.07, subdivision 1, paragraphs (a), clauses (1) to (5), and (b); and subdivision 2, clauses (1) to (6).

(c) A county is an eligible vendor for a comprehensive assessment and assessment summary when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 5, and completed according to the requirements of section 245G.05. A county is an eligible vendor of care coordination services when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 7, and provided according to the requirements of section 245G.07, subdivision 1, paragraph (a), clause (5). A county is an eligible vendor of peer recovery services when the services are provided by an individual who meets the requirements of section 245G.11, subdivision 8.

(d) A recovery community organization that meets the requirements of clauses (1) to (10) and meets ~~membership certification~~ or accreditation requirements of the ~~Association of Recovery Community Organizations~~, Alliance for Recovery Centered Organizations, the Council on Accreditation of Peer Recovery Support Services, or a Minnesota statewide recovery community organization identified by the commissioner is an eligible vendor of peer support services. Eligible vendors under this paragraph must:

- (1) be nonprofit organizations;
- (2) be led and governed by individuals in the recovery community, with more than 50 percent of the board of directors or advisory board members self-identifying as people in personal recovery from substance use disorders;
- (3) primarily focus on recovery from substance use disorders, with missions and visions that support this primary focus;
- (4) be grassroots and reflective of and engaged with the community served;
- (5) be accountable to the recovery community through processes that promote the involvement and engagement of, and consultation with, people in recovery and their families, friends, and recovery allies;
- (6) provide nonclinical peer recovery support services, including but not limited to recovery support groups, recovery coaching, telephone recovery support, skill-building groups, and harm-reduction activities;
- (7) allow for and support opportunities for all paths toward recovery and refrain from excluding anyone based on their chosen recovery path, which may include but is not limited to harm reduction paths, faith-based paths, and nonfaith-based paths;
- (8) be purposeful in meeting the diverse needs of Black, Indigenous, and people of color communities, including board and staff development activities, organizational practices, service offerings, advocacy efforts, and culturally informed outreach and service plans;

(9) be stewards of recovery-friendly language that is supportive of and promotes recovery across diverse geographical and cultural contexts and reduces stigma; ~~and~~

(10) maintain an employee and volunteer code of ethics and easily accessible grievance procedures posted in physical spaces, on websites, or on program policies or forms; and

(11) not classify any recovery peer as an independent contractor.

(e) Recovery community organizations approved by the commissioner before June 30, 2023, shall retain their designation as recovery community organizations.

(f) A recovery community organization that is aggrieved by an accreditation or membership determination and believes it meets the requirements under paragraph (d) may appeal the determination under section 256.045, subdivision 3, paragraph (a), clause (15), for reconsideration as an eligible vendor.

(g) All recovery community organizations must be certified or accredited by an entity listed in paragraph (d) by January 1, 2025.

~~(g)~~ (h) Detoxification programs licensed under Minnesota Rules, parts 9530.6510 to 9530.6590, are not eligible vendors. Programs that are not licensed as a residential or nonresidential substance use disorder treatment or withdrawal management program by the commissioner or by Tribal government or do not meet the requirements of subdivisions 1a and 1b are not eligible vendors.

~~(h)~~ (i) Hospitals, federally qualified health centers, and rural health clinics are eligible vendors of a comprehensive assessment when the comprehensive assessment is completed according to section 245G.05 and by an individual who meets the criteria of an alcohol and drug counselor according to section 245G.11, subdivision 5. The alcohol and drug counselor must be individually enrolled with the commissioner and reported on the claim as the individual who provided the service.

Sec. 20. Minnesota Statutes 2023 Supplement, section 254B.05, subdivision 5, is amended to read:

Subd. 5. ~~Rate requirements~~ **Eligible services.** (a) The commissioner shall establish rates for substance use disorder services and service enhancements funded under this chapter.

(b) Eligible substance use disorder treatment services include:

(1) those licensed, as applicable, according to chapter 245G or applicable Tribal license ~~and provided according to the following ASAM levels of care. This clause expires when the services listed in subdivision 6 become eligible substance use disorder treatment services;~~

~~(i) ASAM level 0.5 early intervention services provided according to section 254B.19, subdivision 1, clause (1);~~

~~(ii) ASAM level 1.0 outpatient services provided according to section 254B.19, subdivision 1, clause (2);~~

~~(iii) ASAM level 2.1 intensive outpatient services provided according to section 254B.19, subdivision 1, clause (3);~~

~~(iv) ASAM level 2.5 partial hospitalization services provided according to section 254B.19, subdivision 1, clause (4);~~

~~(v) ASAM level 3.1 clinically managed low intensity residential services provided according to section 254B.19, subdivision 1, clause (5);~~

~~(vi) ASAM level 3.3 clinically managed population specific high intensity residential services provided according to section 254B.19, subdivision 1, clause (6); and~~

~~(vii) ASAM level 3.5 clinically managed high intensity residential services provided according to section 254B.19, subdivision 1, clause (7);~~

(2) comprehensive assessments provided according to ~~sections 245.4863, paragraph (a), and 245G.05~~ section 254A.19, subdivision 3;

(3) treatment coordination services provided according to section 245G.07, subdivision 1, paragraph (a), clause (5);

(4) peer recovery support services provided according to section 245G.07, subdivision 2, clause (8);

(5) withdrawal management services provided according to chapter 245F;

(6) hospital-based treatment services that are licensed according to sections 245G.01 to 245G.17 or applicable tribal license and licensed as a hospital under sections 144.50 to 144.56;

(7) substance use disorder treatment services with medications for opioid use disorder provided in an opioid treatment program licensed according to sections 245G.01 to 245G.17 and 245G.22, or under an applicable Tribal license;

(8) high, medium, and low intensity residential treatment services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable Tribal license which provide, respectively, 30, 15, and five hours of clinical services each week. This clause expires when the services listed in subdivision 7 become eligible substance use disorder treatment services;

~~(7)~~ (9) adolescent treatment programs that are licensed as outpatient treatment programs according to sections 245G.01 to 245G.18 or as residential treatment programs according to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430 to 2960.0490, or applicable tribal license;

~~(8)~~ (10) ASAM 3.5 clinically managed high-intensity residential services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable tribal license, which provide ASAM level of care 3.5 according to section 254B.19, subdivision 1, clause (7), and are provided by a state-operated vendor or to clients who have been civilly committed to the commissioner, present the most complex and difficult care needs, and are a potential threat to the community; and

~~(9)~~ (11) room and board facilities that meet the requirements of subdivision 1a.

(c) Beginning January 1, 2025, or upon federal approval, whichever is later, in addition to the services listed in paragraph (b), clauses (2) to (11), services licensed, as applicable, according to chapter 245G or applicable Tribal license and provided according to the following ASAM levels of care are eligible substance use disorder services:

(1) ASAM level 0.5 early intervention services provided according to section 254B.19, subdivision 1, clause (1);

(2) ASAM level 1.0 outpatient services provided according to section 254B.19, subdivision 1, clause (2);

(3) ASAM level 2.1 intensive outpatient services provided according to section 254B.19, subdivision 1, clause (3); and

(4) ASAM level 2.5 partial hospitalization services provided according to section 254B.19, subdivision 1, clause (4).

(d) Beginning January 1, 2026, or upon federal approval, whichever is later, in addition to the services listed in paragraph (b), clauses (2) to (11), and paragraph (c), services licensed, as applicable, according to chapter 245G or applicable Tribal license and provided according to the following ASAM levels of care are eligible substance use disorder services:

(1) ASAM level 3.1 clinically managed low-intensity residential services provided according to section 254B.19, subdivision 1, clause (5);

(2) ASAM level 3.3 clinically managed population-specific high-intensity residential services provided according to section 254B.19, subdivision 1, clause (6); and

(3) ASAM level 3.5 clinically managed high-intensity residential services provided according to section 254B.19, subdivision 1, clause (7).

~~(c) The commissioner shall establish higher rates for programs that meet the requirements of paragraph (b) and one of the following additional requirements:~~

~~(1) programs that serve parents with their children if the program:~~

~~(i) provides on-site child care during the hours of treatment activity that:~~

~~(A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter 9503; or~~

~~(B) is licensed under chapter 245A and sections 245G.01 to 245G.19; or~~

~~(ii) arranges for off-site child care during hours of treatment activity at a facility that is licensed under chapter 245A as:~~

~~(A) a child care center under Minnesota Rules, chapter 9503; or~~

~~(B) a family child care home under Minnesota Rules, chapter 9502;~~

~~(2) culturally specific or culturally responsive programs as defined in section 254B.01, subdivision 4a;~~

~~(3) disability responsive programs as defined in section 254B.01, subdivision 4b;~~

~~(4) programs that offer medical services delivered by appropriately credentialed health care staff in an amount equal to two hours per client per week if the medical needs of the client and the nature and provision of any medical services provided are documented in the client file; or~~

~~(5) programs that offer services to individuals with co-occurring mental health and substance use disorder problems if:~~

~~(i) the program meets the co-occurring requirements in section 245G.20;~~

~~(ii) 25 percent of the counseling staff are licensed mental health professionals under section 245I.04, subdivision 2, or are students or licensing candidates under the supervision of a licensed alcohol and drug counselor supervisor and mental health professional under section 245I.04, subdivision 2, except that no more than 50 percent of the mental health staff may be students or licensing candidates with time documented to be directly related to provisions of co-occurring services;~~

~~(iii) clients scoring positive on a standardized mental health screen receive a mental health diagnostic assessment within ten days of admission;~~

~~(iv) the program has standards for multidisciplinary case review that include a monthly review for each client that, at a minimum, includes a licensed mental health professional and licensed alcohol and drug counselor, and their involvement in the review is documented;~~

~~(v) family education is offered that addresses mental health and substance use disorder and the interaction between the two; and~~

~~(vi) co-occurring counseling staff shall receive eight hours of co-occurring disorder training annually.~~

~~(d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program that provides arrangements for off site child care must maintain current documentation at the substance use disorder facility of the child care provider's current licensure to provide child care services.~~

~~(e) Adolescent residential programs that meet the requirements of Minnesota Rules, parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements in paragraph (c), clause (4), items (i) to (iv).~~

~~(f) Subject to federal approval, substance use disorder services that are otherwise covered as direct face to face services may be provided via telehealth as defined in section 256B.0625, subdivision 3b. The use of telehealth to deliver services must be medically appropriate to the condition and needs of the person being served. Reimbursement shall be at the same rates and under the same conditions that would otherwise apply to direct face to face services.~~

~~(g) For the purpose of reimbursement under this section, substance use disorder treatment services provided in a group setting without a group participant maximum or maximum client to staff ratio under chapter 245G shall not exceed a client to staff ratio of 48 to one. At least one of the attending staff must meet the qualifications as established under this chapter for the type of treatment service provided. A recovery peer may not be included as part of the staff ratio.~~

~~(h) Payment for outpatient substance use disorder services that are licensed according to sections 245G.01 to 245G.17 is limited to six hours per day or 30 hours per week unless prior authorization of a greater number of hours is obtained from the commissioner.~~

~~(i) Payment for substance use disorder services under this section must start from the day of service initiation, when the comprehensive assessment is completed within the required timelines.~~

EFFECTIVE DATE. This section is effective August 1, 2024, except the amendments to paragraph (b), clause (1), and the amendment adding paragraphs (c) and (d) are effective the day following final enactment and the amendment adding paragraph (b), clause (8), is effective retroactively from January 1, 2024, with federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 21. Minnesota Statutes 2022, section 254B.05, is amended by adding a subdivision to read:

Subd. 6. Enhanced rate requirements. The commissioner shall establish higher rates for programs that meet the requirements of subdivision 5, paragraphs (b) to (d), and one of the following additional requirements:

(1) programs that serve parents with their children if the program:

(i) provides on-site child care during the hours of treatment activity that:

(A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter 9503; or

(B) is licensed under chapter 245A and sections 245G.01 to 245G.19; or

(ii) arranges for off-site child care during hours of treatment activity at a facility that is licensed under chapter 245A as:

(A) a child care center under Minnesota Rules, chapter 9503; or

(B) a family child care home under Minnesota Rules, chapter 9502;

(2) culturally specific or culturally responsive programs as defined in section 254B.01, subdivision 4a;

(3) disability responsive programs as defined in section 254B.01, subdivision 4b;

(4) programs that offer medical services delivered by appropriately credentialed health care staff in an amount equal to two hours per client per week if the medical needs of the client and the nature and provision of any medical services provided are documented in the client file; or

(5) programs that offer services to individuals with co-occurring mental health and substance use disorder problems if:

(i) the program meets the co-occurring requirements in section 245G.20;

(ii) 25 percent of the counseling staff are licensed mental health professionals under section 245I.04, subdivision 2, or are students or licensing candidates under the supervision of a licensed alcohol and drug counselor supervisor and mental health professional under section 245I.04, subdivision 2, except that no more than 50 percent of the mental health staff may be students or licensing candidates with time documented to be directly related to provisions of co-occurring services;

(iii) clients scoring positive on a standardized mental health screen receive a mental health diagnostic assessment within ten days of admission;

(iv) the program has standards for multidisciplinary case review that include a monthly review for each client that, at a minimum, includes a licensed mental health professional and licensed alcohol and drug counselor, and their involvement in the review is documented;

(v) family education is offered that addresses mental health and substance use disorder and the interaction between the two; and

(vi) co-occurring counseling staff shall receive eight hours of co-occurring disorder training annually.

EFFECTIVE DATE. This section is effective August 1, 2024.

Sec. 22. Minnesota Statutes 2022, section 254B.05, is amended by adding a subdivision to read:

Subd. 7. Other rate requirements. (a) In order to be eligible for a higher rate under subdivision 6, clause (1), a program that provides arrangements for off-site child care must maintain current documentation at the substance use disorder facility of the child care provider's current licensure to provide child care services.

(b) Adolescent residential programs that meet the requirements of Minnesota Rules, parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements in subdivision 6, clause (5), items (i) to (iv).

(c) Subject to federal approval, substance use disorder services that are otherwise covered as direct face-to-face services may be provided via telehealth as defined in section 256B.0625, subdivision 3b. The use of telehealth to deliver services must be medically appropriate to the condition and needs of the person being served. Reimbursement shall be at the same rates and under the same conditions that would otherwise apply to direct face-to-face services.

(d) For the purpose of reimbursement under this section, substance use disorder treatment services provided in a group setting without a group participant maximum or maximum client to staff ratio under chapter 245G shall not exceed a client to staff ratio of 48 to one. At least one of the attending staff must meet the qualifications as established under this chapter for the type of treatment service provided. A recovery peer may not be included as part of the staff ratio.

(e) Payment for outpatient substance use disorder services that are licensed according to sections 245G.01 to 245G.17 is limited to six hours per day or 30 hours per week unless prior authorization of a greater number of hours is obtained from the commissioner.

(f) Payment for substance use disorder services under this section must start from the day of service initiation, when the comprehensive assessment is completed within the required timelines.

EFFECTIVE DATE. This section is effective August 1, 2024.

Sec. 23. Minnesota Statutes 2022, section 254B.12, subdivision 3, is amended to read:

Subd. 3. **Substance use disorder provider rate increase.** For the eligible substance use disorder services listed in section 254B.05, subdivision 5, and provided on or after July 1, 2017, payment rates shall be increased by one percent over the rates in effect on January 1, 2017, for vendors who meet the requirements of section 254B.05.

Sec. 24. Minnesota Statutes 2022, section 254B.12, subdivision 4, is amended to read:

Subd. 4. **Culturally specific or culturally responsive program and disability responsive program provider rate increase.** For the eligible substance use disorder services listed in section 254B.05, subdivision 5, provided by programs that meet the requirements of section 254B.05, subdivision 5, ~~paragraph (c)~~ 6, clauses (1), (2), and (3), on or after January 1, 2022, payment rates shall increase by five percent over the rates in effect on January 1, 2021. The commissioner shall increase prepaid medical assistance capitation rates as appropriate to reflect this increase.

Sec. 25. Minnesota Statutes 2023 Supplement, section 254B.181, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** All sober homes must comply with applicable state laws and regulations and local ordinances related to maximum occupancy, fire safety, and sanitation. In addition, all sober homes must:

(1) maintain a supply of an opiate antagonist in the home in a conspicuous location and post information on proper use;

(2) have written policies regarding access to all prescribed medications;

(3) have written policies regarding evictions;

(4) return all property and medications to a person discharged from the home and retain the items for a minimum of 60 days if the person did not collect them upon discharge. The owner must make an effort to contact persons listed as emergency contacts for the discharged person so that the items are returned;

(5) document the names and contact information for persons to contact in case of an emergency or upon discharge and notification of a family member, or other emergency contact designated by the resident under certain circumstances, including but not limited to death due to an overdose;

(6) maintain contact information for emergency resources in the community to address mental health and health emergencies;

(7) have policies on staff qualifications and prohibition against fraternization;

(8) ~~have a policy on whether the use of medications for opioid use disorder is permissible~~ permit residents to use, as directed by a licensed prescriber, legally prescribed and dispensed or administered pharmacotherapies approved by the United States Food and Drug Administration for the treatment of opioid use disorder and other medications approved by the United States Food and Drug Administration to treat co-occurring substance use disorders and mental health conditions;

(9) have a fee schedule and refund policy;

(10) have rules for residents;

(11) have policies that promote resident participation in treatment, self-help groups, or other recovery supports;

(12) have policies requiring abstinence from alcohol and illicit drugs; and

(13) distribute the sober home bill of rights.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 26. Minnesota Statutes 2023 Supplement, section 254B.19, subdivision 1, is amended to read:

Subdivision 1. **Level of care requirements.** For each client assigned an ASAM level of care, eligible vendors must implement the standards set by the ASAM for the respective level of care. Additionally, vendors must meet the following requirements:

(1) For ASAM level 0.5 early intervention targeting individuals who are at risk of developing a substance-related problem but may not have a diagnosed substance use disorder, early intervention services may include individual or group counseling, treatment coordination, peer recovery support, screening brief intervention, and referral to treatment provided according to section 254A.03, subdivision 3, paragraph (c).

(2) For ASAM level 1.0 outpatient clients, adults must receive up to eight hours per week of skilled treatment services and adolescents must receive up to five hours per week. Services must be licensed according to section 245G.20 and meet requirements under section 256B.0759. Peer recovery and treatment coordination may be provided beyond the hourly skilled treatment service hours allowable per week.

(3) For ASAM level 2.1 intensive outpatient clients, adults must receive nine to 19 hours per week of skilled treatment services and adolescents must receive six or more hours per week. Vendors must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Peer recovery services and treatment

coordination may be provided beyond the hourly skilled treatment service hours allowable per week. If clinically indicated on the client's treatment plan, this service may be provided in conjunction with room and board according to section 254B.05, subdivision 1a.

(4) For ASAM level 2.5 partial hospitalization clients, adults must receive 20 hours or more of skilled treatment services. Services must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Level 2.5 is for clients who need daily monitoring in a structured setting, as directed by the individual treatment plan and in accordance with the limitations in section 254B.05, subdivision 5, paragraph (h). If clinically indicated on the client's treatment plan, this service may be provided in conjunction with room and board according to section 254B.05, subdivision 1a.

(5) For ASAM level 3.1 clinically managed low-intensity residential clients, programs must provide ~~at least 5~~ between nine and 19 hours of skilled treatment services per week according to each client's specific treatment schedule, as directed by the individual treatment plan. Programs must be licensed according to section 245G.20 and must meet requirements under section 256B.0759.

(6) For ASAM level 3.3 clinically managed population-specific high-intensity residential clients, programs must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Programs must have 24-hour staffing coverage. Programs must be enrolled as a disability responsive program as described in section 254B.01, subdivision 4b, and must specialize in serving persons with a traumatic brain injury or a cognitive impairment so significant, and the resulting level of impairment so great, that outpatient or other levels of residential care would not be feasible or effective. Programs must provide, ~~at a minimum, daily skilled treatment services seven days a~~ 20 or more hours of skilled treatment services per week according to each client's specific treatment schedule, as directed by the individual treatment plan.

(7) For ASAM level 3.5 clinically managed high-intensity residential clients, services must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Programs must have 24-hour staffing coverage and provide, ~~at a minimum, daily skilled treatment services seven days a~~ 20 or more hours of skilled treatment services per week according to each client's specific treatment schedule, as directed by the individual treatment plan.

(8) For ASAM level withdrawal management 3.2 clinically managed clients, withdrawal management must be provided according to chapter 245F.

(9) For ASAM level withdrawal management 3.7 medically monitored clients, withdrawal management must be provided according to chapter 245F.

EFFECTIVE DATE. This section is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval has been obtained.

Sec. 27. Minnesota Statutes 2023 Supplement, section 256B.0759, subdivision 2, is amended to read:

Subd. 2. **Provider participation.** (a) Programs licensed by the Department of Human Services as nonresidential substance use disorder treatment programs that receive payment under this chapter must enroll as demonstration project providers and meet the requirements of subdivision 3 by January 1, 2025. Programs that do not meet the requirements of this paragraph are ineligible for payment for services provided under section 256B.0625.

(b) Programs licensed by the Department of Human Services as residential treatment programs according to section 245G.21 that receive payment under this chapter must enroll as demonstration project providers and meet the requirements of subdivision 3 by January 1, 2024. Programs that do not meet the requirements of this paragraph are ineligible for payment for services provided under section 256B.0625.

(c) Programs licensed by the Department of Human Services as residential treatment programs according to section 245G.21 that receive payment under this chapter ~~and~~ are licensed as a hospital under sections 144.50 to 144.581 ~~must, and provide only ASAM 3.7 medically monitored inpatient level of care are not required to~~ enroll as demonstration project providers ~~and meet the requirements of subdivision 3 by January 1, 2025.~~ Programs meeting these criteria must submit evidence of providing the required level of care to the commissioner to be exempt from enrolling in the demonstration.

(d) Programs licensed by the Department of Human Services as withdrawal management programs according to chapter 245F that receive payment under this chapter must enroll as demonstration project providers and meet the requirements of subdivision 3 by January 1, 2024. Programs that do not meet the requirements of this paragraph are ineligible for payment for services provided under section 256B.0625.

(e) Out-of-state residential substance use disorder treatment programs that receive payment under this chapter must enroll as demonstration project providers and meet the requirements of subdivision 3 by January 1, 2024. Programs that do not meet the requirements of this paragraph are ineligible for payment for services provided under section 256B.0625.

(f) Tribally licensed programs may elect to participate in the demonstration project and meet the requirements of subdivision 3. The Department of Human Services must consult with Tribal Nations to discuss participation in the substance use disorder demonstration project.

(g) The commissioner shall allow providers enrolled in the demonstration project before July 1, 2021, to receive applicable rate enhancements authorized under subdivision 4 for all services provided on or after the date of enrollment, except that the commissioner shall allow a provider to receive applicable rate enhancements authorized under subdivision 4 for services provided on or after July 22, 2020, to fee-for-service enrollees, and on or after January 1, 2021, to managed care enrollees, if the provider meets all of the following requirements:

(1) the provider attests that during the time period for which the provider is seeking the rate enhancement, the provider took meaningful steps in their plan approved by the commissioner to meet the demonstration project requirements in subdivision 3; and

(2) the provider submits attestation and evidence, including all information requested by the commissioner, of meeting the requirements of subdivision 3 to the commissioner in a format required by the commissioner.

(h) The commissioner may recoup any rate enhancements paid under paragraph (g) to a provider that does not meet the requirements of subdivision 3 by July 1, 2021.

Sec. 28. Minnesota Statutes 2022, section 256B.0759, subdivision 4, is amended to read:

Subd. 4. **Provider payment rates.** (a) Payment rates for participating providers must be increased for services provided to medical assistance enrollees. To receive a rate increase, participating providers must meet demonstration project requirements and provide evidence of formal referral arrangements with providers delivering step-up or step-down levels of care. Providers that have enrolled in the demonstration project but have not met the provider standards under subdivision 3 as of July 1, 2022, are not eligible for a rate increase under this subdivision until the date that the provider meets the provider standards in subdivision 3. Services provided from July 1, 2022, to the date that the provider meets the provider standards under subdivision 3 shall be reimbursed at rates according

to section 254B.05, subdivision 5, ~~paragraph~~ paragraphs (b) to (d). Rate increases paid under this subdivision to a provider for services provided between July 1, 2021, and July 1, 2022, are not subject to recoupment when the provider is taking meaningful steps to meet demonstration project requirements that are not otherwise required by law, and the provider provides documentation to the commissioner, upon request, of the steps being taken.

(b) The commissioner may temporarily suspend payments to the provider according to section 256B.04, subdivision 21, paragraph (d), if the provider does not meet the requirements in paragraph (a). Payments withheld from the provider must be made once the commissioner determines that the requirements in paragraph (a) are met.

(c) For substance use disorder services under section 254B.05, subdivision 5, paragraph (b), clause ~~(8)~~ (10), provided on or after July 1, 2020, payment rates must be increased by 25 percent over the rates in effect on December 31, 2019.

(d) For substance use disorder services under section 254B.05, subdivision 5, paragraph (b), clauses (1), (6), and (7), and paragraphs (c) and (d), and adolescent treatment programs that are licensed as outpatient treatment programs according to sections 245G.01 to 245G.18, provided on or after January 1, 2021, payment rates must be increased by 20 percent over the rates in effect on December 31, 2020.

(e) Effective January 1, 2021, and contingent on annual federal approval, managed care plans and county-based purchasing plans must reimburse providers of the substance use disorder services meeting the criteria described in paragraph (a) who are employed by or under contract with the plan an amount that is at least equal to the fee-for-service base rate payment for the substance use disorder services described in paragraphs (c) and (d). The commissioner must monitor the effect of this requirement on the rate of access to substance use disorder services and residential substance use disorder rates. Capitation rates paid to managed care organizations and county-based purchasing plans must reflect the impact of this requirement. This paragraph expires if federal approval is not received at any time as required under this paragraph.

(f) Effective July 1, 2021, contracts between managed care plans and county-based purchasing plans and providers to whom paragraph (e) applies must allow recovery of payments from those providers if, for any contract year, federal approval for the provisions of paragraph (e) is not received, and capitation rates are adjusted as a result. Payment recoveries must not exceed the amount equal to any decrease in rates that results from this provision.

Sec. 29. Laws 2021, First Special Session chapter 7, article 11, section 38, as amended by Laws 2022, chapter 98, article 4, section 50, is amended to read:

Sec. 38. DIRECTION TO THE COMMISSIONER; SUBSTANCE USE DISORDER TREATMENT PAPERWORK REDUCTION.

(a) The commissioner of human services, in consultation with counties, tribes, managed care organizations, substance use disorder treatment professional associations, and other relevant stakeholders, shall develop, assess, and recommend systems improvements to minimize regulatory paperwork and improve systems for substance use disorder programs licensed under Minnesota Statutes, chapter 245A, and regulated under Minnesota Statutes, chapters 245F and 245G, and Minnesota Rules, chapters 2960 and 9530. The commissioner of human services shall make available any resources needed from other divisions within the department to implement systems improvements.

(b) The commissioner of health shall make available needed information and resources from the Division of Health Policy.

(c) The Office of MN.IT Services shall provide advance consultation and implementation of the changes needed in data systems.

(d) The commissioner of human services shall contract with a vendor that has experience with developing statewide system changes for multiple states at the payer and provider levels. If the commissioner, after exercising reasonable diligence, is unable to secure a vendor with the requisite qualifications, the commissioner may select the best qualified vendor available. When developing recommendations, the commissioner shall consider input from all stakeholders. The commissioner's recommendations shall maximize benefits for clients and utility for providers, regulatory agencies, and payers.

(e) The commissioner of human services and the contracted vendor shall follow the recommendations from the report issued in response to Laws 2019, First Special Session chapter 9, article 6, section 76.

(f) ~~Within two years of contracting with a qualified vendor according to paragraph (d)~~ By December 15, 2024, the commissioner of human services shall take steps to implement paperwork reductions and systems improvements within the commissioner's authority and submit to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services a report that includes recommendations for changes in statutes that would further enhance systems improvements to reduce paperwork. The report shall include a summary of the approaches developed and assessed by the commissioner of human services and stakeholders and the results of any assessments conducted.

Sec. 30. **REPEALER.**

Minnesota Statutes 2022, section 245G.22, subdivisions 4 and 7, are repealed.

ARTICLE 6
DIRECT CARE AND TREATMENT

Section 1. Minnesota Statutes 2022, section 246.71, subdivision 3, is amended to read:

Subd. 3. **Patient.** "Patient" means any person who is receiving treatment from or committed to a ~~secure~~ state-operated treatment facility program, including the Minnesota Sex Offender Program.

Sec. 2. Minnesota Statutes 2022, section 246.71, subdivision 4, is amended to read:

Subd. 4. **Employee of a ~~secure treatment facility~~ state-operated treatment program or employee.** "Employee of a ~~secure treatment facility~~ state-operated treatment program" or "employee" means an employee of ~~the Minnesota Security Hospital or a secure treatment facility operated by the Minnesota Sex Offender Program~~ any state-operated treatment program.

Sec. 3. Minnesota Statutes 2022, section 246.71, subdivision 5, is amended to read:

Subd. 5. **~~Secure treatment facility~~ State-operated treatment program.** "~~Secure treatment facility~~" "State-operated treatment program" means ~~the Minnesota Security Hospital and the Minnesota Sex Offender Program facility in Moose Lake and any portion of the Minnesota Sex Offender Program operated by the Minnesota Sex Offender Program at the Minnesota Security Hospital~~ any state-operated treatment program under the jurisdiction of the executive board, including the Minnesota Sex Offender Program, community behavioral health hospitals, crisis centers, residential facilities, outpatient services, and other community-based services under the executive board's control.

Sec. 4. Minnesota Statutes 2022, section 246.711, is amended to read:

246.711 CONDITIONS FOR APPLICABILITY OF PROCEDURES.

Subdivision 1. **Request for procedures.** An employee of a ~~secure treatment facility~~ state-operated treatment program may request that the procedures of sections 246.71 to 246.722 be followed when the employee may have experienced a significant exposure to a patient.

Subd. 2. **Conditions.** The ~~secure treatment facility~~ state-operated treatment program shall follow the procedures in sections 246.71 to 246.722 when all of the following conditions are met:

(1) a licensed physician, advanced practice registered nurse, or physician assistant determines that a significant exposure has occurred following the protocol under section 246.721;

(2) the licensed physician, advanced practice registered nurse, or physician assistant for the employee needs the patient's blood-borne pathogens test results to begin, continue, modify, or discontinue treatment in accordance with the most current guidelines of the United States Public Health Service, because of possible exposure to a blood-borne pathogen; and

(3) the employee consents to providing a blood sample for testing for a blood-borne pathogen.

Sec. 5. Minnesota Statutes 2022, section 246.712, subdivision 1, is amended to read:

Subdivision 1. **Information to patient.** (a) Before seeking any consent required by the procedures under sections 246.71 to 246.722, a ~~secure treatment facility~~ state-operated treatment program shall inform the patient that the patient's blood-borne pathogen test results, without the patient's name or other uniquely identifying information, shall be reported to the employee if requested and that test results collected under sections 246.71 to 246.722 are for medical purposes as set forth in section 246.718 and may not be used as evidence in any criminal proceedings or civil proceedings, except for procedures under sections 144.4171 to 144.4186.

(b) The ~~secure treatment facility~~ state-operated treatment program shall inform the patient of the insurance protections in section 72A.20, subdivision 29.

(c) The ~~secure treatment facility~~ state-operated treatment program shall inform the patient that the patient may refuse to provide a blood sample and that the patient's refusal may result in a request for a court order to require the patient to provide a blood sample.

(d) The ~~secure treatment facility~~ state-operated treatment program shall inform the patient that the ~~secure treatment facility~~ state-operated treatment program will advise the employee of a ~~secure treatment facility~~ state-operated treatment program of the confidentiality requirements and penalties before the employee's health care provider discloses any test results.

Sec. 6. Minnesota Statutes 2022, section 246.712, subdivision 2, is amended to read:

Subd. 2. **Information to ~~secure treatment facility~~ state-operated treatment program employee.** (a) Before disclosing any information about the patient, the ~~secure treatment facility~~ state-operated treatment program shall inform the employee of a ~~secure treatment facility~~ state-operated treatment program of the confidentiality requirements of section 246.719 and that the person may be subject to penalties for unauthorized release of test results about the patient under section 246.72.

(b) The ~~secure treatment facility~~ state-operated treatment program shall inform the employee of the insurance protections in section 72A.20, subdivision 29.

Sec. 7. Minnesota Statutes 2022, section 246.713, is amended to read:

246.713 DISCLOSURE OF POSITIVE BLOOD-BORNE PATHOGEN TEST RESULTS.

If the conditions of sections 246.711 and 246.712 are met, the ~~secure treatment facility~~ state-operated treatment program shall ask the patient if the patient has ever had a positive test for a blood-borne pathogen. The ~~secure treatment facility~~ state-operated treatment program must attempt to get existing test results under this section before taking any steps to obtain a blood sample or to test for blood-borne pathogens. The ~~secure treatment facility~~ state-operated treatment program shall disclose the patient's blood-borne pathogen test results to the employee without the patient's name or other uniquely identifying information.

Sec. 8. Minnesota Statutes 2022, section 246.714, is amended to read:

246.714 CONSENT PROCEDURES GENERALLY.

(a) For purposes of sections 246.71 to 246.722, whenever the ~~secure treatment facility~~ state-operated treatment program is required to seek consent, the ~~secure treatment facility~~ state-operated treatment program shall obtain consent from a patient or a patient's representative consistent with other law applicable to consent.

(b) Consent is not required if the ~~secure treatment facility~~ state-operated treatment program has made reasonable efforts to obtain the representative's consent and consent cannot be obtained within 24 hours of a significant exposure.

(c) If testing of available blood occurs without consent because the patient is unconscious or unable to provide consent, and a representative cannot be located, the ~~secure treatment facility~~ state-operated treatment program shall provide the information required in section 246.712 to the patient or representative whenever it is possible to do so.

(d) If a patient dies before an opportunity to consent to blood collection or testing under sections 246.71 to 246.722, the ~~secure treatment facility~~ state-operated treatment program does not need consent of the patient's representative for purposes of sections 246.71 to 246.722.

Sec. 9. Minnesota Statutes 2022, section 246.715, subdivision 1, is amended to read:

Subdivision 1. **Procedures with consent.** If a sample of the patient's blood is available, the ~~secure treatment facility~~ state-operated treatment program shall ensure that blood is tested for blood-borne pathogens with the consent of the patient, provided the conditions in sections 246.711 and 246.712 are met.

Sec. 10. Minnesota Statutes 2022, section 246.715, subdivision 2, is amended to read:

Subd. 2. **Procedures without consent.** If the patient has provided a blood sample, but does not consent to blood-borne pathogens testing, the ~~secure treatment facility~~ state-operated treatment program shall ensure that the blood is tested for blood-borne pathogens if the employee requests the test, provided all of the following criteria are met:

(1) the employee and ~~secure treatment facility~~ state-operated treatment program have documented exposure to blood or body fluids during performance of the employee's work duties;

(2) a licensed physician, advanced practice registered nurse, or physician assistant has determined that a significant exposure has occurred under section 246.711 and has documented that blood-borne pathogen test results are needed for beginning, modifying, continuing, or discontinuing medical treatment for the employee as recommended by the most current guidelines of the United States Public Health Service;

(3) the employee provides a blood sample for testing for blood-borne pathogens as soon as feasible;

(4) the ~~secure treatment facility~~ state-operated treatment program asks the patient to consent to a test for blood-borne pathogens and the patient does not consent;

(5) the ~~secure treatment facility~~ state-operated treatment program has provided the patient and the employee with all of the information required by section 246.712; and

(6) the ~~secure treatment facility~~ state-operated treatment program has informed the employee of the confidentiality requirements of section 246.719 and the penalties for unauthorized release of patient information under section 246.72.

Sec. 11. Minnesota Statutes 2022, section 246.715, subdivision 3, is amended to read:

Subd. 3. **Follow-up.** The ~~secure treatment facility~~ state-operated treatment program shall inform the patient whose blood was tested of the results. The ~~secure treatment facility~~ state-operated treatment program shall inform the employee's health care provider of the patient's test results without the patient's name or other uniquely identifying information.

Sec. 12. Minnesota Statutes 2022, section 246.716, subdivision 1, is amended to read:

Subdivision 1. **Procedures with consent.** (a) If a blood sample is not otherwise available, the ~~secure treatment facility~~ state-operated treatment program shall obtain consent from the patient before collecting a blood sample for testing for blood-borne pathogens. The consent process shall include informing the patient that the patient may refuse to provide a blood sample and that the patient's refusal may result in a request for a court order under subdivision 2 to require the patient to provide a blood sample.

(b) If the patient consents to provide a blood sample, the ~~secure treatment facility~~ state-operated treatment program shall collect a blood sample and ensure that the sample is tested for blood-borne pathogens.

(c) The ~~secure treatment facility~~ state-operated treatment program shall inform the employee's health care provider about the patient's test results without the patient's name or other uniquely identifying information. The ~~secure treatment facility~~ state-operated treatment program shall inform the patient of the test results.

(d) If the patient refuses to provide a blood sample for testing, the ~~secure treatment facility~~ state-operated treatment program shall inform the employee of the patient's refusal.

Sec. 13. Minnesota Statutes 2022, section 246.716, subdivision 2, is amended to read:

Subd. 2. **Procedures without consent.** (a) A ~~secure treatment facility~~ state-operated treatment program or an employee of a ~~secure treatment facility~~ state-operated treatment program may bring a petition for a court order to require a patient to provide a blood sample for testing for blood-borne pathogens. The petition shall be filed in the district court in the county where the patient is receiving treatment from the ~~secure treatment facility~~ state-operated treatment program. The ~~secure treatment facility~~ state-operated treatment program shall serve the petition on the patient three days before a hearing on the petition. The petition shall include one or more affidavits attesting that:

(1) the ~~secure treatment facility~~ state-operated treatment program followed the procedures in sections 246.71 to 246.722 and attempted to obtain blood-borne pathogen test results according to those sections;

(2) a licensed physician, advanced practice registered nurse, or physician assistant knowledgeable about the most current recommendations of the United States Public Health Service has determined that a significant exposure has occurred to the employee of a ~~secure treatment facility~~ state-operated treatment program under section 246.721; and

(3) a physician, advanced practice registered nurse, or physician assistant has documented that the employee has provided a blood sample and consented to testing for blood-borne pathogens and blood-borne pathogen test results are needed for beginning, continuing, modifying, or discontinuing medical treatment for the employee under section 246.721.

(b) Facilities shall cooperate with petitioners in providing any necessary affidavits to the extent that facility staff can attest under oath to the facts in the affidavits.

(c) The court may order the patient to provide a blood sample for blood-borne pathogen testing if:

(1) there is probable cause to believe the employee of a ~~secure treatment facility~~ state-operated treatment program has experienced a significant exposure to the patient;

(2) the court imposes appropriate safeguards against unauthorized disclosure that must specify the persons who have access to the test results and the purposes for which the test results may be used;

(3) a licensed physician, advanced practice registered nurse, or physician assistant for the employee of a ~~secure treatment facility~~ state-operated treatment program needs the test results for beginning, continuing, modifying, or discontinuing medical treatment for the employee; and

(4) the court finds a compelling need for the test results. In assessing compelling need, the court shall weigh the need for the court-ordered blood collection and test results against the interests of the patient, including, but not limited to, privacy, health, safety, or economic interests. The court shall also consider whether involuntary blood collection and testing would serve the public interests.

(d) The court shall conduct the proceeding in camera unless the petitioner or the patient requests a hearing in open court and the court determines that a public hearing is necessary to the public interest and the proper administration of justice.

(e) The patient may arrange for counsel in any proceeding brought under this subdivision.

Sec. 14. Minnesota Statutes 2022, section 246.717, is amended to read:

246.717 NO DISCRIMINATION.

A ~~secure treatment facility~~ state-operated treatment program shall not withhold care or treatment on the requirement that the patient consent to blood-borne pathogen testing under sections 246.71 to 246.722.

Sec. 15. Minnesota Statutes 2022, section 246.72, is amended to read:

246.72 PENALTY FOR UNAUTHORIZED RELEASE OF INFORMATION.

Unauthorized release of the patient's name or other uniquely identifying information under sections 246.71 to 246.722 is subject to the remedies and penalties under sections 13.08 and 13.09. This section does not preclude private causes of action against an individual, state agency, statewide system, political subdivision, or person responsible for releasing private data, or confidential or private information on the ~~inmate~~ patient.

Sec. 16. Minnesota Statutes 2022, section 246.721, is amended to read:

246.721 PROTOCOL FOR EXPOSURE TO BLOOD-BORNE PATHOGENS.

(a) A ~~secure treatment facility~~ state-operated treatment program shall follow applicable Occupational Safety and Health Administration guidelines under Code of Federal Regulations, title 29, part 1910.1030, for blood-borne pathogens.

(b) Every ~~secure treatment facility~~ state-operated treatment program shall adopt and follow a postexposure protocol for employees at a ~~secure treatment facility~~ state-operated treatment program who have experienced a significant exposure. The postexposure protocol must adhere to the most current recommendations of the United States Public Health Service and include, at a minimum, the following:

(1) a process for employees to report an exposure in a timely fashion;

(2) a process for an infectious disease specialist, or a licensed physician, advanced practice registered nurse, or physician assistant who is knowledgeable about the most current recommendations of the United States Public Health Service in consultation with an infectious disease specialist, (i) to determine whether a significant exposure to one or more blood-borne pathogens has occurred, and (ii) to provide, under the direction of a licensed physician, advanced practice registered nurse, or physician assistant, a recommendation or recommendations for follow-up treatment appropriate to the particular blood-borne pathogen or pathogens for which a significant exposure has been determined;

(3) if there has been a significant exposure, a process to determine whether the patient has a blood-borne pathogen through disclosure of test results, or through blood collection and testing as required by sections 246.71 to 246.722;

(4) a process for providing appropriate counseling prior to and following testing for a blood-borne pathogen regarding the likelihood of blood-borne pathogen transmission and follow-up recommendations according to the most current recommendations of the United States Public Health Service, recommendations for testing, and treatment;

(5) a process for providing appropriate counseling under clause (4) to the employee of a ~~secure treatment facility~~ state-operated treatment program and to the patient; and

(6) compliance with applicable state and federal laws relating to data practices, confidentiality, informed consent, and the patient bill of rights.

Sec. 17. Minnesota Statutes 2022, section 246.722, is amended to read:

246.722 IMMUNITY.

A ~~secure treatment facility~~ state-operated treatment program, licensed physician, advanced practice registered nurse, physician assistant, and designated health care personnel are immune from liability in any civil, administrative, or criminal action relating to the disclosure of test results of a patient to an employee of a ~~secure treatment facility~~ state-operated treatment program and the testing of a blood sample from the patient for blood-borne pathogens if a good faith effort has been made to comply with sections 246.71 to 246.722.

Sec. 18. Laws 2023, chapter 61, article 8, section 13, subdivision 2, is amended to read:

Subd. 2. **Membership.** (a) The task force shall consist of the following members, appointed as follows:

- (1) a member appointed by the governor;
 - (2) the commissioner of human services, or a designee;
 - (3) a member representing Department of Human Services direct care and treatment services who has experience with civil commitments, appointed by the commissioner of human services;
 - (4) the ombudsman for mental health and developmental disabilities;
 - (5) a hospital representative, appointed by the Minnesota Hospital Association;
 - (6) a county representative, appointed by the Association of Minnesota Counties;
 - (7) a county social services representative, appointed by the Minnesota Association of County Social Service Administrators;
 - (8) a member appointed by the ~~Minnesota Civil Commitment Defense Panel~~ Hennepin County Commitment Defense Project;
 - (9) a county attorney, appointed by the Minnesota County Attorneys Association;
 - (10) a county sheriff, appointed by the Minnesota Sheriffs' Association;
 - (11) a member appointed by the Minnesota Psychiatric Society;
 - (12) a member appointed by the Minnesota Association of Community Mental Health Programs;
 - (13) a member appointed by the National Alliance on Mental Illness Minnesota;
 - (14) the Minnesota Attorney General;
 - (15) three individuals from organizations representing racial and ethnic groups that are overrepresented in the criminal justice system, appointed by the commissioner of corrections; and
 - (16) one member of the public with lived experience directly related to the task force's purposes, appointed by the governor.
- (b) Appointments must be made no later than July 15, 2023.
- (c) Member compensation and reimbursement for expenses are governed by Minnesota Statutes, section 15.059, subdivision 3.
- (d) A member of the legislature may not serve as a member of the task force.

ARTICLE 7
MISCELLANEOUS

Section 1. Minnesota Statutes 2022, section 254A.03, subdivision 1, is amended to read:

Subdivision 1. **Alcohol and Other Drug Abuse Section.** There is hereby created an Alcohol and Other Drug Abuse Section in the Department of Human Services. This section shall be headed by a director. The commissioner may place the director's position in the unclassified service if the position meets the criteria established in section 43A.08, subdivision 1a. The section shall:

(1) conduct and foster basic research relating to the cause, prevention and methods of diagnosis, treatment and recovery of persons with substance misuse and substance use disorder;

(2) coordinate and review all activities and programs of all the various state departments as they relate to problems associated with substance misuse and substance use disorder;

(3) develop, demonstrate, and disseminate new methods and techniques for prevention, early intervention, treatment and recovery support for substance misuse and substance use disorder;

(4) gather facts and information about substance misuse and substance use disorder, and about the efficiency and effectiveness of prevention, treatment, and recovery support services from all comprehensive programs, including programs approved or licensed by the commissioner of human services or the commissioner of health or accredited by the Joint Commission on Accreditation of Hospitals. The state authority is authorized to require information from comprehensive programs which is reasonable and necessary to fulfill these duties. When required information has been previously furnished to a state or local governmental agency, the state authority shall collect the information from the governmental agency. The state authority shall disseminate facts and summary information about problems associated with substance misuse and substance use disorder to public and private agencies, local governments, local and regional planning agencies, and the courts for guidance to and assistance in prevention, treatment and recovery support;

(5) inform and educate the general public on substance misuse and substance use disorder;

(6) serve as the state authority concerning substance misuse and substance use disorder by monitoring the conduct of diagnosis and referral services, research and comprehensive programs. The state authority shall submit a biennial report to the governor ~~and the legislature~~ containing a description of public services delivery and recommendations concerning increase of coordination and quality of services, and decrease of service duplication and cost;

(7) establish a state plan which shall set forth goals and priorities for a comprehensive continuum of care for substance misuse and substance use disorder for Minnesota. All state agencies operating substance misuse or substance use disorder programs or administering state or federal funds for such programs shall annually set their program goals and priorities in accordance with the state plan. Each state agency shall annually submit its plans and budgets to the state authority for review. The state authority shall certify whether proposed services comply with the comprehensive state plan and advise each state agency of review findings;

(8) make contracts with and grants to public and private agencies and organizations, both profit and nonprofit, and individuals, using federal funds, and state funds as authorized to pay for costs of state administration, including evaluation, statewide programs and services, research and demonstration projects, and American Indian programs;

(9) receive and administer money available for substance misuse and substance use disorder programs under the alcohol, drug abuse, and mental health services block grant, United States Code, title 42, sections 300X to 300X-9;

(10) solicit and accept any gift of money or property for purposes of Laws 1973, chapter 572, and any grant of money, services, or property from the federal government, the state, any political subdivision thereof, or any private source;

(11) with respect to substance misuse and substance use disorder programs serving the American Indian community, establish guidelines for the employment of personnel with considerable practical experience in substance misuse and substance use disorder, and understanding of social and cultural problems related to substance misuse and substance use disorder, in the American Indian community.

Sec. 2. Minnesota Statutes 2023 Supplement, section 256B.4914, subdivision 10, is amended to read:

Subd. 10. **Evaluation of information and data.** (a) The commissioner shall, within available resources, conduct research and gather data and information from existing state systems or other outside sources on the following items:

(1) differences in the underlying cost to provide services and care across the state;

(2) mileage, vehicle type, lift requirements, incidents of individual and shared rides, and units of transportation for all day services, which must be collected from providers using the rate management worksheet and entered into the rates management system; and

(3) the distinct underlying costs for services provided by a license holder under sections 245D.05, 245D.06, 245D.07, 245D.071, 245D.081, and 245D.09, and for services provided by a license holder certified under section 245D.33.

(b) The commissioner, in consultation with stakeholders, shall review and evaluate the following values already in subdivisions 6 to 9, or issues that impact all services, including, but not limited to:

(1) values for transportation rates;

(2) values for services where monitoring technology replaces staff time;

(3) values for indirect services;

(4) values for nursing;

(5) values for the facility use rate in day services, and the weightings used in the day service ratios and adjustments to those weightings;

(6) values for workers' compensation as part of employee-related expenses;

(7) values for unemployment insurance as part of employee-related expenses;

(8) direct care workforce labor market measures;

(9) any changes in state or federal law with a direct impact on the underlying cost of providing home and community-based services;

(10) outcome measures, determined by the commissioner, for home and community-based services rates determined under this section; and

(11) different competitive workforce factors by service, as determined under subdivision 10b.

~~(c) The commissioner shall report to the chairs and the ranking minority members of the legislative committees and divisions with jurisdiction over health and human services policy and finance with the information and data gathered under paragraphs (a) and (b) on January 15, 2021, with a full report, and a full report once every four years thereafter.~~

~~(d)~~ (c) Beginning July 1, 2022, the commissioner shall renew analysis and implement changes to the regional adjustment factors once every six years. Prior to implementation, the commissioner shall consult with stakeholders on the methodology to calculate the adjustment.

Sec. 3. Minnesota Statutes 2023 Supplement, section 256B.4914, subdivision 10a, is amended to read:

Subd. 10a. **Reporting and analysis of cost data.** (a) The commissioner must ensure that wage values and component values in subdivisions 5 to 9 reflect the cost to provide the service. As determined by the commissioner, in consultation with stakeholders identified in subdivision 17, a provider enrolled to provide services with rates determined under this section must submit requested cost data to the commissioner to support research on the cost of providing services that have rates determined by the disability waiver rates system. Requested cost data may include, but is not limited to:

- (1) worker wage costs;
- (2) benefits paid;
- (3) supervisor wage costs;
- (4) executive wage costs;
- (5) vacation, sick, and training time paid;
- (6) taxes, workers' compensation, and unemployment insurance costs paid;
- (7) administrative costs paid;
- (8) program costs paid;
- (9) transportation costs paid;
- (10) vacancy rates; and
- (11) other data relating to costs required to provide services requested by the commissioner.

(b) At least once in any five-year period, a provider must submit cost data for a fiscal year that ended not more than 18 months prior to the submission date. The commissioner shall provide each provider a 90-day notice prior to its submission due date. If a provider fails to submit required reporting data, the commissioner shall provide notice to providers that have not provided required data 30 days after the required submission date, and a second notice for providers who have not provided required data 60 days after the required submission date. The commissioner shall temporarily suspend payments to the provider if cost data is not received 90 days after the required submission date. Withheld payments shall be made once data is received by the commissioner.

(c) The commissioner shall conduct a random validation of data submitted under paragraph (a) to ensure data accuracy. The commissioner shall analyze cost documentation in paragraph (a) and provide recommendations for adjustments to cost components.

(d) The commissioner shall analyze cost data submitted under paragraph (a) ~~and, in consultation with stakeholders identified in subdivision 17, may submit recommendations on component values and inflationary factor adjustments to the chairs and ranking minority members of the legislative committees with jurisdiction over human services once every four years beginning January 1, 2021. The commissioner shall make recommendations in conjunction with reports submitted to the legislature according to subdivision 10, paragraph (c).~~ The commissioner shall release cost data in an aggregate form. Cost data from individual providers must not be released except as provided for in current law.

(e) The commissioner shall use data collected in paragraph (a) to determine the compliance with requirements identified under subdivision 10d. The commissioner shall identify providers who have not met the thresholds identified under subdivision 10d on the Department of Human Services website for the year for which the providers reported their costs.

Sec. 4. Minnesota Statutes 2022, section 256B.69, subdivision 5k, is amended to read:

Subd. 5k. **Actuarial soundness.** ~~(a)~~ Rates paid to managed care plans and county-based purchasing plans shall satisfy requirements for actuarial soundness. In order to comply with this subdivision, the rates must:

- (1) be neither inadequate nor excessive;
- (2) satisfy federal requirements;
- (3) in the case of contracts with incentive arrangements, not exceed 105 percent of the approved capitation payments attributable to the enrollees or services covered by the incentive arrangement;
- (4) be developed in accordance with generally accepted actuarial principles and practices;
- (5) be appropriate for the populations to be covered and the services to be furnished under the contract; and
- (6) be certified as meeting the requirements of federal regulations by actuaries who meet the qualification standards established by the American Academy of Actuaries and follow the practice standards established by the Actuarial Standards Board.

~~(b) Each year within 30 days of the establishment of plan rates the commissioner shall report to the chairs and ranking minority members of the senate Health and Human Services Budget Division and the house of representatives Health Care and Human Services Finance Division to certify how each of these conditions have been met by the new payment rates.~~

Sec. 5. Minnesota Statutes 2022, section 402A.16, subdivision 2, is amended to read:

Subd. 2. **Duties.** The Human Services Performance Council shall:

- (1) hold meetings at least quarterly that are in compliance with Minnesota's Open Meeting Law under chapter 13D;
- (2) annually review the annual performance data submitted by counties or service delivery authorities;

(3) review and advise the commissioner on department procedures related to the implementation of the performance management system and system process requirements and on barriers to process improvement in human services delivery;

(4) advise the commissioner on the training and technical assistance needs of county or service delivery authority and department personnel;

(5) review instances in which a county or service delivery authority has not made adequate progress on a performance improvement plan and make recommendations to the commissioner under section 402A.18;

(6) consider appeals from counties or service delivery authorities that are in the remedies process and make recommendations to the commissioner on resolving the issue;

(7) convene working groups to update and develop outcomes, measures, and performance thresholds for the performance management system and, on an annual basis, present these recommendations to the commissioner, including recommendations on when a particular essential human services program has a balanced set of program measures in place;

(8) make recommendations on human services administrative rules or statutes that could be repealed in order to improve service delivery; and

(9) provide information to stakeholders on the council's role and regularly collect stakeholder input on performance management system performance; ~~and.~~

~~(10) submit an annual report to the legislature and the commissioner, which includes a comprehensive report on the performance of individual counties or service delivery authorities as it relates to system measures; a list of counties or service delivery authorities that have been required to create performance improvement plans and the areas identified for improvement as part of the remedies process; a summary of performance improvement training and technical assistance activities offered to the county personnel by the department; recommendations on administrative rules or state statutes that could be repealed in order to improve service delivery; recommendations for system improvements, including updates to system outcomes, measures, and thresholds; and a response from the commissioner.~~

Sec. 6. **REPEALER.**

Minnesota Statutes 2022, sections 245G.011, subdivision 5; 252.34; 256.01, subdivisions 39 and 41; 256B.79, subdivision 6; and 256K.45, subdivision 2, are repealed."

Delete the title and insert:

"A bill for an act relating to human services; modifying provisions related to disability services, aging services, and substance use disorder services; modifying the Deaf and Hard-of-Hearing Services Act; phasing out subminimum wages; expanding blood-borne pathogen provisions to all state-operated treatment programs; removing expired reports; amending Minnesota Statutes 2022, sections 144G.45, subdivision 3; 177.24, by adding a subdivision; 245A.11, subdivision 2; 245D.071, subdivisions 3, 4; 245D.081, subdivisions 2, 3; 245D.09, subdivision 3; 245D.10, subdivision 1; 245F.02, subdivisions 17, 21; 245F.08, subdivision 3; 245F.15, subdivision 7; 245G.04, by adding a subdivision; 245G.22, subdivision 6; 246.71, subdivisions 3, 4, 5; 246.711; 246.712, subdivisions 1, 2; 246.713; 246.714; 246.715, subdivisions 1, 2, 3; 246.716, subdivisions 1, 2; 246.717; 246.72; 246.721; 246.722; 252.44; 254A.03, subdivision 1; 254B.03, subdivision 4; 254B.05, by adding subdivisions; 254B.12, subdivisions 3, 4; 256.975, subdivision 7e; 256B.0759, subdivision 4; 256B.0911, subdivision 24; 256B.092, by adding a subdivision; 256B.49, by adding a subdivision; 256B.4905, subdivision 12; 256B.69,

subdivision 5k, by adding a subdivision; 256B.85, subdivisions 2, 6, 6a, 11, 17, 20, by adding a subdivision; 256C.21; 256C.23, subdivisions 1a, 2, 2a, 2b, 2c, 6, 7, by adding a subdivision; 256C.233, subdivisions 1, 2; 256C.24, subdivisions 1, 2, 3; 256C.26; 256C.261; 256C.28, subdivision 1; 256R.08, subdivision 1, by adding a subdivision; 402A.16, subdivision 2; Minnesota Statutes 2023 Supplement, sections 245G.05, subdivision 3; 245G.09, subdivision 3; 245G.11, subdivision 10; 245G.22, subdivisions 2, 17; 245I.04, subdivision 18; 254A.19, subdivision 3; 254B.04, subdivisions 1a, 2a, 6, by adding a subdivision; 254B.05, subdivisions 1, 5; 254B.181, subdivision 1; 254B.19, subdivision 1; 256B.057, subdivision 9; 256B.0759, subdivision 2; 256B.4906; 256B.4914, subdivisions 4, 10, 10a; 256B.85, subdivision 13a; Laws 2021, First Special Session chapter 7, article 11, section 38, as amended; Laws 2023, chapter 61, article 8, section 13, subdivision 2; repealing Minnesota Statutes 2022, sections 245G.011, subdivision 5; 245G.22, subdivisions 4, 7; 252.34; 256.01, subdivisions 39, 41; 256.975, subdivisions 7f, 7g; 256B.79, subdivision 6; 256K.45, subdivision 2; 256R.18."

The motion prevailed and the amendment was adopted.

Fischer moved to amend S. F. No. 4399, the second engrossment, as amended, as follows:

Page 6, lines 27 and 30, reinstate the stricken language and before "and" insert "education, or health"

Page 6, lines 29 and 32, before the semicolon, insert ", or equivalent work experience supporting individuals in a field related to their degree"

Page 7, line 1, reinstate the stricken language and after "human services" insert ", education, or health"

Page 7, line 3, before the semicolon, insert "or equivalent work experience supporting individuals in a field related to their degree"

Page 7, lines 6 to 8, reinstate the stricken language

Page 7, delete section 6 and insert:

"Sec. 6. Minnesota Statutes 2022, section 245D.081, subdivision 3, is amended to read:

Subd. 3. **Program management and oversight.** (a) The license holder must designate a managerial staff person or persons to provide program management and oversight of the services provided by the license holder. The designated manager is responsible for the following:

(1) maintaining a current understanding of the licensing requirements sufficient to ensure compliance throughout the program as identified in section 245A.04, subdivision 1, paragraph (e), and when applicable, as identified in section 256B.04, subdivision 21, paragraph (g);

(2) ensuring the duties of the designated coordinator are fulfilled according to the requirements in subdivision 2;

(3) ensuring the program implements corrective action identified as necessary by the program following review of incident and emergency reports according to the requirements in section 245D.11, subdivision 2, clause (7). An internal review of incident reports of alleged or suspected maltreatment must be conducted according to the requirements in section 245A.65, subdivision 1, paragraph (b);

(4) evaluation of satisfaction of persons served by the program, the person's legal representative, if any, and the case manager, with the service delivery and progress toward accomplishing outcomes identified in sections 245D.07 and 245D.071, and ensuring and protecting each person's rights as identified in section 245D.04;

(5) ensuring staff competency requirements are met according to the requirements in section 245D.09, subdivision 3, and ensuring staff orientation and training is provided according to the requirements in section 245D.09, subdivisions 4, 4a, and 5;

(6) ensuring corrective action is taken when ordered by the commissioner and that the terms and conditions of the license and any variances are met; and

(7) evaluating the information identified in clauses (1) to (6) to develop, document, and implement ongoing program improvements.

(b) The designated manager must be competent to perform the duties as required and must minimally meet the education and training requirements identified in subdivision 2, paragraph (b), and have a minimum of three years of supervisory level experience in a program ~~providing direct support services to persons with disabilities or persons age 65 and older~~ that provides care or education to vulnerable adults or children."

Page 60, line 28, delete "subdivision 6" and insert "paragraph (c)"

Page 61, line 27, delete "subdivision 7" and insert "paragraph (d)"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Baker moved to amend S. F. No. 4399, the second engrossment, as amended, as follows:

Page 68, line 13, delete everything after "disorder" and insert a semicolon

Page 68, delete lines 14 and 15 and insert:

"(9) permit residents to use, as directed by a licensed prescriber, legally prescribed and dispensed or administered pharmacotherapies approved by the United States Food and Drug Administration to treat co-occurring substance use disorders and mental health conditions;"

Renumber the clauses in sequence

Page 68, line 22, after "2025" insert ", except clause (9) is effective June 1, 2026"

The motion prevailed and the amendment was adopted.

Neu Brindley moved to amend S. F. No. 4399, the second engrossment, as amended, as follows:

Page 88, after line 7, insert:

"Sec. 5. **[256K.36] HOMELESSNESS PROGRAM OUTCOMES.**

Subdivision 1. Requirements. Within available appropriations, the commissioner of human services must develop and implement a uniform outcome measurement and reporting system for programs providing shelter or supportive services for persons experiencing homelessness funded in whole or in part by state funds, including emergency services grants under section 256E.36, long-term homeless supportive services under section 256K.26, and Homeless Youth Act grants under section 256K.45.

Subd. 2. Definition. (a) For the purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Person experiencing homelessness" means a person or family lacking a fixed, regular, and adequate nighttime residence; homeless youth as defined in section 256K.45, subdivision 1a; households experiencing long-term homelessness as described in section 256K.26; or a homeless person as the term is used in section 256E.36.

Subd. 3. Uniform outcome report card; reporting by commissioner. (a) By December 31 of each even-numbered year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over homelessness policy and finance. The report must contain the following information by year for each program subject to the requirements of subdivision 1:

(1) the total number of clients served;

(2) the total cost of the program;

(3) an analysis of the change in the number of persons experiencing homelessness in Minnesota;

(4) an analysis of the change in housing opportunities with supportive services;

(5) an analysis of the change in employability, self-sufficiency, and other social outcomes for persons experiencing homelessness;

(6) an analysis of the change in the use of emergency health care, shelter, child protection, corrections, and similar services used by persons experiencing homelessness;

(7) the total cost of the program per client; and

(8) the administrative cost of the program.

(b) The report to the legislature must contain client information by education level, race and ethnicity, gender, and geography and a comparison of clients who were in stable housing 90 days following the last day of receiving shelter or supportive services and those who were not.

(c) The requirements of this section apply to programs administered directly by the commissioner of human services or administered by other organizations under a grant made by the Department of Human Services.

(d) This report is not subject to section 256.01, subdivision 42.

Subd. 4. **Data to commissioner; uniform report card.** (a) A recipient of a grant or direct appropriation made by or through the Department of Human Services must report data to the commissioner of human services by September 1 of each even-numbered year on each of the items in subdivision 3 for each program it administers. The data must be in a format prescribed by the commissioner.

(b) Beginning July 1, 2024, the commissioner of human services shall provide notice to grant applicants and recipients regarding the data collection and reporting requirements under this subdivision and must provide technical assistance to applicants and recipients to assist in complying with the requirements of this section.

Subd. 5. **Information.** (a) The commissioner of human services must make the information collected and reported under subdivisions 3 and 4 available on the Department of Human Services' website.

(b) The commissioner must provide analysis of the data required under subdivision 3.

(c) The analysis under paragraph (b) must also include an executive summary of program outcomes, including but not limited to the number of clients served, the cost per client, whether or not there has been a decrease in the number of persons experiencing homelessness in Minnesota, and a comparison of program outcomes by client characteristics.

(d) The data required in the comparative analysis under paragraph (c) must be presented in both written and graphic formats.

Subd. 6. **Limitations on appropriations.** (a) Except as provided in paragraph (b), a program that is a recipient of state funds as of September 1 of an even-numbered year and subject to the requirements of this section, is not eligible for additional state funds for programs providing shelter or supportive services for any fiscal year beginning after June 30 of the following odd-numbered year, unless all of the reporting requirements under subdivision 4 have been satisfied.

(b) A program with an initial request for funds on or after July 1 in an even-numbered year may be considered for receipt of state funds for programs providing shelter or supportive services for two years only if the program submits a plan that is approved by the commissioner of human services demonstrating how the program will meet the data collection and reporting requirements under subdivision 4. Any subsequent request for funds after an initial request is subject to the requirements of paragraph (a)."

Amend the title accordingly

A roll call was requested and properly seconded.

The Speaker resumed the Chair.

The question was taken on the Neu Brindley amendment and the roll was called. There were 61 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Altendorf	Bakeberg	Burkel	Demuth	Garofalo	Heintzeman
Anderson, P. E.	Baker	Daniels	Dotseth	Gillman	Hudella
Anderson, P. H.	Bennett	Davids	Fogelman	Grossell	Hudson
Backer	Bliss	Davis	Franson	Harder	Igo

Jacob	Lawrence	Nash	Perryman	Scott	Witte
Johnson	McDonald	Nelson, N.	Petersburg	Skraba	Zeleznikar
Joy	Mekeland	Neu Brindley	Quam	Swedzinski	
Kiel	Mueller	Niska	Rarick	Torkelson	
Knudsen	Murphy	Novotny	Robbins	West	
Koznick	Myers	O'Driscoll	Schomacker	Wiener	
Kresha	Nadeau	Olson, B.	Schultz	Wiens	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Newton	Smith
Bahner	Feist	Her	Kotyza-Witthuhn	Noor	Stephenson
Becker-Finn	Finke	Hicks	Kozlowski	Norris	Tabke
Berg	Fischer	Hill	Kraft	Olson, L.	Vang
Bierman	Frazier	Hollins	Lee, F.	Pelowski	Virmig
Brand	Frederick	Hornstein	Lee, K.	Pérez-Vega	Wolgamott
Carroll	Freiberg	Howard	Liebling	Pinto	Xiong
Cha	Gomez	Huot	Lillie	Pryor	Youakim
Clardy	Greenman	Hussein	Lislegard	Pursell	Spk. Hortman
Coulter	Hansen, R.	Jordan	Long	Rehm	
Curran	Hanson, J.	Keeler	Moller	Reyer	

The motion did not prevail and the amendment was not adopted.

Keeler was excused between the hours of 7:00 p.m. and 7:55 p.m.

Kiel moved to amend S. F. No. 4399, the second engrossment, as amended, as follows:

Page 38, delete article 3

Renumber the articles in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

Franson moved to amend S. F. No. 4399, the second engrossment, as amended, as follows:

Page 28, after line 32, insert:

"Sec. 23. Laws 2023, chapter 61, article 1, section 60, subdivision 1, is amended to read:

Subdivision 1. **Definition.** "New American" means an individual born abroad and the individual's children, ~~irrespective of~~ who have legal immigration status.

Sec. 24. Laws 2023, chapter 61, article 1, section 60, subdivision 2, is amended to read:

Subd. 2. **Grant program established.** The commissioner of human services shall establish a new American legal, social services, and long-term care workforce grant program for organizations that serve and support new Americans:

(1) in seeking or maintaining ~~legal or citizenship status to legally obtain or retain~~ and obtaining or retaining legal authorization for employment in the United States in any field or industry; or

(2) to provide specialized services and supports to new Americans to enter the long-term care workforce.

Sec. 25. Laws 2023, chapter 61, article 1, section 60, subdivision 4, is amended to read:

Subd. 4. **Allowable uses of grant money.** (a) Organizations receiving grant money under this section must provide one or more of the following:

(1) intake, assessment, referral, orientation, legal advice, or representation to new Americans to seek or maintain ~~legal or citizenship status~~ and secure or maintain legal authorization for employment in the United States;

(2) social services designed to help eligible populations meet their immediate basic needs during the process of seeking or maintaining ~~legal status and~~ legal authorization for employment, including but not limited to accessing housing, food, employment or employment training, education, course fees, community orientation, transportation, child care, and medical care. Social services may also include navigation services to address ongoing needs once immediate basic needs have been met; or

(3) specialized activities targeted to individuals to support recruitment and connection to long-term care employment opportunities including:

(i) developing connections to employment with long-term care employers and potential employees;

(ii) providing recruitment, training, guidance, mentorship, and other support services necessary to encourage employment, employee retention, and successful community integration;

(iii) providing career education, wraparound support services, and job skills training in high-demand health care and long-term care fields;

(iv) paying for program expenses related to long-term care professions, including but not limited to hiring instructors and navigators, space rentals, and supportive services to help participants attend classes. Allowable uses for supportive services include but are not limited to:

(A) course fees;

(B) child care costs;

(C) transportation costs;

(D) tuition fees;

(E) financial coaching fees;

(F) mental health supports; and

- (G) uniform costs incurred as a direct result of participating in classroom instruction or training; or
 (v) repaying student loan debt directly incurred as a result of pursuing a qualifying course of study or training."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The Speaker called Her to the Chair.

Fischer moved to amend the Franson amendment to S. F. No. 4399, the second engrossment, as amended, as follows:

Page 1, line 6, delete the new language and strike "immigration status"

Page 1, lines 11 and 20, reinstate the stricken "legal or"

Page 2, line 2, reinstate the stricken language

A roll call was requested and properly seconded.

The question was taken on the Fischer amendment to the Franson amendment and the roll was called. There were 69 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hassan	Koegel	Newton	Smith
Agbaje	Elkins	Hemmingsen-Jaeger	Kotzya-Witthuhn	Noor	Stephenson
Bahner	Feist	Her	Kozlowski	Norris	Tabke
Becker-Finn	Finke	Hicks	Kraft	Olson, L.	Vang
Berg	Fischer	Hill	Lee, F.	Pelowski	Virmig
Bierman	Frazier	Hollins	Lee, K.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Liebling	Pinto	Xiong
Carroll	Freiberg	Howard	Lillie	Pryor	Youakim
Cha	Gomez	Huot	Lislegard	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Long	Rehm	
Coulter	Hansen, R.	Jordan	Moller	Reyer	
Curran	Hanson, J.	Klevorn	Nelson, M.	Sencer-Mura	

Those who voted in the negative were:

Altendorf	Bennett	Demuth	Grossell	Jacob	Kresha
Anderson, P. E.	Bliss	Dotseth	Harder	Johnson	Lawrence
Anderson, P. H.	Burkel	Fogelman	Heintzeman	Joy	McDonald
Backer	Daniels	Franson	Hudella	Kiel	Mekeland
Bakeberg	Davids	Garofalo	Hudson	Knudsen	Mueller
Baker	Davis	Gillman	Igo	Koznick	Murphy

Myers	Niska	Petersburg	Schultz	West
Nadeau	Novotny	Quam	Scott	Wiener
Nash	O'Driscoll	Rarick	Skraba	Wiens
Nelson, N.	Olson, B.	Robbins	Swedzinski	Witte
Neu Brindley	Perryman	Schomacker	Torkelson	Zeleznikar

The motion prevailed and the amendment to the amendment was adopted.

Franson withdrew the Franson amendment, as amended, to S. F. No. 4399, the second engrossment, as amended.

S. F. No. 4399, A bill for an act relating to human services; modifying and establishing laws regarding disability services, aging services, and substance use disorder treatment services; modifying assisted living facility licensing standards; modernizing language in Deaf and Hard-of-Hearing Services Act; expanding application of bloodborne pathogen testing to nonsecure direct care and treatment programming; making technical corrections and repealing obsolete language; limiting rent increases in certain low-income rental projects receiving low-income housing tax credits; amending Minnesota Statutes 2022, sections 144A.20, subdivision 4; 144G.30, subdivision 5; 144G.45, subdivision 3; 148F.025, subdivision 2; 245A.11, subdivision 2; 245D.071, subdivisions 3, 4; 245D.081, subdivisions 2, 3; 245D.09, subdivision 3; 245D.091, subdivisions 3, 4; 245D.10, subdivision 1; 245F.02, subdivisions 17, 21; 245F.08, subdivision 3; 245F.15, subdivision 7; 245G.031, subdivision 2; 245G.04, by adding a subdivision; 245G.22, subdivision 6; 246.71, subdivisions 3, 4, 5; 246.711; 246.712, subdivisions 1, 2; 246.713; 246.714; 246.715, subdivisions 1, 2, 3; 246.716, subdivisions 1, 2, as amended; 246.717; 246.721, as amended; 246.722; 254A.03, subdivision 1; 256.975, subdivision 7e; 256B.0659, subdivision 17a; 256B.0759, subdivision 4; 256B.0911, subdivision 24; 256B.092, by adding a subdivision; 256B.49, by adding a subdivision; 256B.4905, subdivision 12; 256B.69, subdivision 5k, by adding a subdivision; 256B.85, subdivisions 2, 6, 6a, 7a, 11, 17, 20, by adding a subdivision; 256C.21; 256C.23, subdivisions 1a, 2, 2a, 2b, 2c, 6, 7, by adding a subdivision; 256C.233, subdivisions 1, 2; 256C.24, subdivisions 1, 2, 3; 256C.26; 256C.261; 256C.28, subdivision 1; 256R.08, subdivision 1, by adding a subdivision; 256S.205, subdivision 5, by adding a subdivision; 402A.16, subdivision 2; Minnesota Statutes 2023 Supplement, sections 245G.05, subdivision 3; 245G.09, subdivision 3; 245G.11, subdivision 10; 245G.22, subdivisions 2, 17; 254A.19, subdivision 3; 254B.04, subdivision 6, by adding a subdivision; 254B.05, subdivisions 1, 5; 254B.181, subdivision 1; 254B.19, subdivision 1; 256B.057, subdivision 9; 256B.0659, subdivision 24; 256B.0759, subdivision 2; 256B.4914, subdivisions 4, 10, 10a; 256B.85, subdivision 13a; Laws 2021, First Special Session chapter 7, article 11, section 38, as amended; article 13, section 75; Laws 2023, chapter 61, article 8, section 13, subdivision 2; repealing Minnesota Statutes 2022, sections 245G.011, subdivision 5; 245G.22, subdivisions 4, 7; 252.34; 256.01, subdivision 39; 256.975, subdivisions 7f, 7g; 256R.18.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 69 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Acomb	Brand	Edelson	Frederick	Hassan	Hornstein
Agbaje	Carroll	Elkins	Freiberg	Hemmingsen-Jaeger	Howard
Bahner	Cha	Feist	Gomez	Her	Huot
Becker-Finn	Clardy	Finke	Greenman	Hicks	Hussein
Berg	Coulter	Fischer	Hansen, R.	Hill	Jordan
Bierman	Curran	Frazier	Hanson, J.	Hollins	Keeler

Klevorn	Lee, K.	Newton	Pinto	Smith	Xiong
Koegel	Liebling	Noor	Pryor	Stephenson	Youakim
Kotzya-Witthuhn	Lillie	Norris	Pursell	Tabke	Spk. Hortman
Kozlowski	Long	Olson, L.	Rehm	Vang	
Kraft	Moller	Pelowski	Reyer	Virnig	
Lee, F.	Nelson, M.	Pérez-Vega	Sencer-Mura	Wolgamott	

Those who voted in the negative were:

Altendorf	Davis	Hudson	McDonald	O'Driscoll	Swedzinski
Anderson, P. E.	Demuth	Igo	Mekeland	Olson, B.	Torkelson
Anderson, P. H.	Dotseth	Jacob	Mueller	Perryman	West
Backer	Fogelman	Johnson	Murphy	Petersburg	Wiener
Bakeberg	Franson	Joy	Myers	Quam	Wiens
Baker	Garofalo	Kiel	Nadeau	Rarick	Witte
Bennett	Gillman	Knudsen	Nash	Robbins	Zeleznikar
Bliss	Grossell	Koznick	Nelson, N.	Schomacker	
Burkel	Harder	Kresha	Neu Brindley	Schultz	
Daniels	Heintzeman	Lawrence	Niska	Scott	
Dauids	Hudella	Lislegard	Novotny	Skraba	

The bill was passed, as amended, and its title agreed to.

S. F. No. 4097 was reported to the House.

Stephenson moved to amend S. F. No. 4097, the second engrossment, as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 4077, the first engrossment:

"ARTICLE 1 CONSUMER PROTECTION

Section 1. Minnesota Statutes 2023 Supplement, section 53B.28, subdivision 18, is amended to read:

Subd. 18. **Money transmission.** (a) "Money transmission" means:

- (1) selling or issuing payment instruments to a person located in this state;
- (2) selling or issuing stored value to a person located in this state; or
- (3) receiving money for transmission from a person located in this state.

(b) ~~Money includes payroll processing services.~~ Money does not include the provision solely of online or telecommunications services or network access.

Sec. 2. Minnesota Statutes 2023 Supplement, section 53B.28, subdivision 25, is amended to read:

Subd. 25. **Payroll processing services.** "Payroll processing services" means ~~receiving money for transmission pursuant to a contract with a person to deliver~~ delivering wages or salaries, ~~make~~ making payment of payroll taxes to state and federal agencies, ~~make~~ making payments relating to employee benefit plans, ~~or make~~ making

distributions of other authorized deductions from wages or salaries, or transmitting other funds on behalf of an employer in connection with transactions related to employees. The term payroll processing services ~~does not include~~ includes an employer performing payroll processing services on the employer's own behalf or on behalf of the employer's affiliate, ~~or a~~ and professional employment organization ~~subject to regulation under other applicable state law organizations.~~

Sec. 3. Minnesota Statutes 2023 Supplement, section 53B.29, is amended to read:

53B.29 EXEMPTIONS.

This chapter does not apply to:

(1) an operator of a payment system, to the extent the operator of a payment system provides processing, clearing, or settlement services between or among persons exempted by this section or licensees in connection with wire transfers, credit card transactions, debit card transactions, stored-value transactions, automated clearing house transfers, or similar funds transfers;

(2) a person appointed as an agent of a payee to collect and process a payment from a payor to the payee for goods or services, other than money transmission itself, provided to the payor by the payee, provided that:

(i) there exists a written agreement between the payee and the agent directing the agent to collect and process payments from payors on the payee's behalf;

(ii) the payee holds the agent out to the public as accepting payments for goods or services on the payee's behalf; and

(iii) payment for the goods and services is treated as received by the payee upon receipt by the agent so that the payor's obligation is extinguished and there is no risk of loss to the payor if the agent fails to remit the funds to the payee;

(3) a person that acts as an intermediary by processing payments between an entity that has directly incurred an outstanding money transmission obligation to a sender, and the sender's designated recipient, provided that the entity:

(i) is properly licensed or exempt from licensing requirements under this chapter;

(ii) provides a receipt, electronic record, or other written confirmation to the sender identifying the entity as the provider of money transmission in the transaction; and

(iii) bears sole responsibility to satisfy the outstanding money transmission obligation to the sender, including the obligation to make the sender whole in connection with any failure to transmit the funds to the sender's designated recipient;

(4) the United States; a department, agency, or instrumentality of the United States; or an agent of the United States;

(5) money transmission by the United States Postal Service or by an agent of the United States Postal Service;

(6) a state; county; city; any other governmental agency, governmental subdivision, or instrumentality of a state; or the state's agent;

(7) a federally insured depository financial institution; bank holding company; office of an international banking corporation; foreign bank that establishes a federal branch pursuant to the International Bank Act, United States Code, title 12, section 3102, as amended or recodified from time to time; corporation organized pursuant to the Bank Service Corporation Act, United States Code, title 12, sections 1861 to 1867, as amended or recodified from time to time; or corporation organized under the Edge Act, United States Code, title 12, sections 611 to 633, as amended or recodified from time to time;

(8) electronic funds transfer of governmental benefits for a federal, state, county, or governmental agency by a contractor on behalf of the United States or a department, agency, or instrumentality thereof, or on behalf of a state or governmental subdivision, agency, or instrumentality thereof;

(9) a board of trade designated as a contract market under the federal Commodity Exchange Act, United States Code, title 7, sections 1 to 25, as amended or recodified from time to time; or a person that in the ordinary course of business provides clearance and settlement services for a board of trade to the extent of its operation as or for a board;

(10) a registered futures commission merchant under the federal commodities laws, to the extent of the registered futures commission merchant's operation as a merchant;

(11) a person registered as a securities broker-dealer under federal or state securities laws, to the extent of the person's operation as a securities broker-dealer;

(12) an individual employed by a licensee, authorized delegate, or any person exempted from the licensing requirements under this chapter when acting within the scope of employment and under the supervision of the licensee, authorized delegate, or exempted person as an employee and not as an independent contractor;

(13) a person expressly appointed as a third-party service provider to or agent of an entity exempt under clause (7), solely to the extent that:

(i) the service provider or agent is engaging in money transmission on behalf of and pursuant to a written agreement with the exempt entity that sets forth the specific functions that the service provider or agent is to perform; and

(ii) the exempt entity assumes all risk of loss and all legal responsibility for satisfying the outstanding money transmission obligations owed to purchasers and holders of the outstanding money transmission obligations upon receipt of the purchaser's or holder's money or monetary value by the service provider or agent; ~~or~~

(14) a payroll processing services provider; or

~~(14)~~ (15) a person exempt by regulation or order if the commissioner finds that (i) the exemption is in the public interest, and (ii) the regulation of the person is not necessary for the purposes of this chapter.

Sec. 4. Minnesota Statutes 2023 Supplement, section 80A.50, is amended to read:

80A.50 SECTION 302; FEDERAL COVERED SECURITIES; SMALL CORPORATE OFFERING REGISTRATION.

(a) **Federal covered securities.**

(1) **Required filing of records.** With respect to a federal covered security, as defined in Section 18(b)(2) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(2)), that is not otherwise exempt under sections 80A.45 through 80A.47, a rule adopted or order issued under this chapter may require the filing of any or all of the following records:

(A) before the initial offer of a federal covered security in this state, all records that are part of a federal registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933 and a consent to service of process complying with section 80A.88 signed by the issuer;

(B) after the initial offer of the federal covered security in this state, all records that are part of an amendment to a federal registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933; and

(C) to the extent necessary or appropriate to compute fees, a report of the value of the federal covered securities sold or offered to persons present in this state, if the sales data are not included in records filed with the Securities and Exchange Commission.

(2) **Notice filing effectiveness and renewal.** A notice filing under subsection (a) is effective for one year commencing on the later of the notice filing or the effectiveness of the offering filed with the Securities and Exchange Commission. On or before expiration, the issuer may renew a notice filing by filing a copy of those records filed by the issuer with the Securities and Exchange Commission that are required by rule or order under this chapter to be filed. A previously filed consent to service of process complying with section 80A.88 may be incorporated by reference in a renewal. A renewed notice filing becomes effective upon the expiration of the filing being renewed.

(3) **Notice filings for federal covered securities under section 18(b)(4)(D).** With respect to a security that is a federal covered security under Section 18(b)(4)(D) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(4)(D)), a rule under this chapter may require a notice filing by or on behalf of an issuer to include a copy of Form D, including the Appendix, as promulgated by the Securities and Exchange Commission, and a consent to service of process complying with section 80A.88 signed by the issuer not later than 15 days after the first sale of the federal covered security in this state.

(4) **Stop orders.** Except with respect to a federal security under Section 18(b)(1) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(1)), if the administrator finds that there is a failure to comply with a notice or fee requirement of this section, the administrator may issue a stop order suspending the offer and sale of a federal covered security in this state. If the deficiency is corrected, the stop order is void as of the time of its issuance and no penalty may be imposed by the administrator.

(b) Small corporation offering registration.

(1) **Registration required.** A security meeting the conditions set forth in this section may be registered as set forth in this section.

(2) **Availability.** Registration under this section is available only to the issuer of securities and not to an affiliate of the issuer or to any other person for resale of the issuer's securities. The issuer must be organized under the laws of one of the states or possessions of the United States. The securities offered must be exempt from registration under the Securities Act of 1933 pursuant to Rule 504 of Regulation D (15 U.S.C. Section 77c).

(3) **Disqualification.** Registration under this section is not available to any of the following issuers:

(A) an issuer subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934;

(B) an investment company;

(C) a development stage company that either has no specific business plan or purpose or has indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies or other entity or person;

(D) an issuer if the issuer or any of its predecessors, officers, directors, governors, partners, ten percent stock or equity holders, promoters, or any selling agents of the securities to be offered, or any officer, director, governor, or partner of the selling agent:

(i) has filed a registration statement that is the subject of a currently effective registration stop order entered under a federal or state securities law within five years before the filing of the small corporate offering registration application;

(ii) has been convicted within five years before the filing of the small corporate offering registration application of a felony or misdemeanor in connection with the offer, purchase, or sale of a security or a felony involving fraud or deceit, including, but not limited to, forgery, embezzlement, obtaining money under false pretenses, larceny, or conspiracy to defraud;

(iii) is currently subject to a state administrative enforcement order or judgment entered by a state securities administrator or the Securities and Exchange Commission within five years before the filing of the small corporate offering registration application, or is subject to a federal or state administrative enforcement order or judgment in which fraud or deceit, including, but not limited to, making untrue statements of material facts or omitting to state material facts, was found and the order or judgment was entered within five years before the filing of the small corporate offering registration application;

(iv) is currently subject to an order, judgment, or decree of a court of competent jurisdiction temporarily restraining or enjoining, or is subject to an order, judgment, or decree of a court of competent jurisdiction permanently restraining or enjoining the party from engaging in or continuing any conduct or practice in connection with the purchase or sale of any security or involving the making of a false filing with a state or with the Securities and Exchange Commission entered within five years before the filing of the small corporate offering registration application; or

(v) is subject to a state's administrative enforcement order, or judgment that prohibits, denies, or revokes the use of an exemption for registration in connection with the offer, purchase, or sale of securities,

(I) except that clauses (i) to (iv) do not apply if the person subject to the disqualification is duly licensed or registered to conduct securities-related business in the state in which the administrative order or judgment was entered against the person or if the dealer employing the party is licensed or registered in this state and the form BD filed in this state discloses the order, conviction, judgment, or decree relating to the person, and

(II) except that the disqualification under this subdivision is automatically waived if the state securities administrator or federal agency that created the basis for disqualification determines upon a showing of good cause that it is not necessary under the circumstances to deny the registration.

(4) Filing and effectiveness of registration statement. A small corporate offering registration statement must be filed with the administrator. If no stop order is in effect and no proceeding is pending under section 80A.54, such registration statement shall become effective automatically at the close of business on the 20th day after filing of the registration statement or the last amendment of the registration statement or at such earlier time as the administrator may designate by rule or order. For the purposes of a nonissuer transaction, other than by an affiliate of the issuer, all outstanding securities of the same class identified in the small corporate offering registration statement as a

security registered under this chapter are considered to be registered while the small corporate offering registration statement is effective. A small corporate offering registration statement is effective for one year after its effective date or for any longer period designated in an order under this chapter. A small corporate offering registration statement may be withdrawn only with the approval of the administrator.

(5) **Contents of registration statement.** A small corporate offering registration statement under this section shall be on Form U-7, including exhibits required by the instructions thereto, as adopted by the North American Securities Administrators Association, or such alternative form as may be designated by the administrator by rule or order and must include:

(A) a consent to service of process complying with section 80A.88;

(B) a statement of the type and amount of securities to be offered and the amount of securities to be offered in this state;

(C) a specimen or copy of the security being registered, unless the security is uncertificated, a copy of the issuer's articles of incorporation and bylaws or their substantial equivalents in effect, and a copy of any indenture or other instrument covering the security to be registered;

(D) a signed or conformed copy of an opinion of counsel concerning the legality of the securities being registered which states whether the securities, when sold, will be validly issued, fully paid, and nonassessable and, if debt securities, binding obligations of the issuer;

(E) the states (i) in which the securities are proposed to be offered; (ii) in which a registration statement or similar filing has been made in connection with the offering including information as to effectiveness of each such filing; and (iii) in which a stop order or similar proceeding has been entered or in which proceedings or actions seeking such an order are pending;

(F) a copy of the offering document proposed to be delivered to offerees; and

(G) a copy of any other pamphlet, circular, form letter, advertisement, or other sales literature intended as of the effective date to be used in connection with the offering and any solicitation of interest used in compliance with section 80A.46(17)(B).

(6) **Copy to purchaser.** A copy of the offering document as filed with the administrator must be delivered to each person purchasing the securities prior to sale of the securities to such person.

(c) **Offering limit.** Offers and sales of securities under a small corporate offering registration as set forth in this section are allowed up to the limit prescribed by Code of Federal Regulations, title 17, part 230.504 (b)(2), as amended.

(d) Regulation A - Tier 2 filing requirements.

(1) Initial filing. An issuer planning to offer and sell securities in Minnesota in an offering exempt under Tier 2 of federal Regulation A must, at least 21 calendar days before the date of the initial sale of securities in Minnesota, submit to the administrator:

(A) a completed Regulation A - Tier 2 offering notice filing form or copies of all the documents filed with the Securities Exchange Commission; and

(B) a consent to service of process on Form U-2, if consent to service of process is not provided in the Regulation A - Tier 2 offering notice filing form.

The initial notice filing made in Minnesota is effective for 12 months after the date the filing is made.

(2) **Renewal.** For each additional 12-month period in which the same offering is continued, an issuer conducting a Tier 2 offering under federal Regulation A may renew the notice filing by filing (i) the Regulation A - Tier 2 offering notice filing form marked "renewal," or (ii) a cover letter or other document requesting renewal. The renewal filing must be made on or before the date notice filing expires.

(3) **Amendment.** An issuer may increase the amount of securities offered in Minnesota by submitting a Regulation A - Tier 2 offering notice filing form or other document describing the transaction.

Sec. 5. Minnesota Statutes 2022, section 80A.61, is amended to read:

80A.61 SECTION 406; REGISTRATION BY BROKER-DEALER, AGENT, FUNDING PORTAL, INVESTMENT ADVISER, AND INVESTMENT ADVISER REPRESENTATIVE.

(a) **Application for initial registration by broker-dealer, agent, investment adviser, or investment adviser representative.** A person shall register as a broker-dealer, agent, investment adviser, or investment adviser representative by filing an application and a consent to service of process complying with section 80A.88, and paying the fee specified in section 80A.65 and any reasonable fees charged by the designee of the administrator for processing the filing. The application must contain:

(1) the information or record required for the filing of a uniform application; and

(2) upon request by the administrator, any other financial or other information or record that the administrator determines is appropriate.

(b) **Amendment.** If the information or record contained in an application filed under subsection (a) is or becomes inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting amendment.

(c) **Effectiveness of registration.** If an order is not in effect and a proceeding is not pending under section 80A.67, registration becomes effective at noon on the 45th day after a completed application is filed, unless the registration is denied. A rule adopted or order issued under this chapter may set an earlier effective date or may defer the effective date until noon on the 45th day after the filing of any amendment completing the application.

(d) **Registration renewal.** A registration is effective until midnight on December 31 of the year for which the application for registration is filed. Unless an order is in effect under section 80A.67, a registration may be automatically renewed each year by filing such records as are required by rule adopted or order issued under this chapter, by paying the fee specified in section 80A.65, and by paying costs charged by the designee of the administrator for processing the filings.

(e) **Additional conditions or waivers.** A rule adopted or order issued under this chapter may impose such other conditions, not inconsistent with the National Securities Markets Improvement Act of 1996. An order issued under this chapter may waive, in whole or in part, specific requirements in connection with registration as are in the public interest and for the protection of investors.

(f) **Funding portal registration.** A funding portal that has its principal place of business in the state of Minnesota shall register with the state of Minnesota by filing with the administrator a copy of the information or record required for the filing of an application for registration as a funding portal in the manner established by the Securities and Exchange Commission and/or the Financial Institutions Regulatory Authority (FINRA), along with any rule adopted or order issued, and any amendments thereto.

(g) Application for investment adviser representative registration.

(1) The application for initial registration as an investment adviser representative pursuant to section 80A.58 is made by completing Form U-4 (Uniform Application for Securities Industry Registration or Transfer) in accordance with the form instructions and by filing the form U-4 with the IARD. The application for initial registration must also include the following:

(i) proof of compliance by the investment adviser representative with the examination requirements of:

(A) the Uniform Investment Adviser Law Examination (Series 65); or

(B) the General Securities Representative Examination (Series 7) and the Uniform Combined State Law Examination (Series 66);

(ii) any other information the administrator may reasonably require.

(2) The application for the annual renewal registration as an investment adviser representative shall be filed with the IARD.

(3)(i) The investment adviser representative is under a continuing obligation to update information required by Form U-4 as changes occur;

(ii) An investment adviser representative and the investment adviser must file promptly with the IARD any amendments to the representative's Form U-4; and

(iii) An amendment will be considered to be filed promptly if the amendment is filed within 30 days of the event that requires the filing of the amendment.

(4) An application for initial or renewal of registration is not considered filed for purposes of section 80A.58 until the required fee and all required submissions have been received by the administrator.

(5) The application for withdrawal of registration as an investment adviser representative pursuant to section 80A.58 shall be completed by following the instructions on Form U-5 (Uniform Termination Notice for Securities Industry Registration) and filed upon Form U-5 with the IARD.

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

Sec. 6. Minnesota Statutes 2022, section 80A.66, is amended to read:

80A.66 SECTION 411; POSTREGISTRATION REQUIREMENTS.

(a) **Financial requirements.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S. C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S. C. Section 80b-22), a rule adopted or order issued under this chapter may establish minimum financial requirements for broker-dealers registered or required to be registered under this chapter and investment advisers registered or required to be registered under this chapter.

(b) **Financial reports.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222(b) of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a broker-dealer registered or required to be registered under this chapter and an investment adviser registered or required to be registered under this chapter shall file such financial reports as are required by a rule adopted or order issued under this chapter. If the information contained in a record filed under this subsection is or becomes inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting amendment.

(c) **Record keeping.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22):

(1) a broker-dealer registered or required to be registered under this chapter and an investment adviser registered or required to be registered under this chapter shall make and maintain the accounts, correspondence, memoranda, papers, books, and other records required by rule adopted or order issued under this chapter;

(2) broker-dealer records required to be maintained under paragraph (1) may be maintained in any form of data storage acceptable under Section 17(a) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78q(a)) if they are readily accessible to the administrator; and

(3) investment adviser records required to be maintained under paragraph (d)(1) may be maintained in any form of data storage required by rule adopted or order issued under this chapter.

(d) **Records and reports of private funds.**

(1) **In general.** An investment adviser to a private fund shall maintain such records of, and file with the administrator such reports and amendments thereto, that an exempt reporting adviser is required to file with the Securities and Exchange Commission pursuant to SEC Rule 204-4, Code of Federal Regulations, title 17, section 275.204-4.

(2) **Treatment of records.** The records and reports of any private fund to which an investment adviser provides investment advice shall be deemed to be the records and reports of the investment adviser.

(3) **Required information.** The records and reports required to be maintained by an investment adviser, which are subject to inspection by a representative of the administrator at any time, shall include for each private fund advised by the investment adviser, a description of:

(A) the amount of assets under management;

(B) the use of leverage, including off-balance-sheet leverage, as to the assets under management;

(C) counterparty credit risk exposure;

(D) trading and investment positions;

(E) valuation policies and practices of the fund;

(F) types of assets held;

(G) side arrangements or side letters, whereby certain investors in a fund obtain more favorable rights or entitlements than other investors;

(H) trading practices; and

(I) such other information as the administrator determines is necessary and appropriate in the public interest and for the protection of investors, which may include the establishment of different reporting requirements for different classes of fund advisers, based on the type or size of the private fund being advised.

(4) **Filing of records.** A rule or order under this chapter may require each investment adviser to a private fund to file reports containing such information as the administrator deems necessary and appropriate in the public interest and for the protection of investors.

(e) **Audits or inspections.** The records of a broker-dealer registered or required to be registered under this chapter and of an investment adviser registered or required to be registered under this chapter, including the records of a private fund described in paragraph (d) and the records of investment advisers to private funds, are subject to such reasonable periodic, special, or other audits or inspections by a representative of the administrator, within or without this state, as the administrator considers necessary or appropriate in the public interest and for the protection of investors. An audit or inspection may be made at any time and without prior notice. The administrator may copy, and remove for audit or inspection copies of, all records the administrator reasonably considers necessary or appropriate to conduct the audit or inspection. The administrator may assess a reasonable charge for conducting an audit or inspection under this subsection.

(f) **Custody and discretionary authority bond or insurance.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a rule adopted or order issued under this chapter may require a broker-dealer or investment adviser that has custody of or discretionary authority over funds or securities of a customer or client to obtain insurance or post a bond or other satisfactory form of security in an amount of at least \$25,000, but not to exceed \$100,000. The administrator may determine the requirements of the insurance, bond, or other satisfactory form of security. Insurance or a bond or other satisfactory form of security may not be required of a broker-dealer registered under this chapter whose net capital exceeds, or of an investment adviser registered under this chapter whose minimum financial requirements exceed, the amounts required by rule or order under this chapter. The insurance, bond, or other satisfactory form of security must permit an action by a person to enforce any liability on the insurance, bond, or other satisfactory form of security if instituted within the time limitations in section 80A.76(j)(2).

(g) **Requirements for custody.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), an agent may not have custody of funds or securities of a customer except under the supervision of a broker-dealer and an investment adviser representative may not have custody of funds or securities of a client except under the supervision of an investment adviser or a federal covered investment adviser. A rule adopted or order issued under this chapter may prohibit, limit, or impose conditions on a broker-dealer regarding custody of funds or securities of a customer and on an investment adviser regarding custody of securities or funds of a client.

(h) **Investment adviser brochure rule.** With respect to an investment adviser registered or required to be registered under this chapter, a rule adopted or order issued under this chapter may require that information or other record be furnished or disseminated to clients or prospective clients in this state as necessary or appropriate in the public interest and for the protection of investors and advisory clients.

(i) **Continuing education.** A rule adopted or order issued under this chapter may require an individual registered under section 80A.57 or 80A.58 to participate in a continuing education program approved by the Securities and Exchange Commission and administered by a self-regulatory organization.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 7. Minnesota Statutes 2022, section 80C.05, subdivision 3, is amended to read:

Subd. 3. **Escrow or impoundment of fees and other funds by commissioner.** If the commissioner finds that the applicant has failed to demonstrate that adequate financial arrangements have been made to fulfill obligations to provide real estate, improvements, equipment, inventory, training or other items included in the offering, the commissioner may by rule or order require the escrow ~~or~~ impoundment, or deferral of franchise fees and other funds paid by the franchisee or subfranchisor until no later than the time of opening of the franchise business.

Sec. 8. Minnesota Statutes 2022, section 82B.021, subdivision 26, is amended to read:

Subd. 26. **Standards of professional practice.** "Standards of professional practice" means the version of the uniform standards of professional appraisal practice of the Appraisers Appraisal Standards Board of the Appraisal Foundation in effect as of January 1, 1991, or other version of these standards the commissioner may by order designate on the date the appraiser signs the appraisal report.

Sec. 9. Minnesota Statutes 2022, section 82B.095, subdivision 3, is amended to read:

Subd. 3. **Conformance to Appraisal Qualifications Board criteria.** (a) The requirements to obtain and maintain a trainee real property appraiser, licensed real property appraiser, certified residential real property appraiser, or certified general real property appraiser license are the education, examination, and experience requirements established by the Appraiser Qualifications Board of the Appraisal Foundation and published in the most recent version of the Real Property Appraiser Qualification Criteria.

(b) An applicant must complete the applicable education and experience requirements before taking the required examination.

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

Sec. 10. Minnesota Statutes 2022, section 82B.19, subdivision 1, is amended to read:

Subdivision 1. **License renewals.** ~~(a)~~ The commissioner must determine that a licensed real estate appraiser has met the continuing education requirements of this chapter before the commissioner renews a license. This determination must be based on, for a resident appraiser, course completion records uploaded electronically in a manner prescribed by the commissioner and, for a nonresident appraiser, course completion records presented by electronic transmission or uploaded electronically in a manner prescribed by the commissioner.

~~The basic continuing education requirement for renewal of a license is the completion by the applicant either as a student or as an instructor, during the immediately preceding term of licensing, of at least 30 classroom hours of instruction in courses or seminars that have received the approval of the commissioner. Classroom hour credit must not be accepted for courses of less than two hours. As part of the continuing education requirements of this section, the commissioner must require that all real estate appraisers successfully complete the seven hour national USPAP update course every two years. If the applicant's immediately preceding term of licensing consisted of six or more months, but fewer than 24 months, the applicant must provide evidence of completion of 15 hours of instruction during the license period. The credit hours required under this section may be credited to a person for distance education courses that meet Appraiser Qualifications Board criteria. An approved prelicense education course may be taken for continuing education credit.~~

~~(b) The 15 hour USPAP course cannot be used to satisfy the requirement to complete the seven hour national USPAP update course every two years.~~

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

Sec. 11. Minnesota Statutes 2022, section 115C.08, subdivision 2, is amended to read:

Subd. 2. **Imposing fee.** The board shall notify the commissioner of revenue if the unencumbered balance of the fund falls below \$4,000,000, and within ~~60~~ 90 days after receiving notice from the board, the commissioner of revenue shall impose the fee established in subdivision 3 on the use of a tank for four calendar months, with payment to be submitted with each monthly distributor tax return.

Sec. 12. Minnesota Statutes 2023 Supplement, section 239.791, subdivision 8, is amended to read:

Subd. 8. **Disclosure; reporting.** (a) A refinery or terminal, shall provide, at the time gasoline is sold or transferred from the refinery or terminal, a bill of lading or shipping manifest to the person who receives the gasoline. For oxygenated gasoline, the bill of lading or shipping manifest must include the identity and the volume percentage or gallons of oxygenate included in the gasoline, ~~and it must state: "This fuel contains an oxygenate. Do not blend this fuel with ethanol or with any other oxygenate."~~ For nonoxygenated gasoline, the bill or manifest must state: "This fuel is not oxygenated. It must not be sold at retail in Minnesota." This subdivision does not apply to sales or transfers of gasoline between refineries, between terminals, or between a refinery and a terminal.

(b) A delivery ticket required under section 239.092 for biofuel blended with gasoline must state the volume percentage of biofuel blended into gasoline delivered through a meter into a storage tank used for dispensing by persons not exempt under subdivisions 10 to 14 and 16.

(c) On or before the 23rd day of each month, a person responsible for the product must report to the department, in the form prescribed by the commissioner, the gross number of gallons of intermediate blends sold at retail by the person during the preceding calendar month. The report must identify the number of gallons by blend type. For purposes of this subdivision, "intermediate blends" means blends of gasoline and biofuel in which the biofuel content, exclusive of denaturants and other permitted components, is greater than ten percent and no more than 50 percent by volume. This paragraph only applies to a person who is responsible for selling intermediate blends at retail at more than ten locations. A person responsible for the product at fewer than ten locations is not precluded from reporting the gross number of intermediate blends if a report is available.

(d) All reports provided pursuant to paragraph (c) are nonpublic data, as defined in section 13.02, subdivision 9.

Sec. 13. Minnesota Statutes 2022, section 272.12, is amended to read:

272.12 CONVEYANCES, TAXES PAID BEFORE RECORDING.

When:

- (a) a deed or other instrument conveying land,
- (b) a plat of any townsite or addition thereto,
- (c) a survey required pursuant to section 508.47,
- (d) a condominium plat subject to chapter 515 or 515A or a declaration that contains such a plat, or
- (e) a common interest community plat subject to chapter 515B or a declaration that contains such a plat,

is presented to the county auditor for transfer, the auditor shall ascertain from the records if there be taxes delinquent upon the land described therein, or if it has been sold for taxes. An assignment of a sheriff's or referee's certificate of sale, when the certificate of sale describes real estate, and certificates of redemption from mortgage or lien foreclosure sales, when the certificate of redemption encompasses real estate and is issued to a junior creditor, are considered instruments conveying land for the purposes of this section and section 272.121. If there are taxes delinquent, the auditor shall certify to the same; and upon payment of such taxes, or in case no taxes are delinquent, shall transfer the land upon the books of the auditor's office, and note upon the instrument, over official signature, the words, "no delinquent taxes and transfer entered," or, if the land described has been sold or assigned to an actual purchaser for taxes, the words "paid by sale of land described within;" and, unless such statement is made upon such instrument, the county recorder or the registrar of titles shall refuse to receive or record the same; provided, that

sheriff's or referees' certificates of sale on execution or foreclosure of a lien or mortgage, certificates of redemption from mortgage or lien foreclosure sales issued to the redeeming mortgagor or lienee, documents evidencing the termination of a contract for deed as described in section 559.213, deeds of distribution made by a personal representative in probate proceedings, transfer on death deeds under section 507.071, decrees and judgments, receivers receipts, patents, and copies of town or statutory city plats, in case the original plat filed in the office of the county recorder has been lost or destroyed, and the instruments releasing, removing and discharging reversionary and forfeiture provisions affecting title to land and instruments releasing, removing or discharging easement rights in land or building or other restrictions, may be recorded without such certificate; and, provided that instruments conveying land and, as appurtenant thereto an easement over adjacent tract or tracts of land, may be recorded without such certificate as to the land covered by such easement; and provided further, that any instrument granting an easement made in favor of any public utility or pipe line for conveying gas, liquids or solids in suspension, in the nature of a right-of-way over, along, across or under a tract of land may be recorded without such certificate as to the land covered by such easement. Documents governing homeowners associations of condominiums, townhouses, common interest ownership communities, and other planned unit developments may be recorded without the auditor's certificate to the extent provided in section 515B.1-116(e).

A deed of distribution made by a personal representative in a probate proceeding, a decree, or a judgment that conveys land shall be presented to the county auditor, who shall transfer the land upon the books of the auditor's office and note upon the instrument, over official signature, the words, "transfer entered", and the instrument may then be recorded. A decree or judgment that affects title to land but does not convey land may be recorded without presentation to the auditor.

A violation of this section by the county recorder or the registrar of titles shall be a gross misdemeanor, and, in addition to the punishment therefor, the recorder or registrar shall be liable to the grantee of any instrument so recorded for the amount of any damages sustained.

When, as a condition to permitting the recording of deed or other instrument affecting the title to real estate previously forfeited to the state under the provisions of sections 281.16 to 281.25, county officials, after such real estate has been purchased or repurchased, have required the payment of taxes erroneously assumed to have accrued against such real estate after forfeiture and before the date of purchase or repurchase, the sum required to be so paid shall be refunded to the persons entitled thereto out of moneys in the funds in which the sum so paid was placed. Delinquent taxes are those taxes deemed delinquent under section 279.02.

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

Sec. 14. Minnesota Statutes 2022, section 325D.43, is amended by adding a subdivision to read:

Subd. 5a. **Person.** "Person" means any individual, corporation, firm, partnership, incorporated or unincorporated association, or any other legal or commercial entity.

Sec. 15. Minnesota Statutes 2022, section 325D.44, is amended by adding a subdivision to read:

Subd. 1a. **Advertisements, displays, or offers.** (a) A person engages in a deceptive trade practice when, in the course of business, vocation, or occupation, the person advertises, displays, or offers a price for goods or services that does not include all mandatory fees or surcharges. If the person that disseminates an advertisement is independent of the advertiser, then that person is not liable for the content of the advertisement.

(b) For purposes of this subdivision, "mandatory fee" includes but is not limited to a fee or surcharge that:

(1) must be paid in order to purchase the goods or services being advertised;

(2) is not reasonably avoidable by the consumer; or

(3) a reasonable person would expect to be included in the purchase of the goods or services being advertised.

For the purposes of this subdivision, mandatory fee does not include taxes imposed by a government entity on the sale, use, purchase, receipt, or delivery of the goods or services.

(c) A delivery platform must comply with the following requirements:

(1) at the point when a consumer views and selects either a vendor or items for purchase, a delivery platform must display in a clear and conspicuous manner that an additional flat fee or percentage is charged. The disclosure must include the additional fee or percentage amount; and

(2) after a consumer selects items for purchase, but prior to checkout, a delivery platform must display a subtotal page that itemizes the price of the menu items and the additional fee that is included in the total cost.

(d) A person may charge a reasonable postage or shipping fee that is incurred by a consumer who has purchased a good that requires shipping.

(e) Nothing in this subdivision prevents a person from offering goods or services at a discounted price from the advertised, displayed, or offered price.

(f) A person offering goods or services in an auction where consumers can place bids on the goods or services and the total cost is indeterminable must disclose in a clear and conspicuous manner any mandatory fees associated with the transaction and that the total cost of the goods or services may vary.

(g) A person offering services, where the total cost is determined by consumer selections and preferences relating to distance or time, must disclose in a clear and conspicuous manner the factors that determine the total price, any mandatory fees associated with the transaction, and that the total cost of the services may vary.

(h) This subdivision is enforceable to the extent permitted by federal law.

Sec. 16. Minnesota Statutes 2022, section 325D.44, is amended by adding a subdivision to read:

Subd. 4. **Automatic gratuity.** A food service establishment complies with this section if, in every offer or advertisement for the purchase or lease of a good or service that includes pricing information, the total price of the good or service being offered or advertised includes a clear and conspicuous disclosure of the percentage of any automatic and mandatory gratuities charged.

Sec. 17. Minnesota Statutes 2023 Supplement, section 325E.21, subdivision 1b, is amended to read:

Subd. 1b. **Purchase or acquisition record required.** (a) Every scrap metal dealer, including an agent, employee, or representative of the dealer, shall create a ~~permanent~~ record written in English, using an electronic record program at the time of each purchase or acquisition of scrap metal or a motor vehicle. The record must include:

(1) a complete and accurate account or description, including the weight if customarily purchased by weight, of the scrap metal or motor vehicle purchased or acquired;

(2) the date, time, and place of the receipt of the scrap metal or motor vehicle purchased or acquired and a unique transaction identifier;

- (3) a photocopy or electronic scan of the seller's proof of identification including the identification number;
 - (4) the amount paid and the number of the check or electronic transfer used to purchase or acquire the scrap metal or motor vehicle;
 - (5) the license plate number and description of the vehicle used by the person when delivering the scrap metal or motor vehicle, including the vehicle make and model, and any identifying marks on the vehicle, such as a business name, decals, or markings, if applicable;
 - (6) a statement signed by the seller, under penalty of perjury as provided in section 609.48, attesting that the scrap metal or motor vehicle is not stolen and is free of any liens or encumbrances and the seller has the right to sell it;
 - (7) a copy of the receipt, which must include at least the following information: the name and address of the dealer, the date and time the scrap metal or motor vehicle was received by the dealer, an accurate description of the scrap metal or motor vehicle, and the amount paid for the scrap metal or motor vehicle; and
 - ~~(8) in order to purchase or acquire a detached catalytic converter, the vehicle identification number of the car it was removed from or, as an alternative, any numbers, bar codes, stickers, or other unique markings, whether resulting from the pilot project created under subdivision 2b or some other source. The alternative number must be under a numbering system that can be immediately linked to the vehicle identification number by law enforcement; and~~
 - ~~(9)~~ (8) the identity or identifier of the employee completing the transaction.
- (b) The record, as well as the scrap metal or motor vehicle purchased or acquired, shall at all reasonable times be open to the inspection of any properly identified law enforcement officer.
- (c) Except for the purchase or acquisition of detached catalytic converters or motor vehicles, no record is required for property purchased or acquired from merchants, manufacturers, salvage pools, insurance companies, rental car companies, financial institutions, charities, dealers licensed under section 168.27, or wholesale dealers, having an established place of business, or of any goods purchased or acquired at open sale from any bankrupt stock, but a receipt as required under paragraph (a), clause (7), shall be obtained and kept by the person, which must be shown upon demand to any properly identified law enforcement officer.
- (d) The dealer must provide a copy of the receipt required under paragraph (a), clause (7), to the seller in every transaction.
- (e) The commissioner of public safety and law enforcement agencies in the jurisdiction where a dealer is located may conduct inspections and audits as necessary to ensure compliance, refer violations to the city or county attorney for criminal prosecution, and notify the registrar of motor vehicles.
- (f) Except as otherwise provided in this section, a scrap metal dealer or the dealer's agent, employee, or representative may not disclose personal information concerning a customer without the customer's consent unless the disclosure is required by law or made in response to a request from a law enforcement agency. A scrap metal dealer must implement reasonable safeguards to protect the security of the personal information and prevent unauthorized access to or disclosure of the information. For purposes of this paragraph, "personal information" is any individually identifiable information gathered in connection with a record under paragraph (a).

Sec. 18. Minnesota Statutes 2023 Supplement, section 325E.21, subdivision 11, is amended to read:

Subd. 11. **Prohibition on possessing catalytic converters; exception.** (a) It is unlawful for a person to possess a used catalytic converter that is not attached to a motor vehicle except when:

(1) the converter is marked with the date the converter was removed from the vehicle and the identification number of the vehicle from which the converter was removed or ~~an alternative number to the vehicle identification number~~, as an alternative to the vehicle identification number, any numbers, bar codes, stickers, or other unique markings, whether resulting from the pilot project created under subdivision 2b or some other source; or

(2) the converter has been EPA certified for reuse as a replacement part.

(b) If an alternative number to the vehicle identification number is used, it must be under a numbering system that can be immediately linked to the vehicle identification number by law enforcement. The marking of the vehicle identification or alternative number may be made in any permanent manner, including but not limited to an engraving or use of permanent ink. The marking must clearly and legibly indicate the date removed and the vehicle identification number or the alternative number and the method by which law enforcement can link the converter to the vehicle identification number.

Sec. 19. Minnesota Statutes 2022, section 325F.03, is amended to read:

325F.03 FLAME RESISTANT PUBLIC ASSEMBLY TENTS.

No person, firm or corporation shall establish, maintain or operate any circus, side show, carnival, tent show, theater, skating rink, dance hall, or a similar exhibition, production, engagement or offering or other place of assemblage in or under which ~~ten~~ 15 or more persons may gather for any lawful purpose in any tent, awning or other fabric enclosure unless such tent, awning or other fabric enclosure, and all auxiliary tents, curtains, drops, awnings and all decorative materials, are made from a nonflammable material or are treated and maintained in a flame resistant condition. This section ~~shall~~ does not apply to tents designed or manufactured for camping, backpacking, mountaineering, or children's play; tents used to conduct committal services on the grounds of a cemetery; nor to tents, awnings or other fabric enclosures erected and used within a sound stage, or other similar structural enclosure which is equipped with an overhead automatic sprinkler system.

Sec. 20. Minnesota Statutes 2022, section 325F.04, is amended to read:

325F.04 FLAME RESISTANT TENTS ~~AND SLEEPING BAGS.~~

No person, firm, or corporation may sell or offer for sale or manufacture for sale in this state any tent subject to section 325F.03 unless all fabrics or pliable materials in the tent are durably flame resistant. ~~No person, firm or corporation may sell or offer for sale or manufacture for sale in this state any sleeping bag unless it meets the standards of the commissioner of public safety for flame resistancy. Tents and sleeping bags~~ subject to section 325F.03 shall be conspicuously labeled as being durably flame resistant.

Sec. 21. Minnesota Statutes 2022, section 325F.05, is amended to read:

325F.05 RULES.

The commissioner of public safety shall act so as to have effective rules concerning standards for ~~nonflammable, flame resistant and~~ durably flame resistant materials and for labeling requirements ~~by January 1, 1976~~ under sections 325F.03 and 325F.04. In order to comply with sections 325F.03 and 325F.04 all materials and labels must comply with the rules adopted by the commissioner. The commissioner has general rulemaking power to otherwise implement sections 325F.03 to 325F.07.

Sec. 22. **[325F.078] SALES OF AEROSOL DUSTERS CONTAINING 1,1-DIFLUOROETHANE (DFE).**

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

(b) "Aerosol duster" means a product used to clean electronics and other items by means of an aerosol sprayed from a pressurized container.

(c) "Behind the counter" means placement by a retailer of a product to ensure that customers do not have direct access to the product before a sale is made, requiring the seller to deliver the product directly to the buyer.

(d) "DFE" or "1,1-difluoroethane" means a chemical with a Chemicals Abstract Service Registry Number of 75-37-6.

Subd. 2. Requirements for retail sale. A retailer must only sell an aerosol duster that contains DFE:

(1) from behind the counter;

(2) to a purchaser who presents valid evidence that the purchaser is at least 21 years of age; and

(3) in a quantity that complies with the purchasing limit established in subdivision 3.

Subd. 3. Purchasing limit. A retailer is prohibited from selling more than three cans of an aerosol duster containing DFE to a customer in a single transaction.

Subd. 4. Exemption. Subdivisions 2 and 3 do not apply to a business purchasing aerosol dusters online.

Subd. 5. Labeling. (a) An aerosol duster containing DFE must not be sold in this state unless the aerosol duster conforms to the labeling requirements established in this subdivision.

(b) The label on each can of aerosol duster containing DFE must contain the following, placed within a red rectangle encompassing at least one-half of the area of the rear side of the can:

(1) at the top left corner of the rectangle, the words "Inhalant Abuse Public Safety Announcement" in red ink on a white background that covers one quarter of the rear side of the can;

(2) below the words in clause (1), the words "DANGER: DEATH! Breathing this product to get high can kill you" in white ink on a red background;

(3) at the top right corner of the rectangle, a skull and crossbones symbol in black ink on a yellow background contained within a triangle, and the word "DANGER" in black ink on a yellow background just below the triangle;

(4) below the symbol in clause (3), in black ink on a white background, the words: "Abuse or Misuse" underlined, under which are the words "Danger: Can stop your heart Caution: Can cut off air to your brain Warning: Can result in death";

(5) below the words in clause (4), a drawing of a person lying on the ground, in white ink, within a red circle, on a white background, contained within a red triangle;

(6) below the triangle in clause (5), in white ink on a red background, the word "WARNING," and, below that, "Risk of death when abused or misused";

(7) across the bottom of the rectangle, in black type on a white background, the words "This product contains a bittering agent to help discourage inhalant abuse. The misuse and abuse of this product by deliberately concentrating and inhaling the chemical contents presents a serious health hazard and can result in fatality. Please use this product responsibly as the product was intended."; and

(8) below the words in clause (7), two smaller versions of the skull and crossbones symbols described in clause (3) on a white background, placed equidistant from the edges of the red rectangle, and in between which, in red ink, is the website address "www.inhalant.org."

(c) The safety symbols and color standards of the label described in this section must conform with the ANSI Z535 safety signage standards guidelines established by the American National Standards Institute.

Subd. 6. **Violations.** (a) A person who violates subdivision 2 or 3 is guilty of a misdemeanor.

(b) It is an affirmative defense to a charge under subdivision 2, clause (2), if the defendant proves by a preponderance of the evidence that the defendant reasonably and in good faith relied on proof of age as described in section 340A.503, subdivision 6.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to purchases of aerosol dusters made on or after that date.

Sec. 23. Minnesota Statutes 2022, section 325F.56, subdivision 2, is amended to read:

Subd. 2. **Repairs.** "Repairs" means work performed for a total price of more than \$100 ~~and less than \$7,500~~, including the price of parts and materials, to restore a malfunctioning, defective, or worn motor vehicle, appliance, or dwelling place used primarily for personal, family, or household purposes and not primarily for business or agricultural purposes. "Repairs" do not include service calls or estimates.

Sec. 24. Minnesota Statutes 2022, section 325F.62, subdivision 3, is amended to read:

Subd. 3. **Required notice to be displayed.** Each shop shall conspicuously display a sign that states the following: "Upon a customer's request, this shop is required to provide a written estimate for repairs costing more than \$100 ~~to \$7,500~~ if the shop agrees to perform the repairs. The shop's final price cannot exceed its written estimate by more than ten percent without the prior authorization of the customer. You must request that the estimate be in writing. An oral estimate is not subject to the above repair cost limitations. If the shop charges a fee for the storage or care of repaired motor vehicles or appliances, the shop shall conspicuously display a sign that states the amount assessed for storage or care, when the charge begins to accrue, and the interval of time between assessments."

Sec. 25. **[325F.676] TICKET SALES.**

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

(b) "Commissioner" means the commissioner of commerce.

(c) "Entertainment" means all forms of entertainment, including but not limited to theatrical or operatic performances, concerts, motion pictures, entertainment at fairgrounds, amusement parks, athletic competitions and other sports, and all other forms of diversion, recreation, or show.

(d) "Internet domain name" means a globally unique, hierarchical reference to an Internet host or service, which is assigned through a centralized Internet naming authority and which is composed of a series of character strings separated by periods with the rightmost string specifying the top of the hierarchy.

(e) "Online ticket marketplace" means the administrator of a website or other electronic service, including an agent, employee, or assignee of the administrator, that sells tickets or maintains a platform to facilitate the sale of tickets.

(f) "Operator" means a person, including an agent, employee, or assignee of the person, who:

(1) owns, operates, or controls a place of entertainment;

(2) produces entertainment; or

(3) sells a ticket to a place of entertainment for original sale.

(g) "Person" means a party, individual, partnership, association, corporation, or other legal entity.

(h) "Place of entertainment" means an entertainment facility, including but not limited to an amphitheater, theater, stadium, arena, racetrack, museum, amusement park, venue, club, or other place where performances, concerts, exhibits, athletic games, contests, or other forms of entertainment are held. For the purposes of this section, place of entertainment does not include movie theaters.

(i) "Ticket reseller" means a person that offers or sells tickets for resale after the original sale to an entertainment event located in this state and includes an operator to the extent that the operator offers or sells tickets for resale. Sales by a ticket reseller include sales by any means, including but not limited to in person or by telephone, mail, delivery service, facsimile, Internet, email, or other electronic means. A ticket reseller does not include a person that purchases a ticket solely for the person's own use or the use of the person's invitees, employees, or agents.

(j) "URL" means a uniform resource locator for a website on the Internet.

Subd. 2. Disclosures. (a) An operator, ticket reseller, or online ticket marketplace must, at all times during the ticket listing and purchasing process, disclose in an easily readable and conspicuous manner and in dollars:

(1) the total cost of the ticket, inclusive of all fees and surcharges that must be paid in order to purchase the ticket;

(2) the portion of the ticket price that represents a service charge; and

(3) any other fee or surcharge charged to the purchaser.

(b) The disclosure of subtotals, fees, charges, and all other components of the total price must not be false or misleading, and must not be presented more prominently or in the same or larger size than the total price. The disclosure of subtotals, fees, charges, and all other components of the total price may be displayed in a manner that allows the purchaser to hide or minimize the itemized list. The price of a ticket must not increase with respect to a particular person after the ticket is first displayed to the person, excluding reasonable fees for the delivery of nonelectronic tickets based on the delivery method selected by the purchaser and any additional purchases made by the purchaser, which must be disclosed prior to accepting payment.

(c) A ticket reseller and online ticket marketplace must disclose in an easily readable and conspicuous manner on the ticket reseller's or online ticket marketplace's website or electronic service:

(1) that the website or electronic service is owned or operated by a ticket reseller or online ticket marketplace and that the price of a resale ticket offered for sale may be higher or lower than the original purchase price;

(2) that the purchaser is responsible for checking with the place of entertainment for information on changes to the event or cancellations prior to the event's start time; and

(3) the refund policy of the ticket reseller or online ticket marketplace.

A ticket reseller or online ticket marketplace must require a purchaser to confirm having read the disclosures required by this paragraph before completing a transaction.

(d) A ticket reseller or online ticket marketplace must provide to the purchaser proof of purchase, which must include all event and ticket information, within 24 hours of the purchase, including:

(1) that the purchaser is responsible for checking with the place of entertainment for information on changes to the event or cancellations prior to the event's start time; and

(2) the refund policy of the ticket reseller or online ticket marketplace.

(e) An online ticket marketplace must not use any combination of text, images, trademark, copyright, web designs, or Internet addresses that is identical or substantially similar to text, images, trademark, copyright, web designs, or Internet addresses associated with a place of entertainment without the written permission of the place of entertainment duly authorized to provide the permission. This paragraph does not prohibit an online ticket marketplace from using text containing the name of a place of entertainment or of an event in order to describe the location of the event or the event itself. This paragraph does not prohibit an online ticket marketplace from providing information or images identifying the specific seat or area the purchaser will occupy in the place of entertainment.

(f) The obligations of paragraphs (a) to (d) do not apply to any person, unless the person engaged in annual aggregate transactions that were equal to or greater than \$5,000.

Subd. 3. **Prohibitions.** (a) A ticket reseller or online ticket marketplace must not:

(1) sell or offer to sell more than one copy of the same ticket to a place of entertainment;

(2) directly or indirectly employ another person to wait in line to purchase tickets for the purpose of reselling the tickets if the practice is prohibited or if the place of entertainment has posted a policy prohibiting the practice;

(3) sell or offer to sell a ticket without first informing the person of the location of the place of entertainment and the ticket's assigned seat, including but not limited to the seat number, row, and section number of the seat;

(4) sell or offer to sell a ticket for which there is no assigned seat without first informing the person of the general admission area to which the ticket corresponds; or

(5) advertise, offer for sale, or contract for the sale of a ticket before the ticket has been made available to the public, including via presale, without first obtaining permission from the place of entertainment and having actual or constructive possession of the ticket, unless the ticket reseller owns the ticket pursuant to a season ticket package purchased by the ticket reseller.

(b) A person must not use or cause to be used an Internet domain name or subdomain thereof in an operator, ticket reseller, or online ticket marketplace website's URL that contains any of the following, unless acting on behalf of the place of entertainment, event, or person scheduled to perform or appear at the event:

(1) the name of a place of entertainment;

(2) the name of an event, including the name of a person scheduled to perform or appear at the event; or

(3) a name substantially similar to those described in clause (1) or (2).

(c) A person must not:

(1) circumvent any portion of the process for purchasing a ticket on the Internet or for admission to a place of entertainment, including but not limited to security or identity validation measures or an access control system; or

(2) disguise the identity of a purchaser for the purpose of purchasing a number of tickets for admission to a place of entertainment that exceeds the maximum number of tickets allowed for purchase by a person.

(d) A person must not sell a ticket obtained in violation of paragraph (c) if the person:

(1) participated in or had the ability to control the conduct committed in violation of paragraph (c); or

(2) knew that the ticket was acquired in violation of paragraph (c).

(e) An operator, online ticket marketplace, or ticket reseller must not sell a ticket unless:

(1) the ticket is in the possession or constructive possession of the operator, online ticket marketplace, or ticket reseller; or

(2) the operator, online ticket marketplace, or ticket reseller has a written contract with the place of entertainment to obtain the ticket.

(f) Pursuant to United States Code, title 15, section 45c, circumvention of a security measure, access control system, or other technological control measure used by an online ticket marketplace to enforce posted event ticket purchasing limits or to maintain the integrity of posted online ticket purchasing order rules is prohibited.

Subd. 4. **Commissioner data requests; data practices.** Upon request by the commissioner, an online ticket marketplace must disclose to the commissioner information about technology and methods used in an alleged violation of subdivision 3, paragraph (f). Data collected or maintained by the commissioner under this subdivision are civil investigative data under section 13.39 and the commissioner may share with the attorney general any not public data, as defined in section 13.02, subdivision 8a, received under this subdivision.

Subd. 5. **Enforcement.** The commissioner may enforce this section under section 45.027.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to tickets sold on or after that date.

Sec. 26. **[3250.01] CITATION.**

This chapter may be cited as the "Prohibiting Social Media Manipulation Act."

Sec. 27. **[3250.02] DEFINITIONS.**

(a) For purposes of this chapter, the following terms have the meanings given.

(b) "Accessible user interface" means a way for a user to input data, make a choice, or take an action on a social media platform in two clicks or fewer.

(c) "Account holder" means a natural person or legal person who holds an account or profile with a social media platform.

(d) "Account interactions" means any action that an account holder can make within a social media platform that has an impact on another user. Account interactions include but are not limited to:

(1) sending messages or invitations to users;

(2) reporting users;

(3) commenting on, resharing, liking, voting, or otherwise reacting to users' user-generated content; and

(4) posting user-generated content or disseminating user-generated content to users.

Actions that have no impact on other users, including viewing user-generated content or public content, are not account interactions.

(e) "Algorithmic ranking system" means a computational process, including one derived from algorithmic decision making, machine learning, statistical analysis, or other data processing or artificial intelligence techniques, used to determine the selection, order, relative prioritization, or relative prominence of content from a set of information that is provided to a user on a social media platform, including search results ranking, content recommendations, content display, or any other automated content selection method.

(f) "Click" means an act of selecting an option on an electronic interface by pressing a button, touching a screen, making a gesture, issuing a voice command, or other means.

(g) "Content" means any media, including but not limited to written posts, images, visual or audio recordings, notifications, and games, that a user views, reads, watches, listens to, or otherwise interacts or engages with on a social media platform. Content includes other account holders' accounts or profiles when recommended to a user by the social media platform.

(h) "Default" means a preselected option adopted by a social media platform for the social media platform's service, product, or feature.

(i) "Device operating system provider" means a business that manages or develops operating system software for mobile or desktop devices, including but not limited to personal computers, smartphones, and tablets, which manage device resources and are loaded by a boot program. Device operating system provider does not include a business that manages or develops operating system software for a video game console, as defined by section 325E.72.

(j) "Engage" or "engagement" means a user's utilization of the social media platform.

(k) "Existing extended network" means a user's existing network plus the set of account holders on a social media platform who are all directly connected to the account holders within that user's existing network.

(l) "Existing network" means the set of account holders on a social media platform with whom a user has consented to have a direct connection.

(m) "Expressed preferences" means a freely given, considered, specific, and unambiguous indication of a user's preferences regarding the user's engagement with a social media platform. Expressed preferences cannot be based on the user's time spent engaging with content on the social media platform, nor on the usage of features that do not indicate explicit preference, including comments made, posts reshared, or similar actions that may be taken on content the user perceives to be of low quality. Expressed preferences may not be obtained through a user interface designed or manipulated with the substantial effect of subverting or impairing a user's decision making.

(n) "Optimize" means promoted, prioritized, or maximized by a social media platform's algorithmic ranking system.

(o) "Social media platform" means an electronic medium, including a browser-based or application-based interactive computer service, Internet website, telephone network, or data network, that allows an account holder to create, share, and view user-generated content for the predominant purpose of social interaction, sharing content, or personal networking. Social media platform does not include:

(1) an Internet search provider;

(2) an Internet service provider;

(3) an email or short message service;

(4) a streaming service, online video game, or other Internet website where the content is not user generated but where interactive functions enable chat, comments, reviews, or other interactive functionality that is incidental to, directly related to, or dependent upon provision of the content;

(5) a communication service, including text, audio, or video communication technology, provided by a business to the business's employees and clients for use in the course of business activities and not for public distribution, except that social media platform does include a communication service provided by a social media platform;

(6) an advertising network with the sole function of delivering commercial content;

(7) a telecommunications carrier, as defined in United States Code, title 47, section 153;

(8) a broadband service, as defined by section 116J.39, subdivision 1;

(9) single-purpose community groups for education;

(10) teleconferencing or video-conferencing services that allow reception and transmission of audio and video signals for real-time communication, except that social media platform does include teleconferencing or video-conferencing services provided by a social media platform;

(11) cloud computing services, which may include cloud storage and shared document collaboration; or

(12) providing or obtaining technical support for a platform, product, or service.

(p) "Time sensitive" means content that is welcomed under a user's expressed preferences and that would have significantly reduced value to the user with the passing of time.

(q) "User" means a natural person who is located in Minnesota and who holds an account or profile with a social media platform.

(r) "User-generated content" means any content created by an account holder that is uploaded, posted, shared, or disseminated on the social media platform.

(s) "Varied set of account holders" means a set of account holders who have different behaviors and histories.

Sec. 28. **[3250.03] SCOPE; EXCLUSIONS.**

(a) A social media platform is subject to this chapter if the social media platform:

(1) does business in Minnesota or provides products or services that are targeted to residents of Minnesota; and

(2) has more than 10,000 monthly active account holders located in Minnesota.

(b) For purposes of this chapter, a social media platform may determine whether an account holder is located in Minnesota based on:

(1) the account holder's own supplied address or location;

(2) global positioning system-level latitude, longitude, or altitude coordinates;

(3) cellular phone system coordinates;

(4) Internet protocol device address; or

(5) other mechanisms that can be used to identify an account holder's location.

(c) This chapter applies exclusively to social media platform operations that directly impact account holders reasonably presumed to be located within the state of Minnesota based on the factors in paragraph (b).

Sec. 29. **[3250.04] REQUIREMENTS FOR SOCIAL MEDIA PLATFORMS.**

Subdivision 1. **Content optimization.** (a) A social media platform must provide an accessible user interface that allows a user to clearly indicate whether a particular piece of content:

(1) is of high or low quality; and

(2) complies with the user's expressed preferences.

(b) A social media platform's algorithmic ranking system must optimize content for a user that:

(1) a varied set of account holders indicates is of high quality; and

(2) complies with a user's expressed preferences.

(c) A social media platform's algorithmic ranking system must not optimize content that is not related to a user's expressed preferences in order to maximize the user's engagement with the platform.

Subd. 2. Account interaction limits. (a) A social media platform must develop criteria to designate an account holder who has recently created an account with or joined the social platform as a new account holder. An account created within 30 days must be considered a new account holder. For a new account holder, a social media platform must set daily numerical limits on account interactions equivalent to the 50th percentile of all platform account holders.

(b) For all account holders, a social media platform must set daily numerical limits on account interactions equivalent to the two standard deviations above the median for all platform account holders. A limit required under this paragraph may allow an account holder to have account interactions in excess of the limit, but at a minimum must reduce the impact of the engagement on other users. A limit may be exceeded for account interactions with another user if the other user clearly initiates and welcomes the engagement.

Subd. 3. Default privacy settings. (a) A social media platform must provide default settings for a user that do not:

(1) allow the user's account or the user's user-generated content to be discovered by anyone outside the user's existing extended network;

(2) allow messaging, requests, reactions, comments, or other contact from an account holder that is not already within the user's existing extended network, unless the user initiates and welcomes the contact;

(3) reveal the user's location outside the user's existing network, unless the user specifically shares the user's location outside the user's existing network;

(4) disseminate any information about the user, including the user's profile and any of the user's user-generated content, to anyone outside of the user's existing network without a specific request from the user to disseminate the information; or

(5) allow or facilitate a user's user-generated content, or any user's facial or biometric data, to be incorporated into generative artificial intelligence models without the user's explicit consent.

(b) The default settings required in paragraph (a) may be changed only to comply with the user's expressed preferences. A social media platform must not utilize a system, user interface, or prompt that encourages a user to change the user's privacy settings toward allowing the user's information or user-generated content to be shared or disseminated more broadly.

Subd. 4. Option for heightened protection. (a) A social media platform must provide an accessible user interface to allow a user to opt in to any or all of the heightened protection requirements under paragraph (d). A social media platform may make the heightened protections the default settings for all users or all account holders.

(b) A device operating system provider must provide an option for a user to automatically opt in to any or all of the heightened protection requirements under paragraph (d) across all social media platforms managed by the operating system on the user's device. If a user selects the option under this paragraph, the device operating system provider must inform all social media platforms managed by the provider's operating system of the user's preference and a notified social media platform must adjust the user's account settings accordingly. A device operating system provider may provide a user the ability to opt out of any or all heightened protections.

(c) A device operating system provider must, by default, consider any device with parental controls enabled to have opted in to all the heightened protection requirements under paragraph (d).

(d) For a user receiving heightened protections, a social media platform must not:

(1) use platform features that increase, sustain, or extend a user's engagement with the platform beyond the user's expressed preferences regarding time or duration. Features subject to this clause include but are not limited to:

(i) optimization for time spent or content consumed;

(ii) content feeds without finite endings;

(iii) autoplaying videos or other content; and

(iv) notifications that are not time sensitive; or

(2) provide any visible count showing how much engagement content that the user viewed, consumed, or generated has received.

Subd. 5. **Transparency requirements.** (a) A social media platform must publicly post the following information on the social media platform's website:

(1) an explanation of how the social media platform designates new account holders and an explanation detailing the operation and effect of usage limits applicable to new account holders under subdivision 2, paragraph (a);

(2) an explanation detailing the operation and effect of the usage limits required under subdivision 2, paragraph (b);

(3) an explanation detailing how the platform:

(i) assesses users' perceptions of the quality of content;

(ii) assesses users' expressed preferences regarding content; and

(iii) utilizes the assessments under items (i) and (ii) in the social media platform's algorithmic ranking system, including how the assessments are weighted in relation to other signals in the algorithmic ranking system;

(4) statistics on the platform's use with respect to the tenth, 25th, 50th, 75th, 90th, 95th, 99th, and 99.9th percentile of all platform account holders for each distinct type of account interaction or engagement, including but not limited to:

(i) sending invitations or messages to other platform account holders;

(ii) commenting on, resharing, liking, voting for, or otherwise reacting to content;

(iii) posting new user-generated content;

(iv) disseminating user-generated content to other platform account holders; and

(v) time spent on the platform;

(5) an explanation of how the platform determines whether a notification is time sensitive;

(6) an explanation of how the platform determines what constitutes a "varied set of account holders," including what behaviors are used as signals and how any measurement of difference is created and used; and

(7) a description of all product experiments that have been conducted on 1,000 or more users, including the results of the product experiments on users' engagement with content that:

(i) users indicate to be high or low quality;

(ii) users indicate complies or does not comply with the users' expressed preferences; and

(iii) violates platform policies.

(b) Additional steps taken by a social media platform to prevent abusive use beyond what must be publicly disclosed under paragraph (a) are encouraged and may, but are not required to, be publicly disclosed.

(c) When automatically delivering, suggesting, or selecting content to a user, a social media platform must provide an accessible user interface to allow the user to access a basic, nontechnical explanation detailing why a particular piece of content was promoted by the platform's algorithmic ranking system.

Sec. 30. **[3250.05] ENFORCEMENT.**

The attorney general may bring a civil enforcement action and recover the relief provided in section 8.31 against a social media platform that violates this chapter. Nothing in this chapter establishes a private right of action, including under section 8.31, subdivision 3a, for a violation of this chapter or any other law.

Sec. 31. **[3250.06] SEVERABILITY.**

If any provision of this chapter or the chapter's application to any person or circumstance is held invalid for any reason in a court of competent jurisdiction, the remainder of the chapter or the application of the provision to other persons or circumstances is not affected.

Sec. 32. Minnesota Statutes 2022, section 507.235, subdivision 1a, is amended to read:

Subd. 1a. **Requirements of vendor.** (a) A vendor entering into a contract for deed involving residential real property must, contemporaneously with the execution of the contract for deed:

~~(1) deliver to the vendee a copy of the contract for deed containing original signatures in recordable form; and~~

~~(2) (b) Within four months of executing the contract for deed, the vendor must:~~

~~(1) pay, or reimburse the vendee for payment of, any delinquent taxes necessary for recordation of the contract for deed, unless the contract for deed provides for the vendee to pay the delinquent taxes; and~~

~~(2) record the contract for deed in the office of the county recorder or registrar of titles in the county in which the land is located.~~

~~(c) The following statement included in a contract for deed for other than residential real property constitutes prima facie evidence that this subdivision does not apply: "The property is not residential real property."~~

~~(d) If the contract for deed is not in recordable form, within four months of the execution of the contract for deed the vendor must make a good faith effort to correct the defects that rendered the contract unrecordable. A good faith effort includes but is not limited to determining the reason or reasons the contract was not in recordable form, and revising and, if necessary, having all parties reexecute the contract to render it in recordable form. The vendee must, in good faith, cooperate with the vendor to the extent that cooperation is necessary to correct the defects.~~

~~(b)~~ (e) For purposes of this subdivision:

(1) "contract for deed" means an executory contract for the conveyance of residential real property under which the seller provides financing for the purchase of the residential real property and under which the purchaser does or has a right to go into possession. Contract for deed does not include:

- (i) a purchase agreement;
- (ii) an earnest money contract;
- (iii) an exercised option or a lease, including a lease with an option to purchase; or
- (iv) a mortgage, as defined in section 287.01; and

(2) "residential real property" means real property ~~occupied, or intended to be occupied, by one to four families, if the purchaser intends to occupy the real property.~~ consisting of one to four family dwelling units, one of which is intended to be occupied as the principal place of residence by:

- (i) the purchaser;
- (ii) if the purchaser is an entity, the natural person who is the majority or controlling owner of the entity; or
- (iii) if the purchaser is a trust, the settlor of the trust.

Residential real property does not include ~~property subject to a family farm security loan or~~ a transaction subject to sections 583.20 to 583.32.

(f) The performance of the obligations by the vendor required under this subdivision satisfies any of the obligations of the original vendee, as required under subdivision 1.

(g) The requirements of this subdivision may not be waived or altered by any provision in a contract for deed. A provision in a contract for deed to the contrary is void and unenforceable.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to all contracts for deed executed by all parties on or after that date.

Sec. 33. Minnesota Statutes 2022, section 507.235, subdivision 5, is amended to read:

Subd. 5. **Civil enforcement.** (a) A city in which the land is located or, if the land is not located within a city, the county in which the land is located, may enforce the provisions of this section. The city or county may bring an action to compel the recording of a contract for deed or any assignments of a contract for deed, an action to impose the civil penalty, or an action to compel disclosure of information.

(b) Prior to bringing an action under this subdivision to compel recording or to impose the penalty, ~~or an action under subdivision 4,~~ the city or county must provide written notice to the person, subject to subdivision 1, of the person's duty to record the contract for deed or the assignment. If the person so notified fails to record the contract for deed or assignment documents within 14 days of receipt of the notice, an action may be brought.

(c) It is an affirmative defense in an enforcement action under this section that the contract for deed or assignment document is not recordable, or that section 272.121 prohibits the recording of the contract for deed or assignment, and that the defendant has provided to the city or county attorney true and correct copies of the documents within 14 days after receipt of the notice.

(d) In an action brought under this subdivision, the city or county attorney may recover costs and disbursements, including reasonable attorney fees.

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

Sec. 34. Minnesota Statutes 2022, section 513.73, subdivision 3, is amended to read:

Subd. 3. **Private transfer fee.** "Private transfer fee" means a fee or charge required by a private transfer fee obligation and payable upon the transfer of an interest in real property, or payable for the right to make or accept the transfer, regardless of whether the fee or charge is a fixed amount or is determined as a percentage of the value of the property, the purchase price, or other consideration given for the transfer. The following are not private transfer fees for purposes of this section:

(1) consideration payable by the grantee to the grantor for the interest in real property being transferred, including any subsequent additional consideration for the property payable by the grantee based upon any subsequent appreciation, development, or sale of the property, provided that the additional consideration is payable on a onetime basis only, and the obligation to make the payment does not bind successors in title to the property. For the purposes of this clause, an interest in real property may include a separate mineral estate and its appurtenant surface access rights;

(2) commission payable to a licensed real estate broker for the transfer of real property pursuant to an agreement between the broker and the grantor or the grantee, including any subsequent additional commission for that transfer payable by the grantor or the grantee based upon any subsequent appreciation, development, or sale of the property;

(3) interest, charges, fees, or other amounts payable by a borrower to a lender pursuant to a loan secured by a mortgage against real property, including but not limited to a fee payable to the lender for consenting to an assumption of the loan or a transfer of the real property subject to the mortgage, fees, or charges payable to the lender for estoppel letters or certificates, and shared appreciation interest or profit participation or other consideration and payable to the lender in connection with the loan;

(4) rent, reimbursement, charge, fee, or other amount payable by a lessee to a lessor under a lease, including but not limited to a fee payable to the lessor for consenting to an assignment, subletting, encumbrance, or transfer of the lease;

(5) consideration payable to the holder of an option to purchase an interest in real property or the holder of a right of first refusal or first offer to purchase an interest in real property for waiving, releasing, or not exercising the option or right upon the transfer of the property to another person;

~~(6) consideration payable by a contract for deed vendee to the vendor pursuant to the terms of a recorded contract for deed, including any subsequent additional consideration for the property payable by the vendee based upon any subsequent appreciation, development, or sale of the property;~~

~~(7) (6) a tax, fee, charge, assessment, fine, or other amount payable to or imposed by a governmental authority;~~

~~(8) (7) a fee, charge, assessment, fine, or other amount payable to a homeowner's condominium, cooperative, mobile home, or property owner's association pursuant to a declaration or covenant or law applicable to the association, including but not limited to fees or charges payable for estoppel letters or certificates issued by the association or its authorized agent;~~

~~(9)~~ (8) a fee, a charge, an assessment, dues, a contribution, or other amount pertaining to the purchase or transfer of a club membership relating to real property owned by the member, including but not limited to any amount determined by reference to the value, purchase price, or other consideration given for the transfer of the real property; and

~~(40)~~ (9) a mortgage from the purchaser of real property granted to the seller or to a licensed real estate broker.

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

Sec. 35. Minnesota Statutes 2022, section 559.21, subdivision 2a, is amended to read:

Subd. 2a. **For post 7/31/1985 contract.** If a default occurs in the conditions of a contract for the conveyance of real estate or an interest in real estate executed on or after August 1, 1985, that gives the seller a right to terminate it, the seller may terminate the contract by serving upon the purchaser or the purchaser's personal representatives or assigns, within or outside of the state, a notice specifying the conditions in which default has been made. The notice must state that the contract will terminate 60 days, or a shorter period allowed or a longer period required in subdivision 4, after the service of the notice, unless prior to the termination date the purchaser:

(1) complies with the conditions in default;

(2) makes all payments due and owing to the seller under the contract through the date that payment is made;

(3) pays the costs of service of the notice, including the reasonable costs of service by sheriff, public officer, or private process server; except payment of costs of service is not required unless the seller notifies the purchaser of the actual costs of service by certified mail to the purchaser's last known address at least ten days prior to the date of termination;

(4) except for earnest money contracts, purchase agreements, and exercised options, pays two percent of any amount in default at the time of service, not including the final balloon payment, any taxes, assessments, mortgages, or prior contracts that are assumed by the purchaser; and

(5) if the contract for deed is executed on or after August 1, 2024, pays an amount to apply on attorney fees actually expended or incurred of \$1,000; if the contract is executed on or after August 1, 1999, and before August 1, 2024, pays an amount to apply on attorneys' attorney fees actually expended or incurred, of \$250 if the amount in default is less than \$1,000, and of \$500 if the amount in default is \$1,000 or more; or if the contract is executed before August 1, 1999, pays an amount to apply on attorneys' attorney fees actually expended or incurred, of \$125 if the amount in default is less than \$750, and of \$250 if the amount in default is \$750 or more; except that no amount for attorneys' fees is required to be paid unless some part of the conditions of default has existed for at least 30 days prior to the date of service of the notice.

EFFECTIVE DATE. This section is effective August 1, 2024.

Sec. 36. Minnesota Statutes 2022, section 559.21, subdivision 4, is amended to read:

Subd. 4. **Law prevails over contract; procedure; conditions.** (a) The notice required by this section must be given notwithstanding any provisions in the contract to the contrary, except that (1) earnest money contracts, purchase agreements, and exercised options that are subject to this section may, unless by their terms they provide for a longer termination period, be terminated on 30 days' notice, or may be canceled under section 559.217 and (2) contracts for deed executed by an investor seller shall be terminated on 90 days' notice. The notice must be served within the state in the same manner as a summons in the district court, and outside of the state, in the same manner, and without securing any sheriff's return of not found, making any preliminary affidavit, mailing a copy of the notice

or doing any other preliminary act or thing whatsoever. Service of the notice outside of the state may be proved by the affidavit of the person making the same, made before an authorized officer having a seal, and within the state by such an affidavit or by the return of the sheriff of any county therein.

(b) If a person to be served is a resident individual who has departed from the state, or cannot be found in the state; or is a nonresident individual or a foreign corporation, partnership, or association, service may be made by publication as provided in this paragraph. Three weeks' published notice has the same effect as personal service of the notice. The published notice must comply with subdivision 3 and state (1) that the person to be served is allowed 90 days after the first date of publication of the notice to comply with the conditions of the contract, and (2) that the contract will terminate 90 days after the first date of publication of the notice, unless before the termination date the purchaser complies with the notice. If the real estate described in the contract is actually occupied, then, in addition to publication, a person in possession must be personally served, in like manner as the service of a summons in a civil action in state district court, within 30 days after the first date of publication of the notice. If an address of a person to be served is known, then within 30 days after the first date of publication of the notice a copy of the notice must be mailed to the person's last known address by first class mail, postage prepaid.

(c) The contract is reinstated if, within the time mentioned, the person served:

(1) complies with the conditions in default;

(2) if subdivision 1d or 2a applies, makes all payments due and owing to the seller under the contract through the date that payment is made;

(3) pays the costs of service as provided in subdivision 1b, 1c, 1d, or 2a;

(4) if subdivision 2a applies, pays two percent of the amount in default, not including the final balloon payment, any taxes, assessments, mortgages, or prior contracts that are assumed by the purchaser; and

(5) pays attorneys' fees as provided in subdivision 1b, 1c, 1d, or 2a.

(d) The contract is terminated if the provisions of paragraph (c) are not met.

(e) In the event that the notice was not signed by an attorney for the seller and the seller is not present in the state, or cannot be found in the state, then compliance with the conditions specified in the notice may be made by paying to the court administrator of the district court in the county wherein the real estate or any part thereof is situated any money due and filing proof of compliance with other defaults specified, and the court administrator of the district court shall be deemed the agent of the seller for such purposes. A copy of the notice with proof of service thereof, and the affidavit of the seller, the seller's agent or attorney, showing that the purchaser has not complied with the terms of the notice, may be recorded with the county recorder or registrar of titles, and is prima facie evidence of the facts stated in it; but this section in no case applies to contracts for the sale or conveyance of lands situated in another state or in a foreign country. If the notice is served by publication, the affidavit must state that the affiant believes that the party to be served is not a resident of the state, or cannot be found in the state, and either that the affiant has mailed a copy of the notice by first class mail, postage prepaid, to the party's last known address, or that such address is not known to the affiant.

(f) No notice under this section may be given for a contract for deed executed by an investor seller unless, at least 30 days prior to the service of the notice, some part of the conditions of default has existed and the investor seller has notified the purchaser of the conditions of default by certified mail to the purchaser's last known address.

(g) For purposes of this subdivision, "investor seller" has the meaning given in section 559A.01, subdivision 5.

EFFECTIVE DATE. This section is effective August 1, 2024.

Sec. 37. Minnesota Statutes 2022, section 559.21, is amended by adding a subdivision to read:

Subd. 4a. Termination prohibited for certain transfers regarding residential real property. (a) Notwithstanding any provisions in a contract for deed to the contrary, the notice under this section may not be given and no other remedies may be exercised for any contract for deed based on any of the following transfers:

(1) a transfer on death deed conveying or assigning the deceased purchaser's interest in the property to a grantee beneficiary;

(2) a transfer by devise, descent, or operation of law on the death of a joint tenant occurs;

(3) a transfer by which the spouse or a child of the purchaser becomes an owner of the property;

(4) a transfer resulting from a decree of a dissolution of marriage, legal separation agreement, or from an incidental property settlement agreement, by which the spouse of the purchaser becomes an owner of the property; or

(5) a transfer into an inter vivos trust by which the purchaser is and remains a beneficiary and that does not relate to a transfer of rights of occupancy in the property.

(b) For the purposes of this subdivision, "contract for deed" has the meaning given in section 507.235, subdivision 1a, paragraph (e).

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to all contracts for deed executed by all parties on or after that date.

Sec. 38. Minnesota Statutes 2022, section 559.21, is amended by adding a subdivision to read:

Subd. 4b. Termination prohibited if vendor fails to record contracts for deed involving residential real property. (a) Notwithstanding subdivision 2a or any provision to the contrary in a contract for deed, a vendor may not terminate a contract for deed under this section if the contract has not been recorded as required under section 507.235, subdivision 1a, paragraph (b), and the vendor has failed to make a good faith effort to record the contract as provided under section 507.235, subdivision 1a, paragraph (d).

(b) Nothing contained in this subdivision prohibits judicial termination of a contract for deed.

(c) For the purposes of this subdivision, "contract for deed" has the meaning given in section 507.235, subdivision 1a, paragraph (e).

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to all contracts for deed executed by all parties on or after that date.

Sec. 39. Minnesota Statutes 2022, section 559.21, is amended by adding a subdivision to read:

Subd. 9. Affidavit of seller constituting prima facie evidence. In any instance where the copy of the notice of default, proof of service of the notice, and an affidavit showing that the purchaser has not complied with the terms of the notice have been or may be recorded, an affidavit of the seller, the seller's agent, or the attorney verified by a person having knowledge of the facts and attesting that the seller is not an investor seller or that the seller has complied with the requirements of subdivision 4, paragraph (f), may be recorded with the county recorder or registrar of titles and is prima facie evidence of the facts stated in the affidavit.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to contracts for deed executed by all parties on or after that date.

Sec. 40. Minnesota Statutes 2022, section 559.211, subdivision 1, is amended to read:

Subdivision 1. **Order; proceedings; security.** (a) In an action arising under or in relation to a contract for the conveyance of real estate or any interest therein, the district court, notwithstanding the service or publication pursuant to the provisions of section 559.21 of a notice of termination of the contract, has the authority at any time prior to the effective date of termination of the contract and subject to the requirements of rule 65 of the Rules of Civil Procedure for the District Courts to enter an order temporarily restraining or enjoining further proceedings to effectuate the termination of the contract, including recording of the notice of termination with proof of service, recording of an affidavit showing noncompliance with the terms of the notice, taking any action to recover possession of the real estate, or otherwise interfering with the purchaser's lawful use of the real estate. In the action, the purchaser may plead affirmatively any matter that would constitute a defense to an action to terminate the contract.

(b) Upon a motion for a temporary restraining order the court has the discretion, notwithstanding any rule of court to the contrary, to grant the order without requiring the giving of any security or undertaking, and in exercising that discretion, the court shall consider, as one factor, the moving party's ability to afford monetary security. Upon a motion for a temporary injunction, the court shall condition the granting of the order either upon the tender to the court or vendor of installments as they become due under the contract or upon the giving of other security in a sum as the court deems proper. Upon written application, the court may disburse from payments tendered to the court an amount the court determines necessary to insure the timely payment of property taxes, property insurance, installments of special assessments, mortgage installments, prior contract for deed installments or other similar expenses directly affecting the real estate, or for any other purpose the court deems just.

(c) If a temporary restraining order or injunction is granted pursuant to this subdivision, the contract shall not terminate until the expiration of 15 days after the entry of the order or decision dissolving or modifying the temporary restraining order or injunction. If the vendor has made an appearance and the restraining order or injunction is granted, the court may award court filing fees, reasonable attorney fees, and costs of service to the purchaser.

(d) If the court subsequently grants permanent relief to the purchaser or determines by final order or judgment that the notice of termination was invalid or the purchaser asserted a valid defense, the purchaser is entitled to an order granting court filing fees, reasonable attorney fees, and costs of service.

EFFECTIVE DATE. This section is effective August 1, 2024.

Sec. 41. Minnesota Statutes 2022, section 559.213, is amended to read:

559.213 PRIMA FACIE EVIDENCE OF TERMINATION.

The recording, heretofore or hereafter, of the copy of notice of default, proof of service thereof, and the affidavit showing that the purchaser has not complied with the terms of the notice, provided for by ~~Minnesota Statutes 1941,~~ section 559.21, shall be prima facie evidence that the contract referred to in such notice has been terminated. It is not necessary to pay current or delinquent real estate taxes owed on the real property that is the subject of the contract to record the documents required by this section, provided that the documents must be first presented to the county auditor for entry upon the transfer record and must have "Transfer Entered" noted in the documents over the county auditor's official signature.

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

Sec. 42. **[559A.01] CONTRACTS FOR DEED INVOLVING INVESTOR SELLERS AND RESIDENTIAL REAL PROPERTY; DEFINITIONS.**

Subdivision 1. **Application.** The definitions in this section apply to sections 559A.01 to 559A.05.

Subd. 2. **Balloon payment.** "Balloon payment" means a scheduled payment of principal, interest, or both under a contract for deed that is significantly larger than the regular installment payments and that may be due prior to the end of the contract term or may be the final payment that satisfies the contract.

Subd. 3. **Churning.** "Churning" means the act of an investor seller executing a contract for deed on or after August 1, 2024, if previously the investor had frequently or repeatedly executed contracts for deed and subsequently terminated the contracts under section 559.21.

Subd. 4. **Contract for deed.** "Contract for deed" has the meaning given in section 507.235, subdivision 1a.

Subd. 5. **Investor seller.** (a) "Investor seller" means a person entering into a contract for deed to sell residential real property or, in the event of a transfer or assignment of the seller's interest, the holder of the interest.

(b) An investor seller does not include a person entering into a contract for deed who is:

(1) a natural person who has owned and occupied the residential real property as the natural person's primary residence for a continuous 12-month period at any time prior to the execution of the contract for deed;

(2) any spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin of the natural person;

(3) a personal representative of the natural person;

(4) a devisee of the natural person;

(5) a grantee under a transfer on death deed made by the natural person;

(6) a trust whose settlor is the natural person;

(7) a trust whose beneficiary is (i) a natural person where the trust or the natural person, or a combination of the two, has owned and the natural person has occupied the residential real property as the natural person's primary residence for a continuous 12-month period at any time prior to the execution of the contract for deed, or (ii) any spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin of the natural person;

(8) a natural person selling on contract for deed to any spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin;

(9) a bank, credit union, or residential mortgage originator that is under the supervision of or regulated by the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration, or the Minnesota Department of Commerce; and

(10) a natural person who has owned and leased the residential real property to the purchaser for at least the prior two years.

(c) If, substantially contemporaneous with the execution of the contract for deed, the seller's interest is assigned or transferred to a person who does not meet any of the qualifications of paragraph (b), the assignee or transferee is deemed an investor seller who has executed the contract for deed.

Subd. 6. **Person.** "Person" means a natural person, partnership, corporation, limited liability company, association, trust, or other legal entity, however organized.

Subd. 7. **Purchase agreement.** "Purchase agreement" means a purchase agreement for a contract for deed, an earnest money contract, or an executed option contemplating that, at closing, the investor seller and the purchaser will enter into a contract for deed.

Subd. 8. **Purchaser.** "Purchaser" means a person who executes a contract for deed to purchase residential real property. Purchaser includes all purchasers who execute the same contract for deed to purchase residential real property.

Subd. 9. **Residential real property.** "Residential real property" means real property consisting of one to four family dwelling units, one of which is intended to be occupied as the principal place of residence by:

- (1) the purchaser;
- (2) if the purchaser is an entity, the natural person who is the majority or controlling owner of the entity; or
- (3) if the purchaser is a trust, the settlor or beneficiary of the trust.

Residential real property does not include a transaction subject to sections 583.20 to 583.32.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to contracts for deed executed by all parties on or after that date.

Sec. 43. **[559A.02] APPLICABILITY.**

This chapter applies only to residential real property where a purchaser is entering into a contract for deed with an investor seller. Either of the following statements included in a contract for deed in which the property is not residential real property or the seller is not an investor seller constitutes prima facie evidence that this chapter does not apply to the contract for deed: "The property is not residential real property" or "The seller is not an investor seller." A person examining title to the property may rely on either statement.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to contracts for deed executed by all parties on or after that date.

Sec. 44. **[559A.03] CONTRACTS FOR DEED INVOLVING INVESTOR SELLERS AND RESIDENTIAL REAL PROPERTY; DISCLOSURES.**

Subdivision 1. **Disclosures required.** (a) In addition to the disclosures required under sections 513.52 to 513.61, an investor seller must deliver to a prospective purchaser the disclosures specified under this section and instructions for cancellation as provided under section 559A.04, subdivision 2, paragraph (b).

(b) The disclosures must be affixed to the front of any purchase agreement executed between an investor seller and a prospective purchaser. The investor seller may not enter into a contract for deed with a prospective purchaser earlier than ten calendar days after the execution of the purchase agreement by all parties and provision by the investor seller of the disclosures required under this section and instructions for cancellation as required under section 559A.04, subdivision 2, paragraph (b).

(c) If there is no purchase agreement, an investor seller must provide the disclosures required under this section to the prospective purchaser no less than ten calendar days before the prospective purchaser executes the contract for deed. The disclosures must be provided in a document separate from the contract for deed. The investor seller may not enter into a contract for deed with a prospective purchaser earlier than ten calendar days after providing the disclosures to the prospective purchaser.

(d) The first page of the disclosures must contain the disclosures required in subdivisions 2, 3, and 4, in that order. The title must be centered, be in bold, capitalized, and underlined 20-point type, and read "IMPORTANT INFORMATION YOU NEED TO KNOW." The disclosures required under subdivisions 5 and 6 must follow in subsequent pages in that order.

(e) The investor seller must acknowledge delivery and the purchaser must acknowledge receipt of the disclosures by signing and dating the disclosures. The acknowledged disclosures constitute prima facie evidence that the disclosures have been provided as required by this section.

Subd. 2. **Disclosure of balloon payment.** (a) The investor seller must disclose the amount and due date of, if any, all balloon payments. For purposes of disclosure of a balloon payment, the investor seller may assume that all prior scheduled payments were timely made and no prepayments were made. If there is more than one balloon payment due, each balloon payment must be listed separately.

(b) The disclosure must be in the following form, with the title in 14-point type and the text in 12-point type:

"BALLOON PAYMENT

This contract contains a lump-sum balloon payment or several balloon payments. When the final balloon payment comes due, you may need to get a mortgage or other financing to pay it off, or you will have to sell the property. Even if you are able to sell the property, you may not get back all the money you paid for it.

If you cannot come up with this large amount - even if you have made all your monthly payments - the seller can cancel the contract.

Amount of Balloon Payment

When Balloon Payment is Due

\$ (amount)

(month, year)"

Subd. 3. **Disclosure of price paid by investor seller to acquire property.** (a) The investor seller must disclose to the purchaser the purchase price and the date of earliest acquisition of the property by the investor seller, unless the acquisition occurs more than two years prior to the execution of the contract for deed.

(b) The disclosure must be in the following form, with the title in 14-point type and the text in 12-point type:

"INVESTOR SELLER'S PRICE TO BUY HOUSE BEING SOLD TO BUYER

Date Investor Seller Acquired Property:

(date seller acquired ownership)

Price Paid by Investor Seller to Acquire the Property:

\$ (total purchase price paid by seller to acquire ownership)

Contract for Deed Purchase Price:

\$ (total sale price to the purchaser under the contract)"

(c) For the purposes of this subdivision, unless the acquisition occurred more than two years prior to the execution of the contract for deed, the person who first acquires the property is deemed to be the same person as the investor seller where the person who first acquires the property:

(1) is owned or controlled, in whole or in part, by the investor seller;

(2) owns or controls, in whole or in part, the investor seller;

(3) is under common ownership or control, in whole or in part, with the investor seller;

(4) is a spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin of the investor seller, or of the natural person who owns or controls, in whole or in part, the investor seller; or

(5) is an entity owned or controlled, in whole or in part, by a person who is a spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin of the investor seller, or of the natural person who owns or controls, in whole or in part, the investor seller.

Subd. 4. **Disclosure of other essential terms.** (a) An investor seller must disclose to the prospective purchaser the purchase price, the annual interest rate, the amount of any down payment, and whether the purchaser is responsible for any or all of the following: paying property taxes, acquiring homeowner's insurance, making repairs, and maintaining the property.

(b) The disclosure must be in the following form, with the title in 14-point type and the text in 12-point type:

"COSTS AND ESSENTIAL TERMS

<u>1. Purchase Price:</u>	<u>\$ (price)</u>
<u>2. Annual Interest Rate:</u>	<u>(interest rate) %</u>
<u>3. Down Payment:</u>	<u>\$ (down payment)</u>
<u>4. Monthly/Period Installments:</u>	<u>\$ (amount of installment payment)</u>
<u>5. Taxes, Homeowner's Insurance, Repairs and Maintenance:</u>	

You (seller must circle one):

<u>(a) DO</u>	<u>DO NOT</u>	<u>have to pay property taxes</u>
<u>(b) DO</u>	<u>DO NOT</u>	<u>have to pay homeowner's insurance</u>
<u>(c) ARE</u>	<u>ARE NOT</u>	<u>responsible for repairs and maintenance."</u>

Subd. 5. **General disclosure.** (a) An investor seller must provide the prospective purchaser with a general disclosure about contracts for deeds as provided in this subdivision.

(b) The disclosure must be in the following form, with the title in 18-point type, the titles of the sections in 14-point type and underlined, and the text of each section in 12-point type, with a double space between each section:

"KNOW WHAT YOU ARE GETTING INTO BEFORE YOU SIGN

1. How Contracts for Deed Work

A contract for deed is a complicated legal arrangement. Be sure you know exactly what you are getting into before you sign a contract for deed. A contract for deed is **NOT** a mortgage. Minnesota's foreclosure protections do **NOT** apply.

You should get advice from a lawyer or the Minnesota Homeownership Center before you sign the contract. You can contact the Homeownership Center at 1-(866)-462-6466 or go to www.hocmn.org.

2. What If I Can't Make My Payments?

If you do not make your monthly installment payment or the balloon payment, the seller can cancel the contract beginning only 120 days from the date you missed the payment. If the contract is canceled, **you lose your home and all the money you have paid, including any down payment, all the monthly payments, and any improvements to the property you have made.**

If the contract contains a final lump-sum balloon payment, you will need to get a mortgage or other financing to pay it off, **or you will have to sell the property.** If you can't come up with this large amount - even if you have made all your monthly payments - the seller can cancel the contract. **Even if you are able to sell the property, you may not get back all the money you have paid for it.**

3. BEFORE YOU SIGN, YOU SHOULD:

A. Get an Independent, Professional Appraisal of the property to learn what it is worth and make sure you are not overpaying for the house.

B. Get an Independent, Professional Inspection of the property because you will probably be responsible for maintaining and making repairs on the house.

C. Buy Title Insurance from a title insurance company or ask a lawyer for a "title opinion" to address or minimize potential title problems.

4. YOUR RIGHTS BEFORE YOU SIGN

A. Waiting Period After Getting Disclosures. There is a ten calendar day waiting period after you get these disclosures. The contract for deed cannot be signed by you or the seller during that ten calendar day period.

B. Canceling a Purchase Agreement. You have ten calendar days after you get these disclosures to cancel your purchase agreement and get back any money you paid."

Subd. 6. **Amortization schedule.** In a document separate from all other documents, an investor seller must provide to the prospective purchaser an amortization schedule consistent with the contract for deed, including the portion of each installment payment applied to interest and to principal and the amount and due date of any balloon payments.

Subd. 7. **Disclosures in other languages.** If the contract was advertised or primarily negotiated with the purchaser in a language other than English, the investor seller must provide the disclosures required in this section in the language in which the contract was advertised or primarily negotiated.

Subd. 8. **No waiver.** The provisions of this section may not be waived.

Subd. 9. **Effects of violation.** Except as provided in section 559A.05, subdivision 2, a violation of this section has no effect on the validity of the contract for deed.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to contracts for deed executed by all parties on or after that date.

Sec. 45. **[559A.04] CONTRACTS FOR DEED INVOLVING INVESTOR SELLERS AND RESIDENTIAL REAL PROPERTY; RIGHTS AND REQUIREMENTS.**

Subdivision 1. **Requirement of investor seller if property subject to mortgage.** An investor may not execute a contract for deed that is subject to a mortgage with a due-on-sale clause and not expressly assumed by the contract for deed purchaser unless the investor seller has:

(1) procured a binding agreement with the mortgage holder whereby the holder either consents to the sale of the property to the purchaser by contract for deed or agrees to not exercise the holder's rights under a due-on-sale clause in the mortgage based on the contract for deed; and

(2) in the contract:

(i) disclosed the existence of the investor seller's mortgage;

(ii) covenants that the investor seller will perform all obligations under the mortgage; and

(iii) expressly represents to the purchaser that the seller has procured the binding agreement required under clause (1).

Subd. 2. **Right to cancel purchase agreement.** (a) A prospective purchaser may cancel a purchase agreement prior to the execution by all parties of the contract for deed or within ten calendar days of receiving the disclosures required under section 559A.03, whichever is earlier. A purchaser's execution of the contract for deed earlier than ten calendar days of receiving the disclosures does not excuse, constitute a waiver of, or constitute a defense by an investor seller regarding the seller's violation of section 559A.03, subdivision 1, paragraph (b) or (c).

(b) In addition to the disclosures required under section 559A.03, an investor seller must provide the prospective purchaser with notice of the person to whom, and the mailing address to where, cancellation of the purchase agreement must be delivered or sent. Cancellation of the purchase agreement is effective upon personal delivery or upon mailing.

(c) In the event of cancellation or if no purchase agreement has been signed and the prospective purchaser elects not to execute the contract for deed, the investor seller may not impose a penalty or fee and must promptly refund all payments made by the prospective purchaser.

Subd. 3. **Duty of investor seller to account.** The investor seller must inform the purchaser in a separate writing of the right to request an annual accounting. Upon reasonable written request by the purchaser and no more than once every calendar year, an investor seller must provide an accounting of:

(1) all payments made pursuant to the contract for deed during the prior calendar year with payments allocated between interest and principal;

(2) any delinquent payments;

(3) the total principal amount remaining to satisfy the contract for deed; and

(4) the anticipated amounts and due dates of all balloon payments.

Subd. 4. **Churning prohibited.** (a) An investor seller is prohibited from churning. There is a rebuttable presumption that the investor seller has violated this subdivision if, on or after August 1, 2024, the investor seller executes a contract for deed and, within the previous 48 months, the investor seller either:

(1) had completed two or more termination proceedings under section 559.21 on the same residential real property being sold by the contract for deed; or

(2) had completed four or more termination proceedings under section 559.21 on contracts for deed for any residential real property, where terminated contracts comprise 20 percent or more of all contracts executed by the investor seller during that period.

(b) Nothing contained in this subdivision or in section 559A.01, subdivision 3, shall invalidate, impair, affect, or give rise to any cause of action with respect to any contract for deed or termination proceeding under section 559.21 used as a predicate to establish the presumption under paragraph (a).

(c) For the purposes of this subdivision, a person who sold residential real property on a contract for deed is deemed to be the same person as the investor seller where the person who sold on a contract for deed:

(1) is owned or controlled, in whole or in part, by the investor seller;

(2) owns or controls, in whole or in part, the investor seller;

(3) is under common ownership or control, in whole or in part, with the investor seller;

(4) is a spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin of the investor seller, or of the natural person who owns or controls, in whole or in part, the investor seller; or

(5) is an entity owned or controlled, in whole or in part, by a person who is a spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin of the investor seller, or of the natural person who owns or controls, in whole or in part, the investor seller.

Subd. 5. **Duty of investor seller to refund down payments.** (a) If an investor seller terminates under section 559.21 a contract for deed within 48 months of executing the contract, any portion of the down payment that exceeded ten percent of the purchase price shall be refunded to the purchaser within 180 days of the termination of the contract.

(b) Upon delivery to the purchaser by the investor seller of reasonable documentation that the following expenses were incurred or taxes and contract payments were unpaid, an investor seller may offset against the refund, if applicable, for:

- (1) unpaid property taxes for the period prior to termination of the contract;
- (2) unpaid insurance premiums for the period prior to termination of the contract incurred by the investor seller;
- (3) the reasonable cost of necessary repairs for damage to the residential real property caused by the purchaser, beyond ordinary wear and tear, incurred by the investor seller;
- (4) attorney fees, not to exceed \$1,000, and costs of service incurred in connection with the termination of the contract;
- (5) unpaid utility arrears for the period prior to termination of the contract incurred by the investor seller; and
- (6) one-half of the unpaid monthly contract installment payments, excluding balloon payments, that accrued prior to termination of the contract.

(c) If the purchaser disputes the amount that an investor seller claims as the refund or an offset, the purchaser may commence an action in district court or conciliation court to determine the amount of the refund or the offsets and recover any money owed by the investor seller to the purchaser. The purchaser is entitled to recover from the investor seller any portion of the down payment that the court finds is owed by the investor seller to the purchaser and not previously paid to the purchaser. An attorney expressly authorized by the investor seller to receive payments in the notice of termination is designated as the attorney who may receive service as agent for the investor seller in an action under this paragraph in the same manner as provided in section 559.21, subdivision 8.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to contracts for deed executed by all parties on or after that date.

Sec. 46. **[559A.05] CONTRACTS FOR DEED INVOLVING INVESTOR SELLERS AND RESIDENTIAL REAL PROPERTY; REMEDIES FOR VIOLATION.**

Subdivision 1. **Definition.** For the purposes of this section, "material violation of section 559A.03" means:

- (1) if applicable, failure to disclose any balloon payment as required under section 559A.03, subdivision 2;
- (2) failure to disclose the price paid by the investor seller under the contract for deed to acquire property as required under section 559A.03, subdivision 3;
- (3) failure to disclose the other essential terms of the contract as required under section 559A.03, subdivision 4;
- (4) failure to provide the general disclosure in substantially the form required under section 559A.03, subdivision 5;
- (5) failure to disclose the amortization schedule as required under section 559A.03, subdivision 6;
- (6) a violation of section 559A.03, subdivision 1, paragraph (b) or (c);
- (7) a violation of section 559A.03, subdivision 7; or
- (8) a material omission or misstatement of any of the information required to be disclosed under section 559A.03.

Subd. 2. Remedy for violation of disclosure requirements or churning. (a) Notwithstanding any provision in the purchase agreement or contract for deed to the contrary, a purchaser may, within two years of the execution of the contract for deed, bring an action for relief for a material violation of section 559A.03 or a violation of section 559A.04, subdivision 4. A prevailing purchaser may rescind a contract and, in conjunction with the rescission, may recover against the investor seller a sum equal to:

(1) all amounts paid by the purchaser under the contract for deed, including payments to third parties, less the fair rental value of the residential real property for the period of time the purchaser was in possession of the property;

(2) the reasonable value of any improvements to the residential real property made by the purchaser;

(3) actual, consequential, and incidental damages; and

(4) reasonable attorney fees and costs.

(b) A claim for rescission and a money judgment awarded under this subdivision does not affect any rights or responsibilities of a successor in interest to the investor seller prior to the filing of a lis pendens in the action in which relief is sought, unless it is established by clear and convincing evidence that the successor in interest had prior knowledge that the contract for deed was executed in violation of the requirements of section 559A.03 or 559A.04, subdivision 4.

(c) A purchaser barred under paragraph (b) from making a claim against a successor in interest to the investor seller may, within two years of the execution of the contract for deed, bring a claim for violation of the requirements of section 559A.03 or 559A.04, subdivision 4, against the original investor seller who entered into the contract for deed and may recover the greater of actual damages or statutory damages of \$5,000, plus reasonable attorney fees and costs. The original investor seller has no claim for indemnification or contribution against the successor in interest.

Subd. 3. Remedy for failure of investor seller to procure agreement with mortgage holder. (a) If a mortgage holder commences foreclosure of the mortgage holder's mortgage based on the sale to a purchaser under the contract for deed and notwithstanding any provision in the purchase agreement or contract for deed to the contrary, a purchaser may bring an action for the failure of the investor seller to procure the agreement with the mortgage holder as required under section 559A.04, subdivision 2. A prevailing purchaser may rescind a contract and may recover against the investor seller a sum equal to:

(1) all amounts paid by the purchaser under the contract for deed, including payments to third parties, less the fair rental value of the residential real property for the period of time the purchaser was in possession of the property;

(2) the reasonable value of any improvements to the residential real property made by the purchaser;

(3) actual, consequential, and incidental damages; and

(4) reasonable attorney fees and costs.

(b) An action under this subdivision may be brought at any time and is not subject to the statute of limitations in subdivision 2, provided that at least 30 days prior to bringing the action, a purchaser must deliver a notice of violation to the investor seller under the contract for deed personally or by United States mail.

(c) An investor seller may cure the violation at any time prior to entry of a final judgment by delivering to the purchaser either evidence of the agreement with the mortgage holder as required under section 559A.04, subdivision 2, or evidence that the mortgage holder has abandoned foreclosure of the mortgage. If the violation is cured, the purchaser's action must be dismissed. An investor seller is liable to the purchaser for reasonable attorney fees and court costs if the seller delivers evidence of the mortgage holder's agreement or abandonment of the foreclosure after the purchaser has commenced the action.

(d) Nothing in this subdivision bars or limits any other claim by a purchaser arising from the investor seller's breach of a senior mortgage.

Subd. 4. **Defense to termination.** A purchaser's right to the remedy under subdivision 2 or 3 constitutes grounds for injunctive relief under section 559.211.

Subd. 5. **Effect of action on title.** An action under subdivision 2 or 3 is personal to the purchaser only, does not constitute an interest separate from the purchaser's interest in the contract for deed, and may not be assigned except to a successor in interest.

Subd. 6. **Rights cumulative.** The rights and remedies provided in this section are cumulative to, and not a limitation of, any other rights and remedies provided under law and at equity. Nothing in this chapter precludes a court from construing a contract for deed as an equitable mortgage.

Subd. 7. **Public enforcement.** The attorney general has authority under section 8.31 to investigate and prosecute violations of sections 559A.03 and 559A.04, subdivision 4.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to all contracts for deed executed by all parties on or after that date.

Sec. 47. **RULEMAKING.**

The commissioner of commerce must adopt rules to conform with the changes made to Minnesota Statutes, sections 80A.66 and 80C.05, subdivision 3, in this article with respect to investment adviser registration continuing education and franchise fees deferral, respectively. The commissioner of commerce may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to amend the rule under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Sec. 48. **REPEALER.**

(a) Minnesota Statutes 2022, sections 45.014; 239.791, subdivision 3; 559.201; and 559.202, are repealed.

(b) Minnesota Statutes 2022, section 82B.25, is repealed.

(c) Minnesota Statutes 2023 Supplement, section 53B.58, is repealed.

EFFECTIVE DATE. Paragraph (b) is effective January 1, 2026.

ARTICLE 2
MONETARY AND FINANCIAL INSTITUTION POLICY

Section 1. **[46A.01] DEFINITIONS.**

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

Subd. 2. **Authorized user.** "Authorized user" means any employee, contractor, agent, or other person who: (1) participates in a financial institution's business operations; and (2) is authorized to access and use any of the financial institution's information systems and data.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of commerce.

Subd. 4. **Consumer.** (a) "Consumer" means an individual who obtains or has obtained from a financial institution a financial product or service that is used primarily for personal, family, or household purposes, or is used by the individual's legal representative. Consumer includes but is not limited to an individual who:

(1) applies to a financial institution for credit for personal, family, or household purposes, regardless of whether the credit is extended;

(2) provides nonpublic personal information to a financial institution in order to obtain a determination whether the individual qualifies for a loan used primarily for personal, family, or household purposes, regardless of whether the loan is extended;

(3) provides nonpublic personal information to a financial institution in connection with obtaining or seeking to obtain financial, investment, or economic advisory services, regardless of whether the financial institution establishes a continuing advisory relationship with the individual; or

(4) has a loan for personal, family, or household purposes in which the financial institution has ownership or servicing rights, even if the financial institution or one or more other institutions that hold ownership or servicing rights in conjunction with the financial institution hires an agent to collect on the loan.

(b) Consumer does not include an individual who:

(1) is a consumer of another financial institution that uses a different financial institution to act solely as an agent for, or provide processing or other services to, the consumer's financial institution;

(2) designates a financial institution solely for the purposes to act as a trustee for a trust;

(3) is the beneficiary of a trust for which the financial institution serves as trustee; or

(4) is a participant or a beneficiary of an employee benefit plan that the financial institution sponsors or for which the financial institution acts as a trustee or fiduciary.

Subd. 5. **Continuing relationship.** (a) "Continuing relationship" means a consumer:

(1) has a credit or investment account with a financial institution;

(2) obtains a loan from a financial institution;

(3) purchases an insurance product from a financial institution;

(4) holds an investment product through a financial institution, including but not limited to when the financial institution acts as a custodian for securities or for assets in an individual retirement arrangement;

(5) enters into an agreement or understanding with a financial institution whereby the financial institution undertakes to arrange or broker a home mortgage loan, or credit to purchase a vehicle, for the consumer;

(6) enters into a lease of personal property on a nonoperating basis with a financial institution;

(7) obtains financial, investment, or economic advisory services from a financial institution for a fee;

(8) becomes a financial institution's client to obtain tax preparation or credit counseling services from the financial institution;

(9) obtains career counseling while: (i) seeking employment with a financial institution or the finance, accounting, or audit department of any company; or (ii) employed by a financial institution or department of any company;

(10) is obligated on an account that a financial institution purchases from another financial institution, regardless of whether the account is in default when purchased, unless the financial institution does not locate the consumer or attempt to collect any amount from the consumer on the account;

(11) obtains real estate settlement services from a financial institution; or

(12) has a loan for which a financial institution owns the servicing rights.

(b) Continuing relationship does not include situations where:

(1) the consumer obtains a financial product or service from a financial institution only in isolated transactions, including but not limited to: (i) using a financial institution's automated teller machine to withdraw cash from an account at another financial institution; (ii) purchasing a money order from a financial institution; (iii) cashing a check with a financial institution; or (iv) making a wire transfer through a financial institution;

(2) a financial institution sells the consumer's loan and does not retain the rights to service the loan;

(3) a financial institution sells the consumer airline tickets, travel insurance, or traveler's checks in isolated transactions;

(4) the consumer obtains onetime personal or real property appraisal services from a financial institution; or

(5) the consumer purchases checks for a personal checking account from a financial institution.

Subd. 6. **Customer.** "Customer" means a consumer who has a customer relationship with a financial institution.

Subd. 7. **Customer information.** "Customer information" means any record containing nonpublic personal information about a financial institution's customer, whether the record is in paper, electronic, or another form, that is handled or maintained by or on behalf of the financial institution or the financial institution's affiliates.

Subd. 8. **Customer relationship.** "Customer relationship" means a continuing relationship between a consumer and a financial institution under which the financial institution provides to the consumer one or more financial products or services that are used primarily for personal, family, or household purposes.

Subd. 9. **Encryption.** "Encryption" means the transformation of data into a format that results in a low probability of assigning meaning without the use of a protective process or key, consistent with current cryptographic standards and accompanied by appropriate safeguards for cryptographic key material.

Subd. 10. Federally insured depository financial institution. "Federally insured depository financial institution" means a bank, credit union, savings and loan association, trust company, savings association, savings bank, industrial bank, or industrial loan company organized under the laws of the United States or any state of the United States, when the bank, credit union, savings and loan association, trust company, savings association, savings bank, industrial bank, or industrial loan company has federally insured deposits.

Subd. 11. Financial product or service. "Financial product or service" means any product or service that a financial holding company could offer by engaging in a financial activity under section 4(k) of the Bank Holding Company Act of 1956, United States Code, title 12, section 1843(k). Financial product or service includes a financial institution's evaluation or brokerage of information that the financial institution collects in connection with a request or an application from a consumer for a financial product or service.

Subd. 12. Financial institution. "Financial institution" means a consumer small loan lender under section 47.60, a person owning or maintaining electronic financial terminals under section 47.62, a trust company under chapter 48A, a loan and thrift company under chapter 53, a currency exchange under chapter 53A, a money transmitter under chapter 53B, a sales finance company under chapter 53C, a regulated loan lender under chapter 56, a residential mortgage originator or servicer under chapter 58, a student loan servicer under chapter 58B, a credit service organization under section 332.54, a debt management service provider or person providing debt management services under chapter 332A, or a debt settlement service provider or person providing debt settlement services under chapter 332B.

Subd. 13. Information security program. "Information security program" means the administrative, technical, or physical safeguards a financial institution uses to access, collect, distribute, process, protect, store, use, transmit, dispose of, or otherwise handle customer information.

Subd. 14. Information system. "Information system" means a discrete set of electronic information resources organized to collect, process, maintain, use, share, disseminate, or dispose of electronic information, as well as any specialized system, including but not limited to industrial process controls systems, telephone switching and private branch exchange systems, and environmental controls systems, that contains customer information or that is connected to a system that contains customer information.

Subd. 15. Multifactor authentication. "Multifactor authentication" means authentication through verification of at least two of the following factors:

- (1) knowledge factors, including but not limited to a password;
- (2) possession factors, including but not limited to a token; or
- (3) inherence factors, including but not limited to biometric characteristics.

Subd. 16. Nonpublic personal information. (a) "Nonpublic personal information" means:

- (1) personally identifiable financial information; or
- (2) any list, description, or other grouping of consumers, including publicly available information pertaining to the list, description, or other grouping of consumers, that is derived using personally identifiable financial information that is not publicly available.

(b) Nonpublic personal information includes but is not limited to any list of individuals' names and street addresses that is derived in whole or in part using personally identifiable financial information that is not publicly available, including account numbers.

(c) Nonpublic personal information does not include:

(1) publicly available information, except as included on a list described in paragraph (a), clause (2);

(2) any list, description, or other grouping of consumers, including publicly available information pertaining to the list, description, or other grouping of consumers, that is derived without using any personally identifiable financial information that is not publicly available; or

(3) any list of individuals' names and addresses that contains only publicly available information, is not derived in whole or in part using personally identifiable financial information that is not publicly available, and is not disclosed in a manner that indicates that any individual on the list is the financial institution's consumer.

Subd. 17. **Notification event.** "Notification event" means the acquisition of unencrypted customer information without the authorization of the individual to which the information pertains. Customer information is considered unencrypted for purposes of this subdivision if the encryption key was accessed by an unauthorized person. Unauthorized acquisition is presumed to include unauthorized access to unencrypted customer information unless the financial institution has reliable evidence showing that there has not been, or could not reasonably have been, unauthorized acquisition of customer information.

Subd. 18. **Penetration testing.** "Penetration testing" means a test methodology in which assessors attempt to circumvent or defeat the security features of an information system by attempting to penetrate databases or controls from outside or inside a financial institution's information systems.

Subd. 19. **Personally identifiable financial information.** (a) "Personally identifiable financial information" means any information:

(1) a consumer provides to a financial institution to obtain a financial product or service;

(2) about a consumer resulting from any transaction involving a financial product or service between a financial institution and a consumer; or

(3) a financial institution otherwise obtains about a consumer in connection with providing a financial product or service to the customer.

(b) Personally identifiable financial information includes:

(1) information a consumer provides to a financial institution on an application to obtain a loan, credit card, or other financial product or service;

(2) account balance information, payment history, overdraft history, and credit or debit card purchase information;

(3) the fact that an individual is or has been a financial institution's customer or has obtained a financial product or service from the financial institution;

(4) any information about a financial institution's consumer, if the information is disclosed in a manner that indicates that the individual is or has been the financial institution's consumer;

(5) any information that a consumer provides to a financial institution or that a financial institution or a financial institution's agent otherwise obtains in connection with collecting on or servicing a credit account;

(6) any information a financial institution collects through an Internet information collecting device from a web server; and

(7) information from a consumer report.

(c) Personally identifiable financial information does not include:

(1) a list of customer names and addresses for an entity that is not a financial institution; and

(2) information that does not identify a consumer, including but not limited to aggregate information or blind data that does not contain personal identifiers, including account numbers, names, or addresses.

Subd. 20. **Publicly available information.** (a) "Publicly available information" means any information that a financial institution has a reasonable basis to believe is lawfully made available to the general public from:

(1) federal, state, or local government records;

(2) widely distributed media; or

(3) disclosures to the general public that are required under federal, state, or local law.

(b) Publicly available information includes but is not limited to:

(1) with respect to government records, information in government real estate records and security interest filings; and

(2) with respect to widely distributed media, information from a telephone book, a television or radio program, a newspaper, or a website that is available to the general public on an unrestricted basis. A website is not restricted merely because an Internet service provider or a site operator requires a fee or a password, provided that access is available to the general public.

(c) For purposes of this subdivision, a financial institution has a reasonable basis to believe that information is lawfully made available to the general public if the financial institution has taken steps to determine: (1) that the information is of the type that is available to the general public; and (2) whether an individual can direct that the information not be made available to the general public and, if so, that the financial institution's consumer has not directed that the information not be made available to the general public. A financial institution has a reasonable basis to believe that mortgage information is lawfully made available to the general public if the financial institution determines the information is of the type included on the public record in the jurisdiction where the mortgage would be recorded. A financial institution has a reasonable basis to believe that an individual's telephone number is lawfully made available to the general public if the financial institution has located the telephone number in the telephone book or the consumer has informed the financial institution that the telephone number is not unlisted.

Subd. 21. **Qualified individual.** "Qualified individual" means the individual designated by a financial institution to oversee, implement, and enforce the financial institution's information security program.

Subd. 22. **Security event.** "Security event" means an event resulting in unauthorized access to, or disruption or misuse of: (1) an information system or information stored on an information system; or (2) customer information held in physical form.

Subd. 23. **Service provider.** "Service provider" means any person or entity that receives, maintains, processes, or otherwise is permitted access to customer information through the service provider's provision of services directly to a financial institution that is subject to this chapter.

Sec. 2. **[46A.02] SAFEGUARDING CUSTOMER INFORMATION; STANDARDS.**

Subdivision 1. **Information security program.** (a) A financial institution must develop, implement, and maintain a comprehensive information security program.

(b) The information security program must: (1) be written in one or more readily accessible parts; and (2) contain administrative, technical, and physical safeguards that are appropriate to the financial institution's size and complexity, the nature and scope of the financial institution's activities, and the sensitivity of any customer information at issue.

(c) The information security program must include the elements set forth in section 46A.03 and must be reasonably designed to achieve the objectives of this chapter, as established under subdivision 2.

Subd. 2. **Objectives.** The objectives of this chapter are to:

(1) ensure the security and confidentiality of customer information;

(2) protect against any anticipated threats or hazards to the security or integrity of customer information; and

(3) protect against unauthorized access to or use of customer information that might result in substantial harm or inconvenience to a customer.

Sec. 3. **[46A.03] ELEMENTS.**

Subdivision 1. **Generally.** In order to develop, implement, and maintain an information security program, a financial institution must comply with this section.

Subd. 2. **Qualified individual.** (a) A financial institution must designate a qualified individual responsible for overseeing, implementing, and enforcing the financial institution's information security program. The qualified individual may be employed by the financial institution, an affiliate, or a service provider.

(b) If a financial institution designates an individual employed by an affiliate or service provider as the financial institution's qualified individual, the financial institution must:

(1) retain responsibility for complying with this chapter;

(2) designate a senior member of the financial institution's personnel to be responsible for directing and overseeing the qualified individual's activities; and

(3) require the service provider or affiliate to maintain an information security program that protects the financial institution in a manner that complies with the requirements of this chapter.

Subd. 3. **Security risk assessment.** (a) A financial institution must base the financial institution's information security program on a risk assessment that:

(1) identifies reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of customer information that might result in the unauthorized disclosure, misuse, alteration, destruction, or other compromise of customer information; and

(2) assesses the sufficiency of any safeguards in place to control the risks identified under clause (1).

(b) The risk assessment must be made in writing and must include:

(1) criteria to evaluate and categorize identified security risks or threats the financial institution faces;

(2) criteria to assess the confidentiality, integrity, and availability of the financial institution's information systems and customer information, including the adequacy of existing controls in the context of the identified risks or threats the financial institution faces; and

(3) requirements describing how:

(i) identified risks are mitigated or accepted based on the risk assessment; and

(ii) the information security program addresses the risks.

(c) A financial institution must periodically perform additional risk assessments that:

(1) reexamine the reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of customer information that might result in the unauthorized disclosure, misuse, alteration, destruction, or other compromise of customer information; and

(2) reassess the sufficiency of any safeguards in place to control the risks identified under clause (1).

Subd. 4. **Risk control.** A financial institution must design and implement safeguards to control the risks the financial institution identifies through the risk assessment under subdivision 3, including by:

(1) implementing and periodically reviewing access controls, including technical and, as appropriate, physical controls to:

(i) authenticate and permit access only to authorized users to protect against the unauthorized acquisition of customer information; and

(ii) limit an authorized user's access to only customer information that the authorized user needs to perform the authorized user's duties and functions or, in the case of a customer, to limit access to the customer's own information;

(2) identifying and managing the data, personnel, devices, systems, and facilities that enable the financial institution to achieve business purposes in accordance with the business purpose's relative importance to business objectives and the financial institution's risk strategy;

(3) protecting by encryption all customer information held or transmitted by the financial institution both in transit over external networks and at rest. To the extent a financial institution determines that encryption of customer information either in transit over external networks or at rest is infeasible, the financial institution may secure the customer information using effective alternative compensating controls that have been reviewed and approved by the financial institution's qualified individual;

(4) adopting: (i) secure development practices for in-house developed applications utilized by the financial institution to transmit, access, or store customer information; and (ii) procedures to evaluate, assess, or test the security of externally developed applications the financial institution uses to transmit, access, or store customer information;

(5) implementing multifactor authentication for any individual that accesses any information system, unless the financial institution's qualified individual has approved in writing the use of a reasonably equivalent or more secure access control;

(6) developing, implementing, and maintaining procedures to securely dispose of customer information in any format no later than two years after the last date the information is used in connection with providing a product or service to the customer to whom the information relates, unless: (i) the information is necessary for business operations or for other legitimate business purposes; (ii) the information is otherwise required to be retained by law or regulation; or (iii) if targeted disposal of the information is not reasonably feasible due to the manner in which the information is maintained;

(7) periodically reviewing the financial institution's data retention policy to minimize the unnecessary retention of data;

(8) adopting procedures for change management; and

(9) implementing policies, procedures, and controls designed to: (i) monitor and log the activity of authorized users; and (ii) detect unauthorized access to, use of, or tampering with customer information by authorized users.

Subd. 5. Testing and monitoring. (a) A financial institution must regularly test or otherwise monitor the effectiveness of the safeguards' key controls, systems, and procedures, including the controls, systems, and procedures that detect actual and attempted attacks on, or intrusions into, information systems.

(b) For information systems, monitoring and testing must include continuous monitoring or periodic penetration testing and vulnerability assessments. Absent effective continuous monitoring or other systems to detect on an ongoing basis any changes in information systems that may create vulnerabilities, a financial institution must conduct:

(1) annual penetration testing of the financial institution's information systems, based on relevant identified risks in accordance with the risk assessment; and

(2) vulnerability assessments, including systemic scans or information systems reviews that are reasonably designed to identify publicly known security vulnerabilities in the financial institution's information systems based on the risk assessment, at least every six months, whenever a material change to the financial institution's operations or business arrangements occurs, and whenever the financial institution knows or has reason to know circumstances exist that may have a material impact on the financial institution's information security program.

Subd. 6. Internal policies and procedures. A financial institution must implement policies and procedures to ensure that the financial institution's personnel are able to enact the financial institution's information security program by:

(1) providing the financial institution's personnel with security awareness training that is updated as necessary to reflect risks identified by the risk assessment;

(2) utilizing qualified information security personnel employed by the financial institution, an affiliate, or a service provider sufficient to manage the financial institution's information security risks and to perform or oversee the information security program;

(3) providing information security personnel with security updates and training sufficient to address relevant security risks; and

(4) verifying that key information security personnel take steps to maintain current knowledge of changing information security threats and countermeasures.

Subd. 7. **Provider oversight.** A financial institution must oversee service providers by:

(1) taking reasonable steps to select and retain service providers that are capable of maintaining appropriate safeguards for the customer information at issue;

(2) requiring by contract the financial institution's service providers to implement and maintain appropriate safeguards; and

(3) periodically assessing the financial institution's service providers based on the risk the service providers present and the continued adequacy of the service providers' safeguards.

Subd. 8. **Information security program; evaluation; adjustment.** A financial institution must evaluate and adjust the financial institution's information security program to reflect: (1) the results of the testing and monitoring required under subdivision 5; (2) any material changes to the financial institution's operations or business arrangements; (3) the results of risk assessments performed under subdivision 3, paragraph (c); or (4) any other circumstances that the financial institution knows or has reason to know may have a material impact on the financial institution's information security program.

Subd. 9. **Incident response plan.** A financial institution must establish a written incident response plan designed to promptly respond to and recover from any security event materially affecting the confidentiality, integrity, or availability of customer information the financial institution controls. An incident response plan must address:

(1) the goals of the incident response plan;

(2) the internal processes to respond to a security event;

(3) clear roles, responsibilities, and levels of decision making authority;

(4) external and internal communications and information sharing;

(5) requirements to remediate any identified weaknesses in information systems and associated controls;

(6) documentation and reporting regarding security events and related incident response activities; and

(7) evaluation and revision of the incident response plan as necessary after a security event.

Subd. 10. **Annual report.** (a) A financial institution must require the financial institution's qualified individual to report at least annually in writing to the financial institution's board of directors or equivalent governing body. If a board of directors or equivalent governing body does not exist, the report under this subdivision must be timely presented to a senior officer responsible for the financial institution's information security program.

(b) The report made under this subdivision must include the following information:

(1) the overall status of the financial institution's information security program, including compliance with this chapter and associated administrative rules; and

(2) material matters related to the financial institution's information security program, including but not limited to addressing issues pertaining to: (i) the risk assessment; (ii) risk management and control decisions; (iii) service provider arrangements; (iv) testing results; (v) security events or violations and management's responses to the security event or violation; and (vi) recommendations for changes in the information security program.

Subd. 11. **Business continuity; disaster recovery.** A financial institution must establish a written plan addressing business continuity and disaster recovery.

Sec. 4. **[46A.04] EXCEPTIONS AND EXEMPTIONS.**

(a) The requirements under section 46A.03, subdivisions 3; 5, paragraph (a); 9; and 10, do not apply to financial institutions that maintain customer information concerning fewer than 5,000 consumers.

(b) This chapter does not apply to credit unions or federally insured depository institutions.

Sec. 5. **[46A.05] ALTERATION OF FEDERAL REGULATION.**

(a) If an amendment to Code of Federal Regulations, title 16, part 314, results in a complete lack of federal regulations in the area, the version of the state requirements in effect at the time of the amendment remain in effect for two years from the date the amendment becomes effective.

(b) During the time period under paragraph (a), the department must adopt replacement administrative rules as necessary and appropriate.

Sec. 6. **[46A.06] NOTIFICATION EVENT.**

Subdivision 1. **Notification requirement.** (a) Upon discovering a notification event as described in subdivision 2, if the notification event involves the information of at least 500 consumers, a financial institution must notify the commissioner without undue delay, but no later than 45 days after the date the event is discovered. The notice must be made (1) in a format specified by the commissioner, and (2) electronically on a form located on the department's website.

(b) The notice must include:

(1) the name and contact information of the reporting financial institution;

(2) a description of the types of information involved in the notification event;

(3) if possible to determine, the date or date range of the notification event;

(4) the number of consumers affected or potentially affected by the notification event;

(5) a general description of the notification event; and

(6) a statement (i) disclosing whether a law enforcement official has provided the financial institution with a written determination indicating that providing notice to the public regarding the breach would impede a criminal investigation or cause damage to national security, and (ii) if a written determination described under item (i) was provided to the financial institution, providing contact information that enables the commissioner to contact the law enforcement official. A law enforcement official may request an initial delay of up to 45 days following the date that notice was provided to the commissioner. The delay may be extended for an additional period of up to 60 days if the law enforcement official seeks an extension in writing. An additional delay may be permitted only if the commissioner determines that public disclosure of a security event continues to impede a criminal investigation or cause damage to national security.

Subd. 2. **Notification event treated as discovered.** A notification event must be treated as discovered on the first day when the event is known to a financial institution. A financial institution is deemed to have knowledge of a notification event if the event is known to any person, other than the person committing the breach, who is the financial institution's employee, officer, or other agent.

Sec. 7. [46A.07] COMMISSIONER'S POWERS.

(a) The commissioner has the power to examine and investigate the affairs of any covered financial institution to determine whether the financial institution has been or is engaged in any conduct that violates this chapter. This power is in addition to the powers granted to the commissioner under section 46.01.

(b) If the commissioner has reason to believe that a financial institution has been or is engaged in conduct in Minnesota that violates this chapter, the commissioner may take action necessary or appropriate to enforce this chapter.

Sec. 8. [46A.08] CONFIDENTIALITY.

Subdivision 1. **Information sharing.** In order to assist in the performance of the commissioner's duties under sections 46A.01 to 46A.08, the commissioner may:

(1) share documents, materials, or other information, including confidential and privileged documents, with other state, federal, and international regulatory agencies, with the Conference of State Bank Supervisors, the Conference of State Bank Supervisors' affiliates or subsidiaries, and with state, federal, and international law enforcement authorities, provided that the recipient agrees in writing to maintain the confidentiality and privileged status of the document, material, or other information;

(2) receive documents, materials, or information, including otherwise confidential and privileged documents, materials, or information, from the Conference of State Bank Supervisors, the Conference of State Bank Supervisors' affiliates or subsidiaries, and from regulatory and law enforcement officials of other foreign or domestic jurisdictions, and must maintain as confidential or privileged any document, material, or information received with notice or the understanding that the document, material, or information is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information;

(3) share documents, materials, or other information with a third-party consultant or vendor, provided the consultant agrees in writing to maintain the confidentiality and privileged status of the document, material, or other information; and

(4) enter into agreements governing the sharing and use of information that are consistent with this subdivision.

Subd. 2. **Certain actions public.** Nothing in sections 46A.01 to 46A.08 prohibits the commissioner from releasing final, adjudicated actions that are open to public inspection pursuant to chapter 13 to a database or other clearinghouse service maintained by the Conference of State Bank Supervisors, the Conference of State Bank Supervisors' affiliates, or the Conference of State Bank Supervisors' subsidiaries.

Sec. 9. Minnesota Statutes 2022, section 47.20, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For the purposes of this section the terms defined in this subdivision have the meanings given them:

(1) "Actual closing costs" mean reasonable charges for or sums paid for the following, whether or not retained by the mortgagee or lender:

(a) Any insurance premiums including but not limited to premiums for title insurance, fire and extended coverage insurance, flood insurance, and private mortgage insurance, but excluding any charges or sums retained by the mortgagee or lender as self-insured retention.

(b) Abstracting, title examination and search, and examination of public records.

(c) The preparation and recording of any or all documents required by law or custom for closing a conventional or cooperative apartment loan.

(d) Appraisal and survey of real property securing a conventional loan or real property owned by a cooperative apartment corporation of which a share or shares of stock or a membership certificate or certificates are to secure a cooperative apartment loan.

(e) A single service charge, which includes any consideration, not otherwise specified herein as an "actual closing cost" paid by the borrower and received and retained by the lender for or related to the acquisition, making, refinancing or modification of a conventional or cooperative apartment loan, and also includes any consideration received by the lender for making a borrower's interest rate commitment or for making a borrower's loan commitment, whether or not an actual loan follows the commitment. The term service charge does not include forward commitment fees. The service charge shall not exceed one percent of the original bona fide principal amount of the conventional or cooperative apartment loan, except that in the case of a construction loan, the service charge shall not exceed two percent of the original bona fide principal amount of the loan. That portion of the service charge imposed because the loan is a construction loan shall be itemized and a copy of the itemization furnished the borrower. A lender shall not collect from a borrower the additional one percent service charge permitted for a construction loan if it does not perform the service for which the charge is imposed or if third parties perform and charge the borrower for the service for which the lender has imposed the charge.

(f) Charges and fees necessary for or related to the transfer of real or personal property securing a conventional or cooperative apartment loan or the closing of a conventional or cooperative apartment loan paid by the borrower and received by any party other than the lender.

(2) "Contract for deed" means an executory contract for the conveyance of real estate, the original principal amount of which is less than \$300,000. A commitment for a contract for deed shall include an executed purchase agreement or earnest money contract wherein the seller agrees to finance any part or all of the purchase price by a contract for deed.

(3) "Conventional loan" means a loan or advance of credit, other than a loan or advance of credit made by a credit union or made pursuant to section 334.011, to a noncorporate borrower in an original principal amount of less than ~~\$100,000~~ or equal to the conforming loan limit established by the Federal Housing Finance Agency under the Housing and Recovery Act of 2018, Public Law 110-289, secured by a mortgage upon real property containing one or more residential units or upon which at the time the loan is made it is intended that one or more residential units are to be constructed, and which is not insured or guaranteed by the secretary of housing and urban development, by the administrator of veterans affairs, or by the administrator of the Farmers Home Administration, and which is not made pursuant to the authority granted in subdivision 1, clause (3) or (4). The term mortgage does not include contracts for deed or installment land contracts.

(4) "Cooperative apartment loan" means a loan or advance of credit, other than a loan or advance of credit made by a credit union or made pursuant to section 334.011, to a noncorporate borrower in an original principal amount of less than \$100,000, secured by a security interest on a share or shares of stock or a membership certificate or certificates issued to a stockholder or member by a cooperative apartment corporation, which may be accompanied by an assignment by way of security of the borrower's interest in the proprietary lease or occupancy agreement in property issued by the cooperative apartment corporation and which is not insured or guaranteed by the secretary of housing and urban development, by the administrator of veterans affairs, or by the administrator of the Farmers Home Administration.

(5) "Cooperative apartment corporation" means a corporation or cooperative organized under chapter 308A or 317A, the shareholders or members of which are entitled, solely by reason of their ownership of stock or membership certificates in the corporation or association, to occupy one or more residential units in a building owned or leased by the corporation or association.

(6) "Forward commitment fee" means a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make conventional loans to two or more credit worthy purchasers, including future purchasers, of residential units, or a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make conventional loans to two or more credit worthy purchasers, including future purchasers, of units to be created out of existing structures pursuant to chapter 515B, or a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make cooperative apartment loans to two or more credit worthy purchasers, including future purchasers, of a share or shares of stock or a membership certificate or certificates in a cooperative apartment corporation; provided, that the forward commitment rate of interest does not exceed the maximum lawful rate of interest effective as of the date the forward commitment is issued by the lender.

(7) "Borrower's interest rate commitment" means a binding commitment made by a lender to a borrower wherein the lender agrees that, if a conventional or cooperative apartment loan is made following issuance of and pursuant to the commitment, the conventional or cooperative apartment loan shall be made at a rate of interest not in excess of the rate of interest agreed to in the commitment, provided that the rate of interest agreed to in the commitment is not in excess of the maximum lawful rate of interest effective as of the date the commitment is issued by the lender to the borrower.

(8) "Borrower's loan commitment" means a binding commitment made by a lender to a borrower wherein the lender agrees to make a conventional or cooperative apartment loan pursuant to the provisions, including the interest rate, of the commitment, provided that the commitment rate of interest does not exceed the maximum lawful rate of interest effective as of the date the commitment is issued and the commitment when issued and agreed to shall constitute a legally binding obligation on the part of the mortgagee or lender to make a conventional or cooperative apartment loan within a specified time period in the future at a rate of interest not exceeding the maximum lawful rate of interest effective as of the date the commitment is issued by the lender to the borrower; provided that a lender who issues a borrower's loan commitment pursuant to the provisions of a forward commitment is authorized to issue the borrower's loan commitment at a rate of interest not to exceed the maximum lawful rate of interest effective as of the date the forward commitment is issued by the lender.

(9) "Finance charge" means the total cost of a conventional or cooperative apartment loan including extensions or grant of credit regardless of the characterization of the same and includes interest, finders fees, and other charges levied by a lender directly or indirectly against the person obtaining the conventional or cooperative apartment loan or against a seller of real property securing a conventional loan or a seller of a share or shares of stock or a membership certificate or certificates in a cooperative apartment corporation securing a cooperative apartment loan, or any other party to the transaction except any actual closing costs and any forward commitment fee. The finance charges plus the actual closing costs and any forward commitment fee, charged by a lender shall include all charges made by a lender other than the principal of the conventional or cooperative apartment loan. The finance charge,

with respect to wraparound mortgages, shall be computed based upon the face amount of the wraparound mortgage note, which face amount shall consist of the aggregate of those funds actually advanced by the wraparound lender and the total outstanding principal balances of the prior note or notes which have been made a part of the wraparound mortgage note.

(10) "Lender" means any person making a conventional or cooperative apartment loan, or any person arranging financing for a conventional or cooperative apartment loan. The term also includes the holder or assignee at any time of a conventional or cooperative apartment loan.

(11) "Loan yield" means the annual rate of return obtained by a lender over the term of a conventional or cooperative apartment loan and shall be computed as the annual percentage rate as computed in accordance with sections 226.5 (b), (c), and (d) of Regulation Z, Code of Federal Regulations, title 12, part 226, but using the definition of finance charge provided for in this subdivision. For purposes of this section, with respect to wraparound mortgages, the rate of interest or loan yield shall be based upon the principal balance set forth in the wraparound note and mortgage and shall not include any interest differential or yield differential between the stated interest rate on the wraparound mortgage and the stated interest rate on the one or more prior mortgages included in the stated loan amount on a wraparound note and mortgage.

(12) "Person" means an individual, corporation, business trust, partnership or association or any other legal entity.

(13) "Residential unit" means any structure used principally for residential purposes or any portion thereof, and includes a unit in a common interest community, a nonowner occupied residence, and any other type of residence regardless of whether the unit is used as a principal residence, secondary residence, vacation residence, or residence of some other denomination.

(14) "Vendor" means any person or persons who agree to sell real estate and finance any part or all of the purchase price by a contract for deed. The term also includes the holder or assignee at any time of the vendor's interest in a contract for deed.

Sec. 10. Minnesota Statutes 2022, section 47.54, subdivision 2, is amended to read:

Subd. 2. **Approval order.** ~~(a)~~ If no objection is received by the commissioner within 15 days after the publication of the notice, the commissioner ~~shall issue an order~~ must provide written consent approving the application without a hearing if ~~it is found~~ the commissioner finds that ~~(a):~~ (1) the applicant bank meets current industry standards of capital adequacy, management quality, and asset condition, ~~(b):~~ (2) the establishment of the proposed detached facility ~~will improve~~ improves the quality or increase the availability of banking services in the community to be served; ~~and (c)~~ (3) the establishment of the proposed detached facility ~~will~~ does not have an undue adverse effect upon the solvency of existing financial institutions in the community to be served.

~~Otherwise,~~ (b) The commissioner ~~shall~~ must deny ~~the~~ an application that does not meet the criteria under paragraph (a), clauses (1) to (3).

(c) Any proceedings for judicial review of ~~an order of~~ written consent provided by the commissioner issued under this subdivision without a contested case hearing shall be conducted pursuant to the provisions of the Administrative Procedure Act relating to judicial review of agency decisions, sections 14.63 to 14.69, and the scope of judicial review in such proceedings shall be as provided therein. Nothing herein shall be construed as requiring the commissioner to conduct a contested case hearing if no written objection is timely received by the commissioner from a bank within three miles of the proposed location of the detached facility.

Sec. 11. Minnesota Statutes 2022, section 47.54, subdivision 6, is amended to read:

Subd. 6. **Expiration and extension of order approval.** If a facility is not activated within 18 months from the date of the order approval is granted under subdivision 2, the approval order automatically expires. Upon a request of made by the applicant prior to before the automatic expiration date of the order approval expires, the commissioner may grant reasonable extensions of time to the applicant to activate the facility as the commissioner deems necessary. The extensions of time shall not exceed a total of an additional 12 months. If the commissioner's order approval is the subject of an appeal in accordance with chapter 14, the time period referred to in this section for activation of to activate the facility and any extensions shall begin begins when all appeals or rights of appeal from the commissioner's order approval have concluded or expired.

Sec. 12. Minnesota Statutes 2023 Supplement, section 47.59, subdivision 2, is amended to read:

Subd. 2. **Application.** (a) Extensions of credit or purchases of extensions of credit by financial institutions under sections 47.20, 47.21, 47.201, 47.204, 47.58, 48.153, 48.185, 48.195, 59A.01 to 59A.15, 334.01, 334.011, 334.012, 334.022, 334.06, and 334.061 to 334.19 may, but need not, be made according to those sections in lieu of the authority set forth in this section to the extent those sections authorize the financial institution to make extensions of credit or purchase extensions of credit under those sections. If a financial institution elects to make an extension of credit or to purchase an extension of credit under those other sections, the extension of credit or the purchase of an extension of credit is subject to those sections and not this section, except this subdivision, and except as expressly provided in those sections. A financial institution may also charge an organization a rate of interest and any charges agreed to by the organization and may calculate and collect finance and other charges in any manner agreed to by that organization. Except for extensions of credit a financial institution elects to make under section 334.01, 334.011, 334.012, 334.022, 334.06, or 334.061 to 334.19, chapter 334 does not apply to extensions of credit made according to this section or the sections listed in this subdivision. This subdivision does not authorize a financial institution to extend credit or purchase an extension of credit under any of the sections listed in this subdivision if the financial institution is not authorized to do so under those sections. A financial institution extending credit under any of the sections listed in this subdivision shall specify in the promissory note, contract, or other loan document the section under which the extension of credit is made.

(b) In accordance with section 525 of the federal Depository Institutions Deregulation and Monetary Control Act of 1980, Public Law 96-221, the legislature declares that the state of Minnesota does not want the amendments to the Federal Deposit Insurance Act, United States Code, title 12, section 1811, et seq., the federal National Housing Act, United States Code, title 12, section 1701, et seq., and the Federal Credit Union Act, United States Code, title 12, section 1751, et seq., made by sections 521 to 523 of the federal Depository Institutions Deregulation and Monetary Control Act of 1980, Public Law 96-221, prescribing interest rates and preempting state interest rates to apply to consumer loans made in Minnesota. Consumer loans made in Minnesota are subject to the rates established in this section and as otherwise provided by the laws of Minnesota.

(c) A consumer loan is deemed to be made in Minnesota and is subject to this section and other applicable laws of Minnesota if the borrower is a Minnesota resident and the borrower completes the transaction, either personally or electronically, while physically located in Minnesota.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to loans executed on or after that date.

Sec. 13. Minnesota Statutes 2022, section 47.59, subdivision 3, is amended to read:

Subd. 3. **Finance charge for loans.** (a) With respect to a loan, including a loan pursuant to open-end credit but excluding open-end credit pursuant to a credit card, a financial institution may contract for and receive a finance charge on the unpaid balance of the principal amount not to exceed the greater of:

(1) an annual percentage rate not exceeding 21.75 percent; or

(2) the total of:

(i) 33 percent per year on that part of the unpaid balance of the principal amount not exceeding \$1,350; and

(ii) 19 percent per year on that part of the unpaid balance of the principal amount exceeding \$1,350.

With respect to open-end credit pursuant to a credit card, the financial institution may contract for and receive a finance charge on the unpaid balance of the principal amount at an annual percentage rate not exceeding 18 percent per year or, if the financial institution is an out-of-state bank, as defined in section 48.92, or out-of-state credit union, as defined in section 52.001, the rate allowed by the financial institution's home state, if that rate exceeds 18 percent per year.

(b) On a loan where the finance charge is calculated according to the method provided for in paragraph (a), clause (2), the finance charge must be contracted for and earned as provided in that provision or at the single annual percentage rate computed to the nearest one-tenth of one percent that would earn the same total finance charge at maturity of the contract as would be earned by the application of the graduated rates provided in paragraph (a), clause (2), when the debt is paid according to the agreed terms and the calculations are made according to the actuarial method.

(c) With respect to a loan, the finance charge must be considered not to exceed the maximum annual percentage rate permitted under this section if the finance charge contracted for and received does not exceed the equivalent of the maximum annual percentage rate calculated in accordance with Code of Federal Regulations, title 12, part 226, but using the definition of finance charge provided in this section.

(d) This subdivision does not limit or restrict the manner of calculating the finance charge, whether by way of add-on, discount, discount points, precomputed charges, single annual percentage rate, variable rate, interest in advance, compounding, average daily balance method, or otherwise, if the annual percentage rate does not exceed that permitted by this section. Discount points permitted by this paragraph and not collected but included in the principal amount must not be included in the amount on which credit insurance premiums are calculated and charged.

(e) With respect to a loan secured by real estate, if a finance charge is calculated or collected in advance, or included in the principal amount of the loan, and the borrower prepays the loan in full, the financial institution shall credit the borrower with a refund of the charge to the extent that the annual percentage rate yield on the loan would exceed the maximum rate permitted under paragraph (a), taking into account the prepayment. The refund need not be made if it would be less than \$9.00.

(f) With respect to all other loans, if the finance charge is calculated or collected in advance, or included in the principal amount of the loan, and the borrower prepays the loan in full, the financial institution shall credit the borrower with a refund of the charge to the extent the annual percentage rate yield on the loan would exceed the annual percentage rate on the loan as originally determined under paragraph (a) and taking into account the prepayment. The refund need not be made if it would be less than \$9.00.

(g) For the purpose of calculating the refund under this subdivision, the financial institution may assume that the contract was paid before the date of prepayment according to the schedule of payments under the loan and that all payments were paid on their due dates.

(h) For loans repayable in substantially equal successive monthly installments, the financial institution may calculate the refund under paragraph (f) as the portion of the finance charge allocable on an actuarial basis to all wholly unexpired payment periods following the date of prepayment, based on the annual percentage rate on the loan as originally determined under paragraph (a), and for the purpose of calculating the refund may assume that all payments are made on the due date.

(i) The dollar amounts in this subdivision, subdivision 6, paragraph (a), clause (4), and the dollar amount of original principal amount of closed-end credit in subdivision 6, paragraph (d), shall change periodically, as provided in this section, according to and to the extent of changes in the implicit price deflator for the gross domestic product, 2005 = 100, compiled by the United States Department of Commerce, and hereafter referred to as the index. The index for December 2011 is the reference base index for adjustments of dollar amounts.

(j) The designated dollar amounts shall change on July 1 of each even-numbered year if the percentage of change, calculated to the nearest whole percentage point, between the index for December of the preceding year and the reference base index is ten percent or more; but

(1) the portion of the percentage change in the index in excess of a multiple of ten percent shall be disregarded and the dollar amounts shall change only in multiples of ten percent of the amounts appearing in Laws 1995, chapter 202, on May 24, 1995; and

(2) the dollar amounts shall not change if the amounts required by this section are those currently in effect pursuant to Laws 1995, chapter 202, as a result of earlier application of this section.

(k) If the index is revised, the percentage of change pursuant to this section shall be calculated on the basis of the revised index. If a revision of the index changes the reference base index, a revised reference base index shall be determined by multiplying the reference base index then applicable by the rebasing factor furnished by the Department of Commerce. If the index is superseded, the index referred to in this section is the one represented by the Department of Commerce as reflecting most accurately changes in the purchasing power of the dollar for consumers.

(l) The commissioner shall:

(1) announce and publish on or before April 30 of each year in which dollar amounts are to change, the changes in dollar amounts required by paragraph (j);

(2) announce and publish promptly after the changes occur, changes in the index required by paragraph (k) including, if applicable, the numerical equivalent of the reference base index under a revised reference base index and the designation or title of any index superseding the index; and

(3) promptly notify the revisor of statutes in writing of the changes announced and published by the commissioner pursuant to clauses (1) and (2). The revisor shall publish the changes in the next edition of Minnesota Statutes.

(m) A person does not violate this chapter with respect to a transaction otherwise complying with this chapter if that person relies on dollar amounts either determined according to paragraph (j), clause (2), or appearing in the last publication of the commissioner announcing the then current dollar amounts.

(n) The adjustments provided in this section shall not be affected unless explicitly provided otherwise by law.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to loans executed on or after that date.

Sec. 14. Minnesota Statutes 2022, section 48.24, subdivision 2, is amended to read:

Subd. 2. **Loan liabilities.** Loans not exceeding 25 percent of such capital and surplus made upon first mortgage security on improved real estate in any state in which the bank or a ~~branch established under section 49.411 detached facility of the bank~~ is located, or in any state adjoining a state in which the bank or a ~~branch established under section 49.411 detached facility of the bank~~ is located, shall not constitute a liability of the maker of the notes

secured by such mortgages within the meaning of the foregoing provision limiting liability, but shall be an actual liability of the maker. These mortgage loans shall be limited to, and in no case exceed, 50 percent of the cash value of the security covered by the mortgage, except mortgage loans guaranteed as provided by the Servicemen's Readjustment Act of 1944, as now or hereafter amended, or for which there is a commitment to so guarantee or for which a conditional guarantee has been issued, which loans shall in no case exceed 60 percent of the cash value of the security covered by such mortgage. For the purposes of this subdivision, real estate is improved when substantial and permanent development or construction has contributed substantially to its value, and agricultural land is improved when farm crops are regularly raised on such land without further substantial improvements.

Sec. 15. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 3a. **Transaction hash.** "Transaction hash" means a unique identifier made up of a string of characters that act as a record of and provide proof that the transaction was verified and added to the blockchain.

Sec. 16. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 6a. **Virtual currency address.** "Virtual currency address" means an alphanumeric identifier representing a destination for a virtual currency transfer that is associated with a virtual currency wallet.

Sec. 17. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 10. **Virtual currency kiosk.** "Virtual currency kiosk" means an electronic terminal acting as a mechanical agent of the virtual currency kiosk operator to enable the virtual currency kiosk operator to facilitate the exchange of virtual currency for money, bank credit, or other virtual currency, including but not limited to by (1) connecting directly to a separate virtual currency exchanger that performs the actual virtual currency transmission, or (2) drawing upon the virtual currency in the possession of the electronic terminal's operator.

Sec. 18. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 11. **Virtual currency kiosk operator.** "Virtual currency kiosk operator" means a corporation, limited liability company, limited liability partnership, foreign entity, or any other person or entity qualified to do business in Minnesota that operates a virtual currency kiosk within Minnesota.

Sec. 19. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 12. **Virtual currency wallet.** "Virtual currency wallet" means a software application or other mechanism providing a means to hold, store, or transfer virtual currency.

Sec. 20. **[53B.75] VIRTUAL CURRENCY KIOSKS.**

Subdivision 1. **Disclosures on material risks.** (a) Before entering into an initial virtual currency transaction for, on behalf of, or with a person, the virtual currency kiosk operator must disclose in clear, conspicuous, and legibly written English all material risks generally associated with virtual currency. The disclosures must be displayed on the screen of the virtual currency kiosk with the ability for a person to acknowledge the receipt of the disclosures. The disclosures must include at least the following information:

(1) virtual currency is not legal tender, backed or insured by the government, and accounts and value balances are not subject to Federal Deposit Insurance Corporation, National Credit Union Administration, or Securities Investor Protection Corporation protections;

(2) some virtual currency transactions are deemed to be made when recorded on a public ledger, which may not be the date or time when the person initiates the transaction;

(3) virtual currency's value may be derived from market participants' continued willingness to exchange fiat currency for virtual currency, which may result in the permanent and total loss of a particular virtual currency's value if the market for virtual currency disappears;

(4) a person who accepts a virtual currency as payment today is not required to accept and might not accept virtual currency in the future;

(5) the volatility and unpredictability of the price of virtual currency relative to fiat currency may result in a significant loss over a short period;

(6) the nature of virtual currency may lead to an increased risk of fraud or cyber attack;

(7) the nature of virtual currency means that any technological difficulties experienced by virtual currency kiosk operators may prevent access to or use of a person's virtual currency; and

(8) any bond maintained by the virtual currency kiosk operator for the benefit of a person may not cover all losses a person incurs.

(b) The virtual currency kiosk operator must provide an additional disclosure, which must be acknowledged by the person, written prominently and in bold type, and provided separately from the disclosures above, stating: "WARNING: LOSSES DUE TO FRAUDULENT OR ACCIDENTAL TRANSACTIONS MAY NOT BE RECOVERABLE AND TRANSACTIONS IN VIRTUAL CURRENCY ARE IRREVERSIBLE."

Subd. 2. **Disclosures.** (a) A virtual currency kiosk operator must disclose all relevant terms and conditions generally associated with the products, services, and activities of the virtual currency kiosk operator and virtual currency. A virtual currency kiosk operator must make the disclosures in clear, conspicuous, and legibly written English, using at least 48-point sans serif type font. The disclosures under this subdivision must address at least the following:

(1) the person's liability for unauthorized virtual currency transactions;

(2) the person's right to:

(i) stop payment of a virtual currency transfer and the procedure to stop payment;

(ii) receive a receipt, trade ticket, or other evidence of a transaction at the time of the transaction; and

(iii) prior notice of a change in the virtual currency kiosk operator's rules or policies;

(3) under what circumstances the virtual currency kiosk operator, without a court or government order, discloses a person's account information to third parties; and

(4) other disclosures that are customarily provided in connection with opening a person's account.

(b) Before each virtual currency transaction for, on behalf of, or with a person, a virtual currency kiosk operator must disclose the transaction's terms and conditions in clear, conspicuous, and legibly written English, using at least 48-point sans serif type font. The disclosures under this subdivision must address at least the following:

- (1) the amount of the transaction;
- (2) any fees, expenses, and charges, including applicable exchange rates;
- (3) the type and nature of the transaction;
- (4) a warning that once completed, the transaction may not be reversed;
- (5) a daily virtual currency transaction limit of no more than \$3,000;
- (6) the difference in the virtual currency's sale price compared to the current market price; and
- (7) other disclosures that are customarily given in connection with a virtual currency transaction.

Subd. 3. **Acknowledgment of disclosures.** Before completing the transaction, a virtual currency kiosk operator must ensure that each person who engages in a virtual currency transaction using the virtual currency operator's kiosk acknowledges receipt of all the disclosures required under this section via a confirmation of consent. Additionally, upon a transaction's completion, the virtual currency operator must provide a person with a physical receipt, or the person may choose to have a virtual receipt sent to the person's email address, containing the following information:

- (1) the virtual currency kiosk operator's name and contact information, including a telephone number to answer questions and register complaints;
- (2) the type, value, date, and precise time of the transaction, transactional hash, and each virtual currency address;
- (3) the fees charged;
- (4) the exchange rate;
- (5) a statement of the virtual currency kiosk operator's liability for nondelivery or delayed delivery;
- (6) a statement of the virtual currency kiosk operator's refund policy; and
- (7) any additional information the commissioner of commerce may require.

Subd. 4. **Cancellation and refund.** A virtual currency kiosk operator must, at the virtual currency kiosk operator's cost and within 72 hours after a virtual currency transaction, allow the person to cancel and receive a full refund for the virtual currency transaction if the virtual currency transaction is:

- (1) the person's first virtual currency transaction with the virtual currency kiosk operator; or
- (2) to a virtual currency wallet or exchange located outside of the United States.

Sec. 21. Minnesota Statutes 2022, section 58.02, is amended by adding a subdivision to read:

Subd. 15a. **Nationwide Multistate Licensing System and Registry.** "Nationwide Multistate Licensing System and Registry" has the meaning given in section 58A.02, subdivision 8.

Sec. 22. Minnesota Statutes 2022, section 58.02, subdivision 18, is amended to read:

Subd. 18. **Residential mortgage loan.** "Residential mortgage loan" means a loan secured primarily by either: (1) a mortgage, deed of trust, or other equivalent security interest on residential real ~~property~~ estate; or (2) certificates of stock or other evidence of ownership interest in and proprietary lease from corporations, partnerships, or other forms of business organizations formed for the purpose of cooperative ownership of residential real ~~property~~ estate.

Sec. 23. Minnesota Statutes 2022, section 58.02, subdivision 21, is amended to read:

Subd. 21. **Residential real estate.** "Residential real estate" means real property located in Minnesota upon which a dwelling, as defined in United States Code, title 15, section 1602(w), is constructed or is intended to be constructed, whether or not the owner occupies the real property.

Sec. 24. Minnesota Statutes 2022, section 58.04, subdivision 1, is amended to read:

Subdivision 1. **Residential mortgage originator licensing requirements.** (a) No person shall act as a residential mortgage originator, or make residential mortgage loans without first obtaining a license from the commissioner according to the licensing procedures provided in this chapter.

(b) A licensee must be either a partnership, limited liability partnership, association, limited liability company, corporation, or other form of business organization, and must have and maintain a surety bond in the amounts prescribed under section 58.08.

(c) The following persons are exempt from the residential mortgage originator licensing requirements:

(1) a person who is not in the business of making residential mortgage loans and who makes no more than three such loans, with its own funds, during any 12-month period;

(2) a financial institution as defined in section 58.02, subdivision 10;

(3) an agency of the federal government, or of a state or municipal government;

(4) an employee or employer pension plan making loans only to its participants;

(5) a person acting in a fiduciary capacity, such as a trustee or receiver, as a result of a specific order issued by a court of competent jurisdiction;

(6) a person who is a bona fide nonprofit organization that meets all the criteria required by the federal Secure and Fair Enforcement Licensing Act in Regulation H, adopted pursuant to Code of Federal Regulations, title 12, part 1008, subpart B, section 1008.103 (e)(7)(ii);

~~(6)~~ (7) a person exempted by order of the commissioner; or

~~(7)~~ (8) a manufactured home dealer, as defined in section 327B.01, subdivision 7 or 11b, or a manufactured home salesperson, as defined in section 327B.01, subdivision 19, that:

(i) performs only clerical or support duties in connection with assisting a consumer in filling out a residential mortgage loan application but does not in any way offer or negotiate loan terms, or hold themselves out as a housing counselor;

(ii) does not receive any direct or indirect compensation or gain from any individual or company for assisting consumers with a residential mortgage loan application, in excess of the customary salary or commission from the employer in connection with the sales transaction; and

(iii) discloses to the borrower in writing:

(A) if a corporate affiliation with a lender exists;

(B) if a corporate affiliation with a lender exists, that the lender cannot guarantee the lowest or best terms available and the consumer has the right to choose their lender; and

(C) if a corporate affiliation with a lender exists, the name of at least one unaffiliated lender.

(d) For the purposes of this subdivision, "housing counselor" means an individual who provides assistance and guidance about residential mortgage loan terms including rates, fees, or other costs.

(e) The disclosures required under paragraph (c), clause ~~(7)~~ (8), item (iii), must be made on a one-page form prescribed by the commissioner and developed in consultation with the Manufactured and Modular Home Association. The form must be posted on the department's website.

Sec. 25. Minnesota Statutes 2022, section 58.04, subdivision 2, is amended to read:

Subd. 2. **Residential mortgage servicer licensing requirements.** (a) Beginning August 1, 1999, no person shall engage in activities or practices that fall within the definition of "servicing a residential mortgage loan" under section 58.02, subdivision 22, without first obtaining a license from the commissioner according to the licensing procedures provided in this chapter.

(b) The following persons are exempt from the residential mortgage servicer licensing requirements:

(1) a person licensed as a residential mortgage originator;

(2) an employee of one licensee or one person holding a certificate of exemption based on an exemption under this subdivision;

(3) a person servicing loans made with its own funds, if no more than three such loans are made in any 12-month period;

(4) a financial institution as defined in section 58.02, subdivision 10;

(5) an agency of the federal government, or of a state or municipal government;

(6) an employee or employer pension plan making loans only to its participants;

(7) a person acting in a fiduciary capacity, such as a trustee or receiver, as a result of a specific order issued by a court of competent jurisdiction; ~~or~~

(8) a person who is a bona fide nonprofit organization that meets all the criteria required by the federal Secure and Fair Enforcement Licensing Act in Regulation H, Code of Federal Regulations, title 12, part 1008, subpart B, section 1008.103 (e)(7)(ii); or

~~(8)~~ (9) a person exempted by order of the commissioner.

Sec. 26. Minnesota Statutes 2022, section 58.05, subdivision 1, is amended to read:

Subdivision 1. **Exempt person.** (a) An exempt person, as defined by section 58.04, subdivision 1, paragraph (c), and subdivision 2, paragraph (b), is exempt from the licensing requirements of this chapter, but is subject to all other provisions of this chapter.

(b) Paragraph (a) does not apply to an institution covered under section 58.04, subdivision 4, even if the institution is otherwise an exempt person.

Sec. 27. Minnesota Statutes 2022, section 58.05, subdivision 3, is amended to read:

Subd. 3. **Certificate of exemption.** ~~A person~~ (a) The following persons must obtain a certificate of exemption from the commissioner to qualify as an exempt person under section 58.04, subdivision 1, paragraph (c), ~~a financial institution under clause (2);~~

(1) a bona fide nonprofit organization under section 58.04, subdivision 1, paragraph (c), clause (6); or

(2) a person exempted by order of the commissioner under section 58.04, subdivision 1, paragraph (c), clause (6); or (7).

(b) The following persons must obtain a certificate of exemption from the commissioner to qualify as an exempt person under section 58.04, subdivision 2, paragraph (b), as a financial institution under clause (4);

(1) a bona fide nonprofit organization under section 58.04, subdivision 2, paragraph (b), clause (8); or

(2) a person exempted by order of the commissioner under section 58.04, subdivision 2, paragraph (b), clause ~~(8)~~ (9).

Sec. 28. Minnesota Statutes 2022, section 58.06, is amended by adding a subdivision to read:

Subd. 5. **Background checks.** In connection with an application for a residential mortgage loan originator or servicer license, any person in control of an applicant must, at a minimum, provide the Nationwide Multistate Licensing System and Registry information concerning the person's identity, including:

(1) fingerprints for submission to the Federal Bureau of Investigation and a governmental agency or entity authorized to receive the information for a state, national, and international criminal history background check; and

(2) personal history and experience in a form prescribed by the Nationwide Multistate Licensing System and Registry, including the submission of authorization for the Nationwide Multistate Licensing System and Registry and the commissioner to obtain:

(i) an independent credit report obtained from a consumer reporting agency described in United States Code, title 15, section 1681a(p); and

(ii) information related to administrative, civil, or criminal findings by a governmental jurisdiction.

Sec. 29. Minnesota Statutes 2022, section 58.06, is amended by adding a subdivision to read:

Subd. 6. Requesting and distributing criminal information; agency. For the purposes of this section and in order to reduce the points of contact the Federal Bureau of Investigation may have to maintain for purposes of subdivision 5, clauses (1) and (2), the commissioner may use the Nationwide Multistate Licensing System and Registry as a channeling agent to request information from and distribute information to the United States Department of Justice or any governmental agency.

Sec. 30. Minnesota Statutes 2022, section 58.06, is amended by adding a subdivision to read:

Subd. 7. Requesting and distributing noncriminal information; agency. For the purposes of this section and in order to reduce the points of contact the commissioner may have to maintain for purposes of subdivision 5, clause (2), the commissioner may use the Nationwide Multistate Licensing System and Registry as a channeling agent to request and distribute information from and to any source, as directed by the commissioner.

Sec. 31. Minnesota Statutes 2022, section 58.08, subdivision 1a, is amended to read:

Subd. 1a. Residential mortgage originators. (a) An applicant for a residential mortgage originator license must file with the department a surety bond in the amount of ~~\$100,000~~ \$125,000, issued by an insurance company authorized to do so in this state. The bond must cover all mortgage loan originators who are employees or independent agents of the applicant. The bond must be available for the recovery of expenses, fines, and fees levied by the commissioner under this chapter and for losses incurred by borrowers as a result of a licensee's noncompliance with the requirements of this chapter, sections 325D.43 to 325D.48, and 325F.67 to 325F.69, or breach of contract relating to activities regulated by this chapter.

(b) The bond must be submitted with the originator's license application and evidence of continued coverage must be submitted with each renewal. Any change in the bond must be submitted for approval by the commissioner, within ten days of its execution. The bond or a substitute bond shall remain in effect during all periods of licensing.

(c) Upon filing of the mortgage call report as required by section ~~58A.17~~ 58.141, a licensee shall maintain or increase ~~its~~ the licensee's surety bond to reflect the total dollar amount of the closed residential mortgage loans originated in this state in the preceding year according to the table in this paragraph. A licensee may decrease ~~its~~ the licensee's surety bond according to the table in this paragraph if the surety bond required is less than the amount of the surety bond on file with the department.

Dollar Amount of Closed Residential Mortgage Loans	Surety Bond Required
\$0 to \$5,000,000 <u>\$10,000,000</u>	\$100,000 <u>\$125,000</u>
\$5,000,000.01 to \$10,000,000	
\$25,000,000	\$125,000 <u>\$150,000</u>
\$10,000,000.01 to \$25,000,000	
\$100,000,000	\$150,000 <u>\$200,000</u>
Over \$25,000,000 <u>\$100,000,000</u>	\$200,000 <u>\$300,000</u>

For purposes of this subdivision, "mortgage loan originator" has the meaning given the term in section 58A.02, subdivision 7.

Sec. 32. Minnesota Statutes 2022, section 58.08, subdivision 2, is amended to read:

Subd. 2. Residential mortgage servicers. (a) A residential mortgage servicer licensee shall continuously maintain a surety bond or irrevocable letter of credit in an amount not less than ~~\$100,000~~ \$125,000 in a form approved by the commissioner, issued by an insurance company or bank authorized to do so in this state. The bond

or irrevocable letter of credit must be available for the recovery of expenses, fines, and fees levied by the commissioner under this chapter, and for losses or damages incurred by borrowers or other aggrieved parties as the result of a licensee's noncompliance with the requirements of this chapter, sections 325D.43 to 325D.48, and 325F.67 to 325F.69, or breach of contract relating to activities regulated by this chapter.

(b) The bond or irrevocable letter of credit must be submitted with the servicer's license application and evidence of continued coverage must be submitted with each renewal. Any change in the bond or letter of credit must be submitted for approval by the commissioner, within ten days of its execution. The bond or a substitute bond must remain in effect during all periods of a license.

(c) Upon filing the mortgage call report under section 58.141, a licensee must maintain or increase the licensee's surety bond to reflect the total dollar amount of unpaid principal balance for residential mortgage loans serviced in Minnesota during the preceding quarter according to the table in this paragraph. A licensee may decrease the licensee's surety bond according to the table in this paragraph if the surety bond required is less than the amount of the surety bond on file with the department.

<u>Dollar Amount of Unpaid Principal Balance for Serviced Residential Mortgage Loans</u>	<u>Surety Bond Required</u>
<u>\$0 to \$10,000,000</u>	<u>\$125,000</u>
<u>\$10,000,000.01 to \$50,000,000</u>	<u>\$200,000</u>
<u>Over \$50,000,000</u>	<u>\$300,000</u>

Sec. 33. Minnesota Statutes 2022, section 58.10, subdivision 3, is amended to read:

Subd. 3. **Consumer education account; money credited and appropriated.** (a) The consumer education account is created in the special revenue fund. Money credited to this account may be appropriated to the commissioner ~~for the purpose of making to:~~ (1) make grants to programs and campaigns designed to help consumers avoid being victimized by unscrupulous lenders and mortgage brokers; and (2) pay for expenses the commissioner incurs to provide outreach and education related to affordable housing and home ownership education. The commissioner must give preference shall be given for grants to programs and campaigns designed by coalitions of public sector, private sector, and nonprofit agencies, institutions, companies, and organizations.

(b) A sum sufficient is appropriated annually from the consumer education account to the commissioner to make the grants described in paragraph (a).

Sec. 34. Minnesota Statutes 2022, section 58.115, is amended to read:

58.115 EXAMINATIONS.

The commissioner has under this chapter the same powers with respect to examinations that the commissioner has under section 46.04. In addition to the powers under section 46.04, the commissioner may accept examination reports prepared by a state agency that has comparable supervisory powers and examination procedures. The authority under section 49.411, subdivision 7, applies to examinations of institutions under this chapter.

Sec. 35. Minnesota Statutes 2022, section 58.13, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) No person acting as a residential mortgage originator or servicer, including a person required to be licensed under this chapter, and no person exempt from the licensing requirements of this chapter under section 58.04, except as otherwise provided in paragraph (b), shall:

(1) fail to maintain a trust account to hold trust funds received in connection with a residential mortgage loan;

(2) fail to deposit all trust funds into a trust account within three business days of receipt; commingle trust funds with funds belonging to the licensee or exempt person; or use trust account funds for any purpose other than that for which they are received;

(3) unreasonably delay the processing of a residential mortgage loan application, or the closing of a residential mortgage loan. For purposes of this clause, evidence of unreasonable delay includes but is not limited to those factors identified in section 47.206, subdivision 7, paragraph (d);

(4) fail to disburse funds according to its contractual or statutory obligations;

(5) fail to perform in conformance with its written agreements with borrowers, investors, other licensees, or exempt persons;

(6) charge a fee for a product or service where the product or service is not actually provided, or misrepresent the amount charged by or paid to a third party for a product or service;

(7) fail to comply with sections 345.31 to 345.60, the Minnesota unclaimed property law;

(8) violate any provision of any other applicable state or federal law regulating residential mortgage loans including, without limitation, sections 47.20 to 47.208 and 47.58;

(9) make or cause to be made, directly or indirectly, any false, deceptive, or misleading statement or representation in connection with a residential loan transaction including, without limitation, a false, deceptive, or misleading statement or representation regarding the borrower's ability to qualify for any mortgage product;

(10) conduct residential mortgage loan business under any name other than that under which the license or certificate of exemption was issued;

(11) compensate, whether directly or indirectly, coerce or intimidate an appraiser for the purpose of influencing the independent judgment of the appraiser with respect to the value of real estate that is to be covered by a residential mortgage or is being offered as security according to an application for a residential mortgage loan;

(12) issue any document indicating conditional qualification or conditional approval for a residential mortgage loan, unless the document also clearly indicates that final qualification or approval is not guaranteed, and may be subject to additional review;

(13) make or assist in making any residential mortgage loan with the intent that the loan will not be repaid and that the residential mortgage originator will obtain title to the property through foreclosure;

(14) provide or offer to provide for a borrower, any brokering or lending services under an arrangement with a person other than a licensee or exempt person, provided that a person may rely upon a written representation by the residential mortgage originator that it is in compliance with the licensing requirements of this chapter;

(15) claim to represent a licensee or exempt person, unless the person is an employee of the licensee or exempt person or unless the person has entered into a written agency agreement with the licensee or exempt person;

(16) fail to comply with the record keeping and notification requirements identified in section 58.14 or fail to abide by the affirmations made on the application for licensure;

(17) represent that the licensee or exempt person is acting as the borrower's agent after providing the nonagency disclosure required by section 58.15, unless the disclosure is retracted and the licensee or exempt person complies with all of the requirements of section 58.16;

(18) make, provide, or arrange for a residential mortgage loan that is of a lower investment grade if the borrower's credit score or, if the originator does not utilize credit scoring or if a credit score is unavailable, then comparable underwriting data, indicates that the borrower may qualify for a residential mortgage loan, available from or through the originator, that is of a higher investment grade, unless the borrower is informed that the borrower may qualify for a higher investment grade loan with a lower interest rate and/or lower discount points, and consents in writing to receipt of the lower investment grade loan;

For purposes of this section, "investment grade" refers to a system of categorizing residential mortgage loans in which the loans are distinguished by interest rate or discount points or both charged to the borrower, which vary according to the degree of perceived risk of default based on factors such as the borrower's credit, including credit score and credit patterns, income and employment history, debt ratio, loan-to-value ratio, and prior bankruptcy or foreclosure;

(19) make, publish, disseminate, circulate, place before the public, or cause to be made, directly or indirectly, any advertisement or marketing materials of any type, or any statement or representation relating to the business of residential mortgage loans that is false, deceptive, or misleading;

(20) advertise loan types or terms that are not available from or through the licensee or exempt person on the date advertised, or on the date specified in the advertisement. For purposes of this clause, advertisement includes, but is not limited to, a list of sample mortgage terms, including interest rates, discount points, and closing costs provided by licensees or exempt persons to a print or electronic medium that presents the information to the public;

(21) use or employ phrases, pictures, return addresses, geographic designations, or other means that create the impression, directly or indirectly, that a licensee or other person is a governmental agency, or is associated with, sponsored by, or in any manner connected to, related to, or endorsed by a governmental agency, if that is not the case;

(22) violate section 82.77, relating to table funding;

(23) make, provide, or arrange for a residential mortgage loan all or a portion of the proceeds of which are used to fully or partially pay off a "special mortgage" unless the borrower has obtained a written certification from an authorized independent loan counselor that the borrower has received counseling on the advisability of the loan transaction. For purposes of this section, "special mortgage" means a residential mortgage loan originated, subsidized, or guaranteed by or through a state, tribal, or local government, or nonprofit organization, that bears one or more of the following nonstandard payment terms which substantially benefit the borrower: (i) payments vary with income; (ii) payments of principal or interest are not required or can be deferred under specified conditions; (iii) principal or interest is forgivable under specified conditions; or (iv) where no interest or an annual interest rate of two percent or less is charged in connection with the loan. For purposes of this section, "authorized independent loan counselor" means a nonprofit, third-party individual or organization providing home buyer education programs, foreclosure prevention services, mortgage loan counseling, or credit counseling certified by the United States Department of Housing and Urban Development, the Minnesota Home Ownership Center, the Minnesota Mortgage Foreclosure Prevention Association, AARP, or NeighborWorks America;

(24) make, provide, or arrange for a residential mortgage loan without verifying the borrower's reasonable ability to pay the scheduled payments of the following, as applicable: principal; interest; real estate taxes; homeowner's insurance, assessments, and mortgage insurance premiums. For loans in which the interest rate may vary, the reasonable ability to pay shall be determined based on a fully indexed rate and a repayment schedule which achieves full amortization over the life of the loan. For all residential mortgage loans, the borrower's income and financial resources must be verified by tax returns, payroll receipts, bank records, or other similarly reliable documents.

Nothing in this section shall be construed to limit a mortgage originator's or exempt person's ability to rely on criteria other than the borrower's income and financial resources to establish the borrower's reasonable ability to repay the residential mortgage loan, including criteria established by the United States Department of Veterans Affairs or the United States Department of Housing and Urban Development for interest rate reduction refinancing loans or streamline loans, or criteria authorized or promulgated by the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation; however, such other criteria must be verified through reasonably reliable methods and documentation. The mortgage originator's analysis of the borrower's reasonable ability to repay may include, but is not limited to, consideration of the following items, if verified: (1) the borrower's current and expected income; (2) current and expected cash flow; (3) net worth and other financial resources other than the consumer's equity in the dwelling that secures the loan; (4) current financial obligations; (5) property taxes and insurance; (6) assessments on the property; (7) employment status; (8) credit history; (9) debt-to-income ratio; (10) credit scores; (11) tax returns; (12) pension statements; and (13) employment payment records, provided that no mortgage originator shall disregard facts and circumstances that indicate that the financial or other information submitted by the consumer is inaccurate or incomplete. A statement by the borrower to the residential mortgage originator or exempt person of the borrower's income and resources or sole reliance on any single item listed above is not sufficient to establish the existence of the income or resources when verifying the reasonable ability to pay;

(25) engage in "churning." As used in this section, "churning" means knowingly or intentionally making, providing, or arranging for a residential mortgage loan when the new residential mortgage loan does not provide a reasonable, tangible net benefit to the borrower considering all of the circumstances, including the terms of both the new and refinanced loans, the cost of the new loan, and the borrower's circumstances; In order to demonstrate a reasonable, tangible net benefit to the borrower, the circumstances at the time of the application must be documented in writing and must be signed by the borrower prior to the closing date;

(26) the first time a residential mortgage originator orally informs a borrower of the anticipated or actual periodic payment amount for a first-lien residential mortgage loan which does not include an amount for payment of property taxes and hazard insurance, the residential mortgage originator must inform the borrower that an additional amount will be due for taxes and insurance and, if known, disclose to the borrower the amount of the anticipated or actual periodic payments for property taxes and hazard insurance. This same oral disclosure must be made each time the residential mortgage originator orally informs the borrower of a different anticipated or actual periodic payment amount change from the amount previously disclosed. A residential mortgage originator need not make this disclosure concerning a refinancing loan if the residential mortgage originator knows that the borrower's existing loan that is anticipated to be refinanced does not have an escrow account; or

(27) make, provide, or arrange for a residential mortgage loan, other than a reverse mortgage pursuant to United States Code, title 15, chapter 41, if the borrower's compliance with any repayment option offered pursuant to the terms of the loan will result in negative amortization during any six-month period.

(b) Paragraph (a), clauses (24) through (27), do not apply to a state or federally chartered bank, savings bank, or credit union, an institution chartered by Congress under the Farm Credit Act, or to a person making, providing, or arranging a residential mortgage loan originated or purchased by a state agency or a tribal or local unit of government. This paragraph supersedes any inconsistent provision of this chapter.

Sec. 36. **[58.141] REPORTS AND UNIQUE IDENTIFIER.**

Subdivision 1. Mortgage call reports. A residential mortgage originator or servicer must submit reports of condition to the Nationwide Multistate Licensing System and Registry. Reports submitted under this subdivision must be in the form and contain the information required by the Nationwide Multistate Licensing System and Registry.

Subd. 2. **Report to Nationwide Multistate Licensing System and Registry.** Subject to section 58A.14, the commissioner must regularly report violations of this chapter, as well as enforcement actions and other relevant information, to the Nationwide Multistate Licensing System and Registry.

Subd. 3. **Unique identifier; display.** The unique identifier of any person originating a residential mortgage loan must be clearly displayed on all residential mortgage loan application forms, solicitations, or advertisements, including business cards or websites, and any other documents the commissioner establishes by rule or order.

Sec. 37. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 2, is amended to read:

Subd. 2. **Coerced debt.** (a) "Coerced debt" means all or a portion of debt in a debtor's name that has been incurred as a result of:

- (1) the use of the debtor's personal information without the debtor's knowledge, authorization, or consent;
 - (2) the use or threat of force, intimidation, undue influence, ~~harassment~~, fraud, deception, coercion, or other similar means against the debtor; or
 - (3) economic abuse perpetrated against the debtor.
- (b) Coerced debt does not include secured debt.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 38. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 4, is amended to read:

Subd. 4. **Debtor.** "Debtor" means a person who (1) is a victim of domestic abuse, ~~harassment~~ economic abuse, or sex or labor trafficking, and (2) owes coerced debt.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 39. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 5, is amended to read:

Subd. 5. **Documentation.** "Documentation" means ~~a writing that identifies a debt or a portion of a debt as coerced debt, describes the circumstances under which the coerced debt was incurred, and takes the form of:~~

- (1) a police report;
- (2) a Federal Trade Commission identity theft report;
- (3) an order in a dissolution proceeding under chapter 518 that declares that one or more debts are coerced; or
- (4) a sworn written certification.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 40. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 7, is amended to read:

Subd. 7. **Economic abuse.** "Economic abuse" means behavior in the context of a domestic relationship that controls, restrains, restricts, impairs, or interferes with the ability of a ~~victim of domestic abuse, harassment, or sex or labor trafficking~~ debtor to acquire, use, or maintain economic resources, including but not limited to:

- (1) withholding or restricting access to, or the acquisition of, money, assets, credit, or financial information;

- (2) interfering with the victim's ability to work and earn wages; or
- (3) exerting undue influence over a person's financial and economic behavior or decisions.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 41. Minnesota Statutes 2023 Supplement, section 332.72, is amended to read:

332.72 COERCED DEBT PROHIBITED.

(a) A person is prohibited from causing another person to incur coerced debt.

(b) A person who causes another person to incur a coerced debt in violation of this section is civilly liable to the creditor for the amount of the debt, or portion of the debt, determined by a court to be coerced debt, plus the creditor's reasonable attorney fees and costs, provided the creditor follows the procedures under section 332.74, subdivision 3, paragraph (b).

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 42. Minnesota Statutes 2023 Supplement, section 332.73, subdivision 1, is amended to read:

Subdivision 1. **Notification.** (a) Before taking an affirmative action under section 332.74, a debtor must, by certified mail, notify a creditor that the debt or a portion of a debt on which the creditor demands payment is coerced debt and request that the creditor cease all collection activity on the coerced debt. The notification and request must be in writing and include documentation. If not already included in documentation, the notification must include a signed statement that includes:

- (1) an assertion that the debtor is a victim of domestic abuse, economic abuse, or sex or labor trafficking;
- (2) a recitation of the facts supporting the claim that the debt is coerced; and
- (3) if only a portion of the debt is claimed to be coerced debt, an itemization of the portion of the debt that is claimed to be coerced debt.

(b) The creditor, within 30 days of the date the notification and request is received, must notify the debtor in writing of the creditor's decision to either immediately cease all collection activity or continue to pursue collection. If a creditor ceases collection but subsequently decides to resume collection activity, the creditor must notify the debtor ten days prior to the date the collection activity resumes.

~~(b) If a creditor ceases collection but subsequently decides to resume collection activity, the creditor must notify the debtor ten days prior to the date the collection activity resumes.~~

(c) A debtor must not proceed with an action under section 332.74 until the 30-day period provided under paragraph (a) has expired.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 43. Minnesota Statutes 2023 Supplement, section 332.74, subdivision 3, is amended to read:

Subd. 3. **Relief.** (a) If a debtor shows by a preponderance of the evidence that the debtor has been aggrieved by a violation of section 332.72 and the debtor has incurred coerced debt, the debtor is entitled to one or more of the following:

(1) a declaratory judgment that the debt or portion of a debt is coerced debt;

(2) an injunction prohibiting the creditor from (i) holding or attempting to hold the debtor liable for the debt or portion of a debt, or (ii) enforcing a judgment related to the coerced debt; and

(3) an order dismissing any cause of action brought by the creditor to enforce or collect the coerced debt from the debtor or, if only a portion of the debt is established as coerced debt, an order directing that the judgment, if any, in the action be amended to reflect only the portion of the debt that is not coerced debt.

(b) If the court orders relief for the debtor under paragraph (a), the court, after the creditor's motion has been personally served on the person who violated section 332.72, or if personal service cannot be made, after service by United States mail to the last known address of the person who violated section 332.72 and one-week published notice under section 645.11, shall ~~must~~ issue a judgment in favor of the creditor against the person in the amount of the debt or a portion thereof.

(c) This subdivision applies regardless of the judicial district in which the creditor's action or the debtor's petition was filed.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 44. Minnesota Statutes 2023 Supplement, section 332.74, subdivision 5, is amended to read:

Subd. 5. **Burden.** In any affirmative action taken under subdivision 1 or any affirmative defense asserted in subdivision 4, the debtor bears the burden to show by a preponderance of the evidence that the debtor incurred coerced debt. There is a presumption that the debtor has incurred coerced debt if the person alleged to have caused the debtor to incur the coerced debt has been ~~criminally convicted, entered a guilty plea, or entered an Alford plea under~~ of or received a stay of adjudication for a violation of section 609.27, 609.282, 609.322, or 609.527.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 45. **[332C.01] DEFINITIONS.**

Subdivision 1. Application. For purposes of this chapter, the following terms have the meanings given.

Subd. 2. Collecting party. "Collecting party" means a party engaged in the collection of medical debt. Collecting party does not include banks, credit unions, public officers, garnishees, and other parties complying with a court order or statutory obligation to garnish or levy a debtor's property.

Subd. 3. Debtor. "Debtor" means a person obligated or alleged to be obligated to pay any debt.

Subd. 4. Medical debt. "Medical debt" means debt incurred primarily for medically necessary health treatment or services. Medical debt does not include debt charged to a credit card unless the credit card is issued under a credit plan offered solely for the payment of health care treatment or services.

Subd. 5. Medically necessary. "Medically necessary" has the meaning given in section 62J.805, subdivision 6.

Subd. 6. Person. "Person" means any individual, partnership, association, or corporation.

Sec. 46. **[332C.02] PROHIBITED PRACTICES.**

No collecting party shall:

(1) in a collection letter, publication, invoice, or any oral or written communication, threaten wage garnishment or legal suit by a particular lawyer, unless the collecting party has actually retained the lawyer to do so;

(2) use or employ sheriffs or any other officer authorized to serve legal papers in connection with the collection of a claim, except when performing legally authorized duties;

(3) use or threaten to use methods of collection which violate Minnesota law;

(4) furnish legal advice to debtors or represent that the collecting party is competent or able to furnish legal advice to debtors;

(5) communicate with debtors in a misleading or deceptive manner by falsely using the stationery of a lawyer, forms or instruments which only lawyers are authorized to prepare, or instruments which simulate the form and appearance of judicial process;

(6) publish or cause to be published any list of debtors, use shame cards or shame automobiles, advertise or threaten to advertise for sale any claim as a means of forcing payment thereof, or use similar devices or methods of intimidation;

(7) operate under a name or in a manner which falsely implies the collecting party is a branch of or associated with any department of federal, state, county, or local government or an agency thereof;

(8) transact business or hold itself out as a debt settlement company, debt management company, debt adjuster, or any person who settles, adjusts, prorates, pools, liquidates, or pays the indebtedness of a debtor, unless there is no charge to the debtor, or the pooling or liquidation is done pursuant to a court order or under the supervision of a creditor's committee;

(9) unless an exemption in the law exists, violate Code of Federal Regulations, title 12, part 1006, while attempting to collect on any account, bill, or other indebtedness. For purposes of this section, Public Law 95-109, and Code of Federal Regulations, title 12, part 1006, apply to collecting parties;

(10) communicate with a debtor by use of an automatic telephone dialing system or an artificial or prerecorded voice after the debtor expressly informs the collecting party to cease communication utilizing an automatic telephone dialing system or an artificial or prerecorded voice. For purposes of this clause, an automatic telephone dialing system or an artificial or prerecorded voice includes but is not limited to (i) artificial intelligence chatbots, and (ii) the usage of the term under the Telephone Consumer Protection Act, United States Code, title 47, section 227(b)(1)(A);

(11) in collection letters or publications, or in any oral or written communication, imply or suggest that medically necessary health treatment or services will be denied as a result of a medical debt;

(12) when a debtor has a listed telephone number, enlist the aid of a neighbor or third party to request that the debtor contact the collecting party, except a person who resides with the debtor or a third party with whom the debtor has authorized with the collecting party to place the request. This clause does not apply to a callback message left at the debtor's place of employment which is limited solely to the collecting party's telephone number and name;

(13) when attempting to collect a medical debt, fail to provide the debtor with the full name of the collecting party, as registered with the secretary of state;

(14) fail to return any amount of overpayment from a debtor to the debtor or to the state of Minnesota pursuant to the requirements of chapter 345;

(15) accept currency or coin as payment for a medical debt without issuing an original receipt to the debtor and maintain a duplicate receipt in the debtor's payment records;

(16) attempt to collect any amount, including any interest, fee, charge, or expense incidental to the charge-off obligation, from a debtor unless the amount is expressly authorized by the agreement creating the medical debt or is otherwise permitted by law;

(17) falsify any documents with the intent to deceive;

(18) when initially contacting a Minnesota debtor by mail to collect a medical debt, fail to include a disclosure on the contact notice, in a type size or font which is equal to or larger than the largest other type of type size or font used in the text of the notice, that includes and identifies the Office of the Minnesota Attorney General's general telephone number, and states: "You have the right to hire your own attorney to represent you in this matter.";

(19) commence legal action to collect a medical debt outside the limitations period set forth in section 541.053;

(20) report to a credit reporting agency any medical debt which the collecting party knows or should know is or was originally owed to a health care provider, as defined in section 62J.805, subdivision 2; or

(21) challenge a debtor's claim of exemption to garnishment or levy in a manner that is baseless, frivolous, or otherwise in bad faith.

Sec. 47. **[332C.03] MEDICAL DEBT REPORTING PROHIBITED.**

(a) A collecting party is prohibited from reporting medical debt to a consumer reporting agency.

(b) A consumer reporting agency is prohibited from making a consumer report containing an item of information that the consumer reporting agency knows or should know concerns:

(1) medical information; or

(2) debt arising from:

(i) the provision of medical care, treatment, services, devices, medicines; or

(ii) procedures to maintain, diagnose, or treat a person's physical or mental health.

(c) For purposes of this section, "consumer report," "consumer reporting agency," and "medical information" have the meanings given in the Fair Credit Reporting Act, United States Code, title 15, section 1681a.

(d) This section applies to collection agencies and debt buyers licensed under chapter 332.

Sec. 48. **[332C.04] DEFENDING MEDICAL DEBT CASES.**

A debtor who successfully defends against a claim for payment of medical debt that is alleged by a collecting party must be awarded the debtor's costs, including reasonable attorney fees as determined by the court, incurred in defending against the collecting party's claim for debt payment.

Sec. 49. **[332C.05] ENFORCEMENT.**

(a) The attorney general may enforce this chapter under section 8.31.

(b) A collecting party that violates this chapter is strictly liable to the debtor in question for the sum of:

(1) actual damage sustained by the debtor as a result of the violation;

(2) additional damages as the court may allow, but not exceeding \$1,000 per violation; and

(3) in the case of any successful action to enforce the foregoing, the costs of the action, together with reasonable attorney fees as determined by the court.

(c) A collecting party that willfully and maliciously violates this chapter is strictly liable to the debtor for three times the sums allowable under paragraph (b), clauses (1) and (2).

(d) The dollar amount limit under paragraph (b), clause (2), changes on July 1 of each even-numbered year in an amount equal to changes made in the Consumer Price Index, compiled by the United States Bureau of Labor Statistics. The Consumer Price Index for December 2024 is the reference base index. If the Consumer Price Index is revised, the percentage of change made under this section must be calculated on the basis of the revised Consumer Price Index. If a Consumer Price Index revision changes the reference base index, a revised reference base index must be determined by multiplying the reference base index that is effective at the time by the rebasing factor furnished by the Bureau of Labor Statistics.

(e) If the Consumer Price Index is superseded, the Consumer Price Index referred to in this section is the Consumer Price Index represented by the Bureau of Labor Statistics as most accurately reflecting changes in the prices paid by consumers for consumer goods and services.

(f) The attorney general must publish the base reference index under paragraph (c) in the State Register no later than September 1, 2024. The attorney general must calculate and publish the revised Consumer Price Index under paragraph (c) in the State Register no later than September 1 each even-numbered year.

(g) A collecting party may not be held liable in any action brought under this section if the collecting party shows by a preponderance of evidence that the violation: (1) was not intentional and resulted from a bona fide error made notwithstanding the maintenance of procedures reasonably adopted to avoid any such error; or (2) was the result of inaccurate or incorrect information provided to the collecting party by a health care provider, as defined in section 62J.805, subdivision 3; a health carrier, as defined in section 62A.011, subdivision 2; or another collecting party currently or previously engaged in collection of the medical debt in question.

Sec. 50. Minnesota Statutes 2022, section 519.05, is amended to read:

519.05 LIABILITY OF HUSBAND AND WIFE SPOUSES.

(a) A spouse is not liable to a creditor for any debts of the other spouse. Where husband and wife are living together, they shall be jointly and severally liable for necessary medical services that have been furnished to either spouse, including any claims arising under section 246.53, 256B.15, 256D.16, or 261.04, and necessary household

~~articles and supplies furnished to and used by the family.~~ Spouses are joint and severally liable for claims arising under section 256B.15. Notwithstanding this paragraph, in a proceeding under chapter 518 the court may apportion such debt between the spouses.

(b) Either spouse may close a credit card account or other unsecured consumer line of credit on which both spouses are contractually liable, by giving written notice to the creditor.

Sec. 51. Minnesota Statutes 2022, section 550.37, subdivision 2, is amended to read:

Subd. 2. ~~**Bible and musical instrument**~~ **Sacred possessions.** ~~The family Bible, library, and musical instruments~~ Torah, Qur'an, prayer rug, other religious items in an aggregate amount not exceeding \$2,000.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 52. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to read:

Subd. 2a. **Library.** A personal library in an aggregate amount not exceeding \$2,000.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 53. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to read:

Subd. 2b. **Musical instruments.** Musical instruments in an aggregate amount not exceeding \$2,000.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 54. Minnesota Statutes 2022, section 550.37, subdivision 4, is amended to read:

Subd. 4. **Personal goods.** (a) All wearing apparel, one watch, utensils, and foodstuffs of the debtor and the debtor's family.

(b) Household furniture, household appliances, ~~phonographs, radio and television receivers~~ radios, computers, tablets, televisions, printers, cell phones, smart phones, and other consumer electronics of the debtor and the debtor's family, not exceeding \$11,250 in value.

(c) The debtor's aggregate interest, not exceeding \$3,062.50 in value, in ~~wedding rings or other religious or culturally recognized symbols of marriage exchanged between the debtor and spouse at the time of the marriage and in the debtor's possession~~ jewelry.

The exemption provided by this subdivision may not be waived except with regard to purchase money security interests. Except for a pawnbroker's possessory lien, a nonpurchase money security interest in the property exempt under this subdivision is void.

If a debtor has property of the type which would qualify for the exemption under clause (b), of a value in excess of \$11,250 an itemized list of the exempt property, together with the value of each item listed, shall be attached to the security agreement at the time a security interest is taken, and a creditor may take a nonpurchase money security interest in the excess over \$11,250 by requiring the debtor to select the exemption in writing at the time the loan is made.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 55. Minnesota Statutes 2022, section 550.37, subdivision 6, is amended to read:

Subd. 6. **Tools of trade.** The tools, implements, machines, vehicles, instruments, office furniture, stock in trade, and library reasonably necessary in the trade, business, or profession of the debtor, not exceeding \$12,500 in value.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 56. Minnesota Statutes 2022, section 550.37, subdivision 12a, is amended to read:

Subd. 12a. **Motor vehicles.** One of the following: (1) one motor vehicle, to the extent of a value not exceeding ~~\$5,000~~ \$10,000; (2) one motor vehicle that is regularly used by or for the benefit of a physically disabled person, as defined under section 169.345, subdivision 2, to the extent of a value not exceeding \$25,000; or (3) one motor vehicle, to the extent of a value not exceeding ~~\$50,000~~ \$100,000, that has been designed or modified, at a cost of not less than ~~\$3,750~~, to accommodate the ~~physical~~ disability making a disabled person eligible for a certificate authorized by section 169.345.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 57. Minnesota Statutes 2022, section 550.37, subdivision 14, is amended to read:

Subd. 14. **Public assistance.** All government assistance based on need, and the earnings or salary of a person who is a recipient of government assistance based on need, shall be exempt from all claims of creditors including any contractual setoff or security interest asserted by a financial institution. For the purposes of this chapter, government assistance based on need includes but is not limited to Minnesota family investment program; Supplemental Security Income; medical assistance; received by the person or by the person's dependent child; MinnesotaCare; received by the person or by the person's dependent child; payment of Medicare part B premiums or receipt of part D extra help; MFIP diversionary work program; work participation cash benefit; Minnesota supplemental assistance; emergency Minnesota supplemental assistance; general assistance; emergency general assistance; emergency assistance or county crisis funds; energy or fuel assistance; ~~and~~ Supplemental Nutrition Assistance Program (SNAP); and the portion of any tax refund attributable to a state or federal tax credit, including but not limited to the earned income tax credit, state or federal child tax credit, Minnesota working family credit, renter's credit, or any low-income tax credit. The salary or earnings of any debtor who is or has been an eligible recipient of government assistance based on need, or an inmate of a correctional institution shall, upon the debtor's return to private employment or farming after having been an eligible recipient of government assistance based on need, or an inmate of a correctional institution, be exempt from attachment, garnishment, or levy of execution for a period of six months after the debtor's return to employment or farming and after all public assistance for which eligibility existed has been terminated. Any portion of an income tax refund consisting of income that was exempt when the income was earned is also exempt under this subdivision. The exemption provisions contained in this subdivision also apply ~~for 60 days~~ after deposit in any financial institution, whether in a single or joint account. In tracing the funds, the first-in first-out method of accounting shall be used. The burden of establishing that funds are exempt rests upon the debtor. Agencies distributing government assistance and the correctional institutions shall, at the request of creditors, inform them whether or not any debtor has been an eligible recipient of government assistance based on need, or an inmate of a correctional institution, within the preceding six months.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 58. Minnesota Statutes 2022, section 550.37, subdivision 20, is amended to read:

Subd. 20. **Traceable funds.** The exemption of funds from creditors' claims, provided by subdivisions 9, 10, 11, 15, 22, and 24, shall not be affected by the subsequent deposit of the funds in a bank or any other financial institution, whether in a single or joint account, if the funds are traceable to ~~their~~ the funds' exempt source. In tracing the funds, the first-in first-out method of accounting shall be used. The burden of establishing that funds are exempt rests upon the debtor. No bank or other financial institution shall be liable for damages for complying with process duly issued out of any court for the collection of a debt even if the funds affected by the process are subsequently determined to have been exempt.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 59. Minnesota Statutes 2022, section 550.37, subdivision 22, is amended to read:

Subd. 22. **Rights of action.** Rights of action or money received for injuries to the person of the debtor or of a relative whether or not resulting in death. Injuries to the person include physical, mental, and emotional injuries. The exemption under this subdivision applies to the right to receive, annuities being paid, and money already received.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 60. Minnesota Statutes 2022, section 550.37, subdivision 23, is amended to read:

Subd. 23. **Life insurance aggregate interest.** The debtor's aggregate interest not to exceed in value \$10,000 in any accrued ~~dividend~~ dividends or interest under or loan value of any unmaturing life insurance ~~contract~~ contracts owned by the debtor under which the insured is the debtor or an individual of whom the debtor is a dependent.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 61. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to read:

Subd. 27. **Household tools and equipment.** The debtor's aggregate interest, not to exceed \$3,000, in household tools and equipment, including but not limited to hand and power tools, snow removal equipment, and lawnmowers.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 62. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to read:

Subd. 28. **Property tax refunds.** Any refund due under chapter 290A, up to a present value of \$3,000.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 63. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to read:

Subd. 29. **Funds in a depository account.** An amount up to an aggregate of \$4,000 in financial institutions in which the debtor has a depository account, regardless of the sources of the money, is exempt from garnishment under sections 571.91 to 571.915. The exemption under this subdivision must not be claimed in conjunction with the exemption under subdivision 30.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to garnishment levied on or after that date.

Sec. 64. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to read:

Subd. 30. **Wild card exemption in bankruptcy.** In a bankruptcy, a debtor may exempt any property, including money in a bank account, up to \$4,000 in value. A debtor is prohibited from claiming the exemption under this subdivision if the debtor is already protecting money in a bank account under subdivision 29, and the debtor is prohibited from using this subdivision in conjunction with subdivision 29.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to exemptions claimed on or after that date.

Sec. 65. **[550.3711] MOTOR VEHICLE; BANKRUPTCY DEBTOR'S RIGHT TO RETAIN.**

Subdivision 1. **No default.** If a buyer does not default in performing the buyer's obligations under the contract, the seller or holder is prohibited from (1) accelerating the maturity of part or the entire amount due under the contract, or (2) repossessing the motor vehicle.

Subd. 2. **Bankruptcy.** (a) Neither of the following constitutes a default in the performance of the buyer's obligations under the contract: (1) the buyer or another individual liable under the contract files a petition commencing a case for bankruptcy under United States Code, title 11; or (2) the buyer or another individual liable under the contract is a debtor in bankruptcy.

(b) The act or status under paragraph (a), clauses (1) and (2), with respect to the buyer or another individual liable on the contract, must not be used by a seller or holder to: (1) accelerate the maturity of a portion of or the entire amount due under the contract; or (2) repossess the motor vehicle.

(c) A contract provision that states an act or status under paragraph (a), clauses (1) and (2), with respect to the buyer or another individual liable on the contract, constitutes a default is void and unenforceable.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 66. Minnesota Statutes 2022, section 550.39, is amended to read:

550.39 EXEMPTION OF INSURANCE POLICIES.

The net amount payable to any insured or to any beneficiary under any policy of accident or disability insurance or under accident or disability clauses attached to any policy of life insurance shall be exempt and free and clear from the claims of all creditors of such insured or such beneficiary and from all legal and judicial processes of execution, attachment, garnishment, or otherwise, up to a total amount of \$1,000,000 per claim and subsequent award.

Sec. 67. Minnesota Statutes 2022, section 563.01, subdivision 3, is amended to read:

Subd. 3. **Court fee waiver; authorization of in forma pauperis.** (a) Any court of the state of Minnesota or any political subdivision thereof may authorize the commencement or defense of any civil action, or appeal therein, without prepayment of fees, costs and security for costs by a natural person who makes affidavit stating (a) the nature of the action, defense or appeal, (b) a belief that affiant is entitled to redress, and (c) that affiant is financially unable to pay the fees, costs and security for costs.

(b) Upon a finding by the court that the action is not of a frivolous nature, the court shall allow the person to proceed ~~in forma pauperis~~ with a court fee waiver if the affidavit is substantially in the language required by this subdivision and is not found by the court to be untrue. Persons meeting the requirements of this subdivision include, but are not limited to, a person who is receiving public assistance described in section 550.37, subdivision 14, who is represented by an attorney on behalf of a civil legal services program or a volunteer attorney program based on indigency, or who has an annual income not greater than 125 percent of the poverty line established under United States Code, title 42, section 9902(2), except as otherwise provided by section 563.02.

(c) If, at commencement of the action, the court finds that a party does not meet the eligibility criteria under paragraph (b), but the court also finds that the party is not able to pay all of the fees, costs, and security for costs, the court may order payment of a fee of \$75 or partial payment of the fees, costs, and security for costs, to be paid as directed by the court.

The court administrator shall transmit any fees or payments to the commissioner of management and budget for deposit in the state treasury and credit to the general fund.

Sec. 68. Minnesota Statutes 2022, section 563.01, subdivision 4, is amended to read:

Subd. 4. **Payment of expenses.** Upon order of the court, the court administrator and the sheriff of any Minnesota county shall perform their duties without charge to the person proceeding ~~in forma pauperis~~ with a court fee waiver. The court shall direct payment of the reasonable expense of service of process pursuant to subdivision 2 if served by a private process server, if the sheriff is unavailable, or by publication.

Sec. 69. Minnesota Statutes 2022, section 563.01, subdivision 8, is amended to read:

Subd. 8. **Appellate briefs.** In any case on appeal the appellate court shall, upon granting permission to proceed ~~in forma pauperis~~ with a court fee waiver following application in the manner provided in subdivision 3, direct payment of the reasonable expenses incurred in obtaining the record and reproducing the appellate briefs.

Sec. 70. Minnesota Statutes 2022, section 563.01, subdivision 9, is amended to read:

Subd. 9. **Rescinding in forma pauperis status court fee waiver.** Upon motion, the court may rescind its permission to proceed ~~in forma pauperis~~ with a court fee waiver if ~~it~~ the court finds the allegations of poverty contained in the affidavit are untrue, or if, following commencement of the action, the party becomes able to pay the fees, costs and security for the costs. In such cases, the court may direct the party to pay to the court administrator any costs allowing the action to proceed. The court administrator shall transmit the costs to the commissioner of management and budget for deposit in the state treasury and credit them to the general fund.

Sec. 71. Minnesota Statutes 2022, section 563.01, subdivision 10, is amended to read:

Subd. 10. **Judgment.** Judgment may be rendered for costs at the conclusion of the action as in other cases. In the event any person recovers moneys by either settlement or judgment as a result of commencing or defending an action ~~in forma pauperis~~ with a court fee waiver, the costs deferred and the expenses directed by the court to be paid under this section shall be included in such moneys and shall be paid directly to the court administrator by the opposing party. The court administrator shall transmit the costs to the commissioner of management and budget for deposit in the state treasury and credit them to the general fund.

Sec. 72. Minnesota Statutes 2022, section 563.02, subdivision 2, is amended to read:

Subd. 2. **Inmate request to ~~proceed in forma pauperis~~ waive court fees.** (a) An inmate who wishes to commence a civil action ~~by proceeding in forma pauperis with court fee waived~~ must meet the following requirements, in addition to the requirements of section 563.01, subdivision 3:

(1) exhaust the inmate complaint procedure developed under the commissioner of corrections policy and procedure before commencing a civil action against the department, and state in the application to ~~proceed in forma pauperis~~ waive court fees that the inmate has done so; and

(2) include the following information in an affidavit submitted under section 563.01:

(i) a statement that the inmate's claim is not substantially similar to a previous claim brought by the inmate against the same party, arising from the same operative facts, and in which there was an action that operated as an adjudication on the merits;

(ii) complete information on the inmate's identity, the nature and amount of the inmate's income, spouse's income, if available to the inmate, real property owned by the inmate, and the inmate's bank accounts, debts, monthly expenses, and number of dependents; and

(iii) the most recent monthly statement provided by the commissioner of corrections showing the balance in the inmate's inmate account.

(b) The inmate shall also attach a written authorization for the court to obtain at any time during pendency of the present action, without further authorization from the inmate, a current statement of the inmate's inmate account balance, if needed to determine eligibility to proceed with bringing a civil action ~~in forma pauperis with court fees waived~~. An inmate who has no funds in an inmate account satisfies the requirement of section 563.01, subdivision 3, clause (c).

(c) An inmate who seeks to proceed as a plaintiff ~~in forma pauperis with court fees waived~~ must file with the court the complaint in the action and the affidavit under this section before serving the complaint on an opposing party.

(d) An inmate who has funds in an inmate account may only proceed as a plaintiff in a civil action by paying the lesser of:

(1) the applicable court filing fee; or

(2) 50 percent of the balance shown in the inmate's account according to the statement filed with the court under this subdivision, consistent with the requirements of section 243.23, subdivision 3.

(e) If an inmate elects to proceed under paragraph (d), the court shall notify the commissioner of corrections to withdraw from the inmate's account the amount required under this section and forward the amount to the court administrator in the county where the action was commenced. The court shall also notify the commissioner of corrections of the amount of the filing fee remaining unpaid. The commissioner shall continue making withdrawals from the inmate's account and forwarding the amounts withdrawn to the court administrator, at intervals as the applicable funds in the inmate's account equal at least \$10, until the entire filing fee and any costs have been paid in full.

Sec. 73. Minnesota Statutes 2022, section 571.72, subdivision 6, is amended to read:

Subd. 6. **Bad faith claim.** If, in a proceeding brought under subdivision 9, section 571.91, or a similar proceeding under this chapter to determine a claim of exemption, the claim of exemption is not upheld, and the court finds that it was asserted in bad faith, the creditor shall be awarded actual damages, costs, reasonable attorney fees resulting from the additional proceedings, and an amount not to exceed \$100. If the claim of exemption is upheld, and the court finds that the creditor disregarded the claim of exemption in bad faith, the debtor shall be awarded actual damages, costs, reasonable attorney fees resulting from the additional proceedings, and an amount not to exceed \$100. The underlying judgment shall be modified to reflect assessment of damages, costs, and attorney fees. However, if the party in whose favor a penalty assessment is made is not actually indebted to that party's attorney for fees, the attorney's fee award shall be made directly to the attorney and if not paid an appropriate judgment in favor of the attorney shall be entered.

Sec. 74. Minnesota Statutes 2022, section 571.72, subdivision 8, is amended to read:

Subd. 8. **Exemption notice.** In every garnishment where the debtor is a natural person, the debtor shall be provided with a garnishment exemption notice. If the creditor is garnishing earnings, the earnings exemption notice provided in section 571.924 must be served ten or more days before the service of the first garnishment summons. If the creditor is garnishing funds in a financial institution, the exemption notice provided in section 571.912 must be served with the garnishment summons. In all other cases, the exemption notice must be in the following form and served on the debtor with a copy of the garnishment summons.

STATE OF MINNESOTA	DISTRICT COURT
COUNTY OF JUDICIAL DISTRICT
..... (Creditor)	
against	
..... (Debtor)	EXEMPTION NOTICE
and	
..... (Garnishee)	

A Garnishment Summons is being served upon you. Some of your property may be exempt and cannot be garnished. The following is a list of some of the more common exemptions. It is not complete and is subject to section 550.37 of the Minnesota Statutes and other state and federal laws. The dollar amounts contained in this list are subject to the provisions of section 550.37, subdivision 4a, at the time of garnishment. If you have questions about an exemption, you should obtain legal advice.

- (1) a homestead or the proceeds from the sale of a homestead;
- (2) household furniture, appliances, phonographs, radios, and televisions up to a total current value of \$5,850;
- (3) a manufactured (mobile) home used as your home;
- (4) one motor vehicle currently worth less than \$2,600 after deducting any security interest;
- (5) farm machinery used by an individual principally engaged in farming, or tools, machines, or office furniture used in your business or trade. This exemption is limited to \$13,000;
- (6) relief based on need. This includes:
 - (i) Minnesota Family Investment Program (MFIP) and Work First Program;

- (ii) Medical Assistance (MA), whether received by you or by your dependent child;
- (iii) General Assistance (GA);
- (iv) Emergency General Assistance (EGA);
- (v) Minnesota Supplemental AID (MSA);
- (vi) MSA-Emergency Assistance (MSA-EA);
- (vii) Supplemental Security Income (SSI);
- (viii) Energy Assistance; and
- (ix) Emergency Assistance (EA);
- (7) Social Security benefits;
- (8) unemployment benefits, workers' compensation, or veteran's benefits;
- (9) an accident, disability, or retirement pension or annuity;
- (10) life insurance proceeds;
- (11) earnings of your minor child; and
- (12) money from a claim for damage or destruction of exempt property (such as household goods, farm tools, business equipment, a manufactured (mobile) home, or a car).

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to exemption notices provided on or after that date.

Sec. 75. Minnesota Statutes 2022, section 571.72, subdivision 9, is amended to read:

Subd. 9. **Motion to determine objections.** (a) This subdivision applies to all garnishment proceedings governed by this chapter. An objection regarding a garnishment must be interposed as provided in section 571.914, subdivision 1, in the form provided under section 571.914, subdivision 2.

(b) Upon motion of any party in interest, on notice, the court shall determine the validity of any claim of exemption and may make any order necessary to protect the rights of those interested.

(c) Upon receipt of a claim of exemption by the debtor, the creditor must comply with the claim or interpose an objection within ten business days of the date the exemption claim was received. An objection must be interposed by:

(1) in the district court that issued the judgment, filing the Notice of Objection and requesting a hearing; and

(2) mailing or delivering one copy of the Notice of Objection and Notice of Hearing to the garnishee and one copy of the Notice of Objection and Notice of Hearing to the debtor.

(d) For the purposes of subdivision 6, there is a rebuttable presumption of bad faith if the court finds that the creditor failed to comply with the requirements of this subdivision.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 76. Minnesota Statutes 2022, section 571.72, subdivision 10, is amended to read:

Subd. 10. **Exemption notice for prejudgment garnishment. EXEMPTION NOTICE**

IMPORTANT NOTICE: A garnishment summons may be served on your employer, bank, or other third parties without any further court proceeding or notice to you. See the attached Notice of Intent to Garnish for more information.

The following money and wages may be protected (the legal word is exempt) from garnishment:

1. Financial institutions/bank

Some of the money in your account may be protected because you receive government benefits from one or more of the following places:

MFIP - Minnesota family investment program,

MFIP Diversionary Work Program,

Work participation cash benefit,

GA - general assistance,

EA - emergency assistance,

MA - medical assistance, whether received by you or by your dependent child,

EGA - emergency general assistance or county crisis funds,

MSA - Minnesota supplemental aid,

MSA-EA - MSA emergency assistance,

Supplemental Nutrition Assistance Program (SNAP),

SSI - Supplemental Security Income,

MinnesotaCare, whether received by you or by your dependent child,

Medicare Part B premium payments,

Medicare Part D extra help,

Energy or fuel assistance,

Social Security benefits,

Unemployment benefits,

Workers' compensation,

Veterans benefits.

Sending the creditor's attorney (or creditor, if no attorney) a copy of BANK STATEMENTS that show what was in your account for the past 60 days may give the creditor enough information about your exemption claim to avoid a garnishment.

2. Earnings

All or some of your earnings may be completely protected from garnishment if:

All of your earnings (wages) may be protected if:

You get government benefits (see list of government benefits)

You currently receive other assistance based on need

You have received government benefits in the last six months

You were in jail or prison in the last six months

Your wages are only protected for 60 days after they are deposited in your account so **it would be helpful if you immediately send the undersigned creditor a copy of BANK STATEMENTS** that show what was in your account **for the past 60 days.**

Some of your earnings (wages) may be protected if:

If all of your earnings are not exempt, some of your earnings may still be protected for 20 days after they were deposited in your account. The amount protected is the larger amount of:

75 percent of your wages (after taxes are taken out); or

(insert the sum of the current federal minimum wage) multiplied by 40.

The money from the following are also exempt for 20 days after they are deposited in your account.

An accident, disability, or retirement pension or annuity

Payments to you from a life insurance policy

Earnings of your child who is under 18 years of age

Child support

Money paid to you from a claim for damage or destruction of property. Property includes household goods, farm tools or machinery, tools for your job, business equipment, a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or appliances.

Death benefits paid to you.

YOU WILL BE ABLE TO CLAIM THESE EXEMPTIONS WHEN YOU RECEIVE A NOTICE. You will get the notice at least ten days BEFORE a wage garnishment. BUT if the creditor garnishes your bank account, you will not get the notice until AFTER the account has been frozen. IF YOU BELIEVE THE MONEY IN YOUR BANK ACCOUNT OR YOUR WAGES ARE EXEMPT, YOU SHOULD IMMEDIATELY CONTACT THE PERSON BELOW. YOU SHOULD TELL THEM WHY YOU THINK YOUR ACCOUNT OR WAGES ARE EXEMPT TO SEE IF YOU CAN AVOID GARNISHMENT.

Creditor
Creditor address
Creditor telephone number

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to exemption notices provided on or after that date.

Sec. 77. Minnesota Statutes 2022, section 571.911, is amended to read:

571.911 EXEMPTION NOTICE; DUTY OF FINANCIAL INSTITUTION.

(a) If the garnishment summons is used to garnish funds of a debtor who is a natural person and if the funds to be garnished are held on deposit at a financial institution, the creditor shall serve with the garnishee summons a notice, instructions, and two copies of an exemption notice. The notice, instructions, and exemption notices must be substantially in the forms set forth in section 571.912. Failure of the creditor to send the exemption notice renders the garnishment void, and the financial institution shall take no action.

(b) Unless the total amount in the depository accounts under the debtor's name is less than the amount specified under section 550.37, subdivision 29, upon receipt of the garnishment summons and exemption notices, the financial institution shall retain as much of the amount under section 571.73 as the financial institution has on deposit owing to the debtor, but not more than 110 percent of the creditor's claim. If the amount in the account does not exceed the amount specified under section 550.37, subdivision 29, the bank must notify the creditor that no money is retained.

(c) If the creditor receives notice from the financial institution that no money is retained, the creditor is prohibited from sending the notice under section 571.912.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 78. Minnesota Statutes 2022, section 571.914, subdivision 1, is amended to read:

Subdivision 1. **Objections and request for hearing.** ~~An objection shall be interposed, within six business days of receipt by the creditor of an exemption claim from the debtor, by mailing or delivering one copy of the Notice of Objection and Notice of Hearing to the financial institution and one copy of the Notice of Objection and Notice of Hearing to the debtor.~~

(a) The Notice of Objection and Notice of Hearing form must be substantially in the form set out in subdivision 2.

(b) The court administrator may charge a fee of \$1 for the filing of a Notice of Objection and Notice of Hearing. Upon the filing of a Notice of Objection and Notice of Hearing, the court administrator shall schedule the matter for hearing no sooner than five business days but no later than seven business days from the date of filing. A debtor may request continuance of the hearing by notifying the creditor and the court. The court shall schedule the continued hearing within seven days of the original hearing date.

(c) An order stating whether the debtor's funds are exempt shall be issued by the court within three days of the date of the hearing.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 79. Minnesota Statutes 2022, section 571.92, is amended to read:

571.92 GARNISHMENT OF EARNINGS.

Sections 571.921 to 571.926 relate to the garnishment of earnings. The exemptions available under section 550.37 apply to the garnishment of earnings if the debtor is a resident of Minnesota and the debtor's place of employment is in Minnesota, regardless of where the employer is domiciled.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 80. Minnesota Statutes 2022, section 571.921, is amended to read:

571.921 DEFINITIONS.

For purposes of sections 571.921 to ~~571.926~~ 571.927, the following terms have the meanings given them:

(a) "Earnings" means:

(1) compensation paid or payable to an employee, independent contractor, or self-employed person for personal service whether denominated as wages, salary, commissions, bonus, payments, profit-sharing distribution, severance payment, fees, or otherwise, and includes periodic payments pursuant to a pension or retirement program;

(2) compensation paid or payable to the producer for the sale of agricultural products; livestock or livestock products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2; or

(3) maintenance as defined in section 518.003, subdivision 3a.

(b) "Disposable earnings" means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld.

(c) "Employee" means an individual ~~who performs services subject to the right of the employer to control both what is done and how it is done,~~ whether currently or formerly employed, who is owed earnings and who is treated by an employer as an employee for federal employment tax purposes.

(d) "Employer" means a person ~~for whom an individual performs services as an employee~~ who owes or will owe earnings to an employee or independent contractor.

(e) "Independent contractor" means an individual who (1) receives or is owed earnings from an employer through periodic payments, and (2) is not treated by the employer as an employee for federal employment tax purposes.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 81. Minnesota Statutes 2022, section 571.922, is amended to read:

571.922 LIMITATION ON WAGE GARNISHMENT.

(a) Unless the judgment is for child support, the maximum part of the aggregate disposable earnings of an individual for any pay period subjected to garnishment may not exceed the lesser of:

(1) 25 percent of the debtor's disposable earnings, if the debtor's weekly income exceeds 120 times the greater of the hourly wage described in section 571.922, paragraph (a), clause (4); or

(2) 15 percent of the debtor's disposable earnings, if the debtor's weekly income exceeds 80 times, but is less than or equal to 120 times, the greater of the hourly wages described in section 571.922, paragraph (a), clause (4); or

(3) five percent of the debtor's disposable earnings, if the debtor's weekly income exceeds 40 times, but is less than or equal to 80 times, the greater of the hourly wages described in section 571.922, paragraph (a), clause (4).

(b) The amount by which the debtor's disposable earnings exceed the greater of:

(i) (1) 40 times the hourly wage described in section 177.24, subdivision 1, paragraph (b), clause (1), item (iii); or

(ii) (2) 40 times the federal minimum hourly wages prescribed by section 6(a)(1) of the Fair Labor Standards Act of 1938, United States Code, title 29, section 206(a)(1). The calculation of the amount that is subject to garnishment must be based on the hourly wage in effect at the time the earnings are payable, times the number of work weeks in the pay period. When a pay period consists of other than a whole number of work weeks, each day of that pay period in excess of the number of completed work weeks shall be counted as a fraction of a work week equal to the number of excess workdays divided by the number of days in the normal work week.

(c) If the judgment is for child support, the garnishment may not exceed:

(1) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(2) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the garnishment summons is received);

(3) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received); or

(4) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the garnishment summons is received).

Wage garnishments on judgments for child support are effective until the judgments are satisfied if the judgment creditor is a county and the employer is notified by the county when the judgment is satisfied.

(e) (d) No court may make, execute, or enforce an order or any process in violation of this section.

Sec. 82. Minnesota Statutes 2022, section 571.924, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** The creditor shall serve upon the debtor, no less than ten days before the service of the garnishment summons, a notice that a summons may be issued. The notice shall: (1) be substantially in the form set out in section 571.925; (2) be served personally, in the manner of a summons and complaint, or by first class mail to the last known address of the debtor; (3) inform the debtor that a garnishment summons may be served on the debtor's employer after ten days, and that the debtor may, within that time, cause to be served on the creditor a signed statement under penalties of perjury asserting an entitlement to an exemption from garnishment; (4) inform the debtor of the earnings garnishment exemptions contained in section 550.37, subdivision 14; ~~and~~ (5) advise the debtor of the relief set forth in this chapter to which the debtor may be entitled if a creditor in bad faith disregards a valid claim and the fee, costs, and penalty that may be assessed against a debtor who in bad faith falsely claims an exemption or in bad faith takes action to frustrate the garnishment process; and (6) provide in type that is at least two points larger than the body of the notice: (i) the date upon which the notice is mailed; (ii) a mailing address and an email address for delivery of an exemption claim; and (iii) a telephone number for the creditor's attorney or the creditor.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 83. Minnesota Statutes 2022, section 571.925, is amended to read:

571.925 FORM OF NOTICE.

The ten-day notice informing a debtor that a garnishment summons may be used to garnish the earnings of an individual must be substantially in the following form:

STATE OF MINNESOTA	DISTRICT COURT
COUNTY OF JUDICIAL DISTRICT
..... (Creditor)	
against	
..... (Debtor)	GARNISHMENT EXEMPTION
and	NOTICE AND NOTICE OF
..... (Garnishee)	INTENT TO GARNISH EARNINGS

PLEASE TAKE NOTICE that a garnishment summons or levy may be served upon your employer or other third parties, without any further court proceedings or notice to you, ten days or more from the date hereof. Some or all of your earnings are exempt from garnishment. If your earnings are garnished, your employer must show you how the amount that is garnished from your earnings was calculated. You have the right to request a hearing if you claim the garnishment is incorrect.

Your earnings are completely exempt from garnishment if you are now a recipient of assistance based on need, if you have been a recipient of assistance based on need within the last six months, or if you have been an inmate of a correctional institution in the last six months.

Assistance based on need includes, but is not limited to:

- MFIP** - Minnesota family investment program,
- MFIP Diversionary Work Program,**
- Work participation cash benefit,**
- GA** - general assistance,
- EA** - emergency assistance,
- MA** - medical assistance, whether received by you or by your dependent child,
- EGA** - emergency general assistance,
- MSA** - Minnesota supplemental aid,
- MSA-EA** - MSA emergency assistance,
- Supplemental Nutrition Assistance Program (SNAP),**
- SSI - Supplemental Security Income,**
- MinnesotaCare, whether received by you or by your dependent child,**
- Medicare Part B premium payments,**
- Medicare Part D extra help,**
- Energy or fuel assistance.**

If you wish to claim an exemption, you should fill out the appropriate form below, sign it, and send it to the creditor's attorney and the garnishee.

You may wish to contact the attorney for the creditor in order to arrange for a settlement of the debt or contact an attorney to advise you about exemptions or other rights.

PENALTIES

- (1) Be advised that even if you claim an exemption, a garnishment summons may still be served on your employer. If your earnings are garnished after you claim an exemption, you may petition the court for a determination of your exemption. If the court finds that the creditor disregarded your claim of exemption in bad faith, you will be entitled to costs, reasonable attorney fees, actual damages, and an amount not to exceed \$100.
- (2) **HOWEVER, BE WARNED** if you claim an exemption, the creditor can also petition the court for a determination of your exemption, and if the court finds that you claimed an exemption in bad faith, you will be assessed costs and reasonable attorney's fees plus an amount not to exceed \$100.
- (3) If after receipt of this notice, you in bad faith take action to frustrate the garnishment, thus requiring the creditor to petition the court to resolve the problem, you will be liable to the creditor for costs and reasonable attorney's fees plus an amount not to exceed \$100.

Dated:

.....
 (Attorney for) Creditor

 Address

 Telephone

DEBTOR'S EXEMPTION CLAIM NOTICE

I hereby claim that my earnings are exempt from garnishment because:

(1) I am presently a recipient of relief based on need. (Specify the program, case number, and the county from which relief is being received.)

.....
Program Case Number (if known) County

(2) I am not now receiving relief based on need, but I have received relief based on need within the last six months. (Specify the program, case number, and the county from which relief has been received.)

.....
Program Case Number (if known) County

(3) I have been an inmate of a correctional institution within the last six months. (Specify the correctional institution and location.)

.....
Correctional Institution Location

I hereby authorize any agency that has distributed relief to me or any correctional institution in which I was an inmate to disclose to the above-named creditor or the creditor's attorney only whether or not I am or have been a recipient of relief based on need or an inmate of a correctional institution within the last six months. I have mailed or delivered a copy of this form to the creditor or creditor's attorney.

Date:
Debtor
Address
Debtor Telephone Number

STATE OF MINNESOTA DISTRICT COURT
COUNTY OF JUDICIAL DISTRICT
.....(Creditor)
..... (Debtor)
.....(Financial institution)

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to notices provided on or after that date.

Sec. 84. Minnesota Statutes 2022, section 571.927, is amended to read:

571.927 PENALTY FOR RETALIATION FOR GARNISHMENT.

Subdivision 1. Prohibition. An employer shall not discharge or otherwise discipline an employee or independent contractor as a result of an earnings garnishment authorized by this chapter.

Subd. 2. **Remedy.** If an employer violates this section, a court may order the reinstatement of an aggrieved party who demonstrates a violation of this section, and other relief the court considers appropriate. The aggrieved party may bring a civil action within 90 days of the date of the prohibited action. If an employer-employee or employer-independent contractor relationship existed before the violation of this section, the employee or independent contractor shall recover twice the wages earnings lost as a result of this violation.

Subd. 3. **Nonwaiver.** The rights guaranteed by this section may not be waived or altered by ~~employment~~ contract.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 85. **GARNISHMENT FORMS REVISION.**

(a) The attorney general must review and make recommendations to revise into plain language the notices and forms found in Minnesota Statutes, sections 571.72, subdivisions 8 and 10; 571.74; 571.75, subdivision 2; 571.912; and 571.925.

(b) The attorney general must review and determine whether the forms contained in Minnesota Statutes, sections 571.711, subdivision 11; 571.914; 571.931, subdivision 6; and 571.932, subdivision 2, should be revised into a more easily readable and understandable format. If the attorney general determines the forms should be revised, the attorney general must make recommendations for legislative revisions to the forms.

(c) The recommendations made under paragraphs (a) and (b) must include proposals to (1) explain in simple terms the meaning of garnishment in any form that uses the term garnishment, and (2) prominently place on forms the name, telephone, and email address of the creditor.

(d) When developing the recommendations, the attorney general must consult with the Center for Plain Language and other plain language experts the attorney general may identify, and must collaborate with the commissioner of commerce and affected business and consumer groups, including but not limited to:

(1) the Minnesota Creditors' Rights Association;

(2) the Great Lakes Credit and Collections Association;

(3) the Minnesota Bankers' Association;

(4) the Minnesota Credit Union Network;

(5) BankIn Minnesota;

(6) Mid-Minnesota Legal Aid;

(7) the Minnesota chapter of the National Association of Consumer Advocates;

(8) the Minnesota chapter of the National Association of Consumer Bankruptcy Attorneys;

(9) Lutheran Social Service; and

(10) Family Means.

(e) For the purposes of this section, "plain language" means communication in which the wording, structure, and design are so clear that the intended reader can easily: (1) find what the reader needs; (2) understand what the reader needs; and (3) use what the reader finds to meet the reader's needs.

Sec. 86. **RULEMAKING.**

The commissioner of commerce must amend Minnesota Rules, part 2675.2170, to comply with the changes made and added in this article to Minnesota Statutes, sections 47.20, subdivision 2; 47.54, subdivisions 2 and 6; 48.24, subdivision 2; 58.02, subdivisions 15a, 18, and 21; 58.04, subdivisions 1 and 2; 58.05, subdivisions 1 and 3; 58.06, subdivisions 5, 6, and 7; 58.08, subdivisions 1a, 2, and 3; 58.10, subdivision 3; 58.115; 58.13, subdivision 1; and 58.141. The commissioner of commerce may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to amend the rule under this section. Minnesota Statutes, section 14.386, does not apply, except as provided under Minnesota Statutes, section 14.388.

Sec. 87. **REPEALER.**

(a) Minnesota Statutes 2022, section 58.08, subdivision 3, is repealed.

(b) Minnesota Statutes 2023 Supplement, section 332.71, subdivision 8, is repealed.

EFFECTIVE DATE. Paragraph (b) is effective January 1, 2025.

ARTICLE 3
INSURANCE

Section 1. Minnesota Statutes 2022, section 45.011, subdivision 1, is amended to read:

Subdivision 1. **Scope.** As used in chapters 45 to 80C, 80E to 83, 155A, 216C, 332, 332A, 332B, 345, and 359, and sections 81A.22 to 81A.37; 123A.21, subdivision 7, paragraph (a), clause (23); 123A.25; 325D.30 to 325D.42; 326B.802 to 326B.885; 386.62 to 386.78; 471.617; ~~and 471.982;~~ and 513.80, unless the context indicates otherwise, the terms defined in this section have the meanings given them.

Sec. 2. Minnesota Statutes 2022, section 60A.201, is amended by adding a subdivision to read:

Subd. 6. **Coverage deemed unavailable.** Coverage for a risk that was referred to a surplus lines broker by a Minnesota licensed insurance producer who is not affiliated with the surplus lines broker is deemed unavailable from a licensed insurer.

Sec. 3. **[60A.43] DISABILITY INCOME COVERAGE; DISCLOSURE.**

(a) No contract or policy of long-term disability insurance that limits the duration of coverage for mental health or substance use disorders shall be offered in this state without a disclosure, provided at the time of application, that includes the following:

(1) a notification that the long-term disability coverage selected by the potential policyholder or plan sponsor limits the duration of coverage for mental health or substance use disorders; and

(2) that the potential policyholder or plan sponsor has the right to request more information about the limitation and other coverage options that include an unlimited duration, if available.

(b) Receipt of the disclosure described in paragraph (a) must be acknowledged by the potential policyholder or plan sponsor and evidence of the disclosure and acknowledgment must be retained by the insurance company offering the coverage for a period of no less than two years.

Sec. 4. Minnesota Statutes 2023 Supplement, section 61A.031, is amended to read:

61A.031 SUICIDE PROVISIONS.

(a) The ~~sanity or insanity~~ mental competency of a person shall not be a factor in determining whether a person ~~committed~~ completed suicide within the terms of an individual or group life insurance policy regulating the payment of benefits in the event of the insured's suicide. This paragraph shall not be construed to alter present law but is intended to clarify present law.

(b) A life insurance policy or certificate issued or delivered in this state may exclude or restrict liability for any death benefit in the event the insured dies as a result of suicide within one year from the date of the issue of the policy or certificate. Any exclusion or restriction shall be clearly stated in the policy or certificate. Any life insurance policy or certificate which contains any exclusion or restriction under this paragraph shall also provide that in the event any death benefit is denied because the insured dies as a result of suicide within one year from the date of issue of the policy or certificate, the insurer shall refund all premiums paid for coverage providing the denied death benefit on the insured.

Sec. 5. **62Q.585] GENDER-AFFIRMING CARE COVERAGE; MEDICALLY NECESSARY CARE.**

Subdivision 1. Requirement. No health plan that covers physical or mental health services may be offered, sold, issued, or renewed in this state that:

(1) excludes coverage for medically necessary gender-affirming care; or

(2) requires gender-affirming treatments to satisfy a definition of "medically necessary care," "medical necessity," or any similar term that is more restrictive than the definition provided in subdivision 2.

Subd. 2. Minimum definition. "Medically necessary care" means health care services appropriate in terms of type, frequency, level, setting, and duration to the enrollee's diagnosis or condition and diagnostic testing and preventive services. Medically necessary care must be consistent with generally accepted practice parameters as determined by health care providers in the same or similar general specialty as typically manages the condition, procedure, or treatment at issue and must:

(1) help restore or maintain the enrollee's health; or

(2) prevent deterioration of the enrollee's condition.

Subd. 3. Definitions. (a) For purposes of this section, the following terms have the meanings given.

(b) "Gender affirming care" means all medical, surgical, counseling, or referral services, including telehealth services, that an individual may receive to support and affirm the individual's gender identity or gender expression and that are legal under the laws of this state.

(c) "Health plan" has the meaning given in section 62Q.01, subdivision 3, but includes the coverages listed in section 62A.011, subdivision 3, clauses (7) and (10).

Sec. 6. Minnesota Statutes 2022, section 65A.29, subdivision 7, is amended to read:

Subd. 7. **Renewal; notice requirement.** (a) No insurer shall refuse to renew, or reduce limits of coverage, or eliminate any coverage in a homeowner's insurance policy unless it mails or delivers to the insured, at the address shown in the policy, at least 60 days' advance notice of its intention. The notice must contain the specific underwriting or other reason or reasons for the indicated action and must state the name of the insurer and the date the notice is issued.

(b) For purposes of this section and any rules adopted pursuant to subdivision 8, increasing or revising a homeowner's insurance policy deductible, including but not limited to obligating a policyholder to pay a percentage of an insured loss as part of the deductible, is not a refusal to renew, a reduction in coverage limits, or an elimination of coverage. If an insurer provides a deductible obligating a policyholder to pay a percentage of an insured loss, the insurer must also provide at least one flat-dollar deductible.

(c) Proof of mailing this notice to the insured at the address shown in the policy is sufficient proof that the notice required by this section has been given.

Sec. 7. Minnesota Statutes 2022, section 65A.29, subdivision 8, is amended to read:

Subd. 8. **Rules.** (a) The commissioner may adopt rules pursuant to chapter 14, to specify the grounds for nonrenewal, reduction in limits of coverage, or elimination of coverage of a homeowner's policy. The rules must limit the grounds to the following factors:

(1) reasons stated for cancellation in section 65A.01, subdivision 3a;

(2) reasons stated in section 72A.20, subdivision 13;

(3) insured's loss experience, ~~not to include~~ including natural causes, which may include but are not limited to lightning, rain, wind, and hail; and

(4) other factors deemed reasonable by the commissioner.

The rules may give consideration to the form and content of the termination notice to the insured, a statement as to what constitutes receipt of the termination notice, and the procedure by which the insured may appeal a termination notice.

The rules adopted under this subdivision may provide for imposition of a monetary penalty not greater than \$500 per occurrence upon insurers who are found to be in violation of the law or the rules.

(b) In addition to any rules adopted under this subdivision, an insured may appeal any nonrenewal under this section to the commissioner of commerce. If the commissioner finds that the nonrenewal is unjustified, arbitrary, or capricious, the commissioner shall order the insurer to reinstate the insured's policy. The commissioner's order may be appealed pursuant to chapter 14. The insured's policy shall continue in force pending the conclusion of the appeal to the commissioner. The insurer must notify the insured of the insured's right to appeal the nonrenewal to the commissioner in the notice of nonrenewal required under subdivision 7.

Sec. 8. **[65A.3025] CONDOMINIUM AND TOWNHOUSE POLICIES; COORDINATION OF BENEFITS FOR LOSS ASSESSMENT.**

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

(b) "Assessable loss" means a covered loss under the terms of a policy governed by subdivision 2, paragraph (a) or (b).

(c) "Association" has the meaning given in section 515B.1-103, clause (4).

(d) "Unit owner" has the meaning given in section 515B.1-103, clause (37).

Subd. 2. **Loss assessment.** (a) If a loss assessment is charged by an association to an individual unit owner, the insurance policy in force at the time of the assessable loss must pay the loss assessment, subject to the limits provided in the policy, notwithstanding any policy provisions regarding when loss assessment coverage accrues, and subject to any other terms, conditions, and exclusions in the policy, if the following conditions are met:

(1) the unit owner at the time of the assessable loss is the owner of the property listed on the policy at the time the loss assessment is charged;

(2) the insurance policy in force at the time of the assessable loss provides loss assessment coverage; and

(3) a loss assessment and the event or occurrence which triggers a loss assessment shall be considered a single loss for underwriting and rating purposes.

(b) If a loss assessment is charged by an association to an individual unit owner, the insurance policy in force at the time the loss assessment is charged must pay the assessment, subject to the limits provided in the policy, notwithstanding any policy provisions regarding when loss assessment coverage accrues, and subject to any other terms, conditions, and exclusions in the policy, if the following conditions are met:

(1) the unit owner at the time of the loss assessment is charged is different than the unit owner at the time of the assessable loss; and

(2) the insurance policy in force at the time the loss assessment is charged provides loss assessment coverage.

(c) For a loss assessment under paragraph (b), an insurer may require evidence documenting that the transfer of ownership occurred prior to the assessment before the insurer affords coverage.

Sec. 9. Minnesota Statutes 2022, section 70A.05, is amended to read:

70A.05 RATING METHODS.

The compliance of rates with the standards of section 70A.04 shall be determined by considering the following matters:

(1) **Factors in rates.** Due consideration shall be given to past and prospective loss and expense experience within and outside this state, to a reasonable provision for catastrophe hazards and contingencies, to clearly discernible trends within and outside this state, to dividends or savings allowed or returned by insurers to their policyholders, members or subscribers, and to all other relevant factors, including the judgment of underwriters and raters and, with respect to property and homeowners insurance, the impact of losses caused by natural causes, including but not limited to lightning, rain, wind, and hail.

(2) **Classification.** Risks may be classified by any reasonable method for the establishment of rates and minimum premiums. Classifications may not be based on race, color, creed or national origin. Rates thus produced may be modified for individual risks in accordance with rating plans or schedules which establish standards for measuring probable variations in hazards, expenses, or both.

(3) **Profits.** The rates may contain an allowance permitting a profit that is not unreasonable.

Sec. 10. Minnesota Statutes 2022, section 72A.20, subdivision 13, is amended to read:

Subd. 13. **Refusal to renew.** Refusing to renew, declining to offer or write, or charging differential rates for an equivalent amount of homeowner's insurance coverage, as defined by section 65A.27, for property located in a ~~town or statutory or home rule charter~~ city of the first class, in which the insurer offers to sell or writes homeowner's insurance, solely because:

(a) of the geographic area in which the property is located;

(b) of the age of the primary structure sought to be insured;

(c) the insured or prospective insured was denied coverage of the property by another insurer, whether by cancellation, nonrenewal or declination to offer coverage, for a reason other than those specified in section 65A.01, subdivision 3a, clauses (a) to (e);

(d) the property of the insured or prospective insured has been insured under the Minnesota FAIR Plan Act, shall constitute an unfair method of competition and an unfair and deceptive act or practice; or

(e) the insured has inquired about coverage for a hypothetical claim or has made an inquiry to the insured's agent regarding a potential claim.

This subdivision prohibits an insurer from filing or charging different rates for different zip code areas within the same town or statutory or home rule charter city.

This subdivision shall not prohibit the insurer from applying underwriting or rating standards which the insurer applies generally in all other locations in the state and which are not specifically prohibited by clauses (a) to (e). Such underwriting or rating standards shall specifically include but not be limited to standards based upon the proximity of the insured property to an extraordinary hazard or based upon the quality or availability of fire protection services or based upon the density or concentration of the insurer's risks. Clause (b) shall not prohibit the use of rating standards based upon the age of the insured structure's plumbing, electrical, heating or cooling system or other part of the structure, the age of which affects the risk of loss. Any insurer's failure to comply with section 65A.29, subdivisions 2 to 4, either (1) by failing to give an insured or applicant the required notice or statement or (2) by failing to state specifically a bona fide underwriting or other reason for the refusal to write shall create a presumption that the insurer has violated this subdivision.

Sec. 11. Minnesota Statutes 2022, section 325E.66, subdivision 1, is amended to read:

Subdivision 1. ~~Payment or rebate of insurance deductible~~ **Residential contractor; prohibited insurance practices.** (a) A residential contractor providing home repair or improvement services to be paid by an insured from the proceeds of a property or casualty insurance policy shall not:

(1) as an inducement to the sale or provision of goods or services to an insured, advertise or promise to pay, directly or indirectly, all or part of any applicable insurance deductible or offer to compensate an insured for providing any service to the insured. The prohibition under this clause includes but is not limited to offering compensation in exchange for:

(i) allowing the residential contractor to conduct an inspection of the insured's roof;

(ii) making an insurance claim for damage to the insured's roof; or

(iii) referring the residential contractor's services to others when insurance proceeds are payable;

(2) provide an insured with an agreement authorizing repairs without also providing a good faith estimate of the itemized and detailed cost of services and materials undertaken pursuant to a property and casualty claim; or

(3) interpret policy provisions or advise an insured regarding coverages or duties under the insured's policy, or adjust a property insurance claim on behalf of the insured, unless the contractor has a license as a public adjuster under chapter 72B.

(b) If a residential contractor violates this section, the insurer to whom the insured tendered the claim shall not be obligated to consider the estimate prepared by the residential contractor. The residential contractor must provide a written notification of the requirements of this section with its initial estimate. The adjuster or insurer must provide a written notification of the requirements of this section in the initial estimate relating to the claim.

(c) For purposes of this section, "residential contractor" means a residential roofer, as defined in section 326B.802, subdivision 14; a residential building contractor, as defined in section 326B.802, subdivision 11; and a residential remodeler, as defined in section 326B.802, subdivision 12.

Sec. 12. **[332.3352] WAIVER OF LICENSING AND REGISTRATION.**

The commissioner of commerce may, by order, waive the licensing and registration requirements of this chapter for a nonresident collection agency and the nonresident collection agency's affiliated collectors if: (1) a written reciprocal licensing agreement is in effect between the commissioner and the licensing officials of the nonresident collection agency's home state; and (2) the nonresident collection agency is licensed in good standing in the nonresident collection agency's home state.

Sec. 13. Minnesota Statutes 2022, section 471.6161, subdivision 8, is amended to read:

Subd. 8. **School districts; group health insurance coverage.** (a) Any entity providing group health insurance coverage to a school district must provide the school district with school district-specific nonidentifiable aggregate claims records for the most recent 24 months within 30 days of the request.

(b) School districts shall request proposals for group health insurance coverage as provided in subdivision 2 from a minimum of three potential sources of coverage. One of these requests must go to an administrator governed by chapter 43A. Entities referenced in subdivision 1 must respond to requests for proposals received directly from a school district. School districts that are self-insured must also follow these provisions, except as provided in paragraph ~~(f)~~ (g). School districts must make requests for proposals at least 150 days prior to the expiration of the existing contract but not more frequently than once every 24 months. The request for proposals must include the most recently available 24 months of nonidentifiable aggregate claims data. The request for proposals must be publicly released at or prior to its release to potential sources of coverage.

(c) School district contracts for group health insurance must not be longer than two years unless the exclusive representative of the largest employment group and the school district agree otherwise.

(d) All proposals for group health insurance coverage, including coverage offered under chapters 43A and 123A, must include the information described in this paragraph for each separate health plan being proposed. The information must be on the first page of each proposal in a summary section and in a separate tabular format. Proposals that do not include all of the following information are not eligible to be selected by a school district. All proposals must include the:

(1) structure of the health plan, designating either exclusive provider organization, preferred provider organization, point of service, or health maintenance organization;

(2) health plan actuarial value, using the minimum value calculator described in Code of Federal Regulations, title 45, section 156.145;

(3) type of provider network, designating either narrow network, broad network, narrow tiered network, or broad tiered network;

(4) agent or broker commissions paid as part of the premium, as requested by the proposal, displayed in dollars per member per month;

(5) total premium dollars in the first 12-month period of the quote, not including commissions;

(6) total premium dollars, per member per month, not including commissions; and

(7) number of expected members used for the premium quote calculation.

~~(d)~~ (e) All initial proposals shall be sealed upon receipt until they are all opened no less than 90 days prior to the plan's renewal date in the presence of up to three representatives selected by the exclusive representative of the largest group of employees. Section 13.591, subdivision 3, paragraph (b), applies to data in the proposals. The representatives of the exclusive representative must maintain the data according to this classification and are subject to the remedies and penalties under sections 13.08 and 13.09 for a violation of this requirement.

~~(e)~~ (f) A school district, in consultation with the same representatives referenced in paragraph ~~(d)~~ (e), may continue to negotiate with any entity that submitted a proposal under paragraph ~~(d)~~ (e) in order to reduce costs or improve services under the proposal. Following the negotiations any entity that submitted an initial proposal may submit a final proposal incorporating the negotiations, which is due no less than 75 days prior to the plan's renewal date. All the final proposals submitted must be opened at the same time in the presence of up to three representatives selected by the exclusive representative of the largest group of employees. Notwithstanding section 13.591, subdivision 3, paragraph (b), following the opening of the final proposals, all the proposals, including any made under paragraph ~~(d)~~ (e), and other data submitted in connection with the proposals are public data. The school district may choose from any of the initial or final proposals without further negotiations and in accordance with subdivision 5, but not sooner than 15 days after the proposals become public data.

~~(f)~~ (g) School districts that are self-insured shall follow all of the requirements of this section, except that:

(1) their requests for proposals may be for third-party administrator services, where applicable;

(2) these requests for proposals must be from a minimum of three different sources, which may include both entities referenced in subdivision 1 and providers of third-party administrator services;

(3) for purposes of fulfilling the requirement to request a proposal for group insurance coverage from an administrator governed by chapter 43A, self-insured districts are not required to include in the request for proposal the coverage to be provided;

(4) a district that is self-insured on or before the date of enactment, or that is self-insured with more than 1,000 insured lives, or a district in which the school board adopted a motion on or before May 14, 2014, to approve a self-insured health care plan to be effective July 1, 2014, may, but need not, request a proposal from an administrator governed by chapter 43A;

(5) requests for proposals must be sent to providers no less than 90 days prior to the expiration of the existing contract; and

(6) proposals must be submitted at least 60 days prior to the plan's renewal date and all proposals shall be opened at the same time and in the presence of the exclusive representative, where applicable.

~~(g)~~ (h) Nothing in this section shall restrict the authority granted to school district boards of education by section 471.59, except that districts will not be considered self-insured for purposes of this subdivision solely through participation in a joint powers arrangement.

~~(h)~~ (i) An entity providing group health insurance to a school district under a multiyear contract must give notice of any rate or plan design changes applicable under the contract at least 90 days before the effective date of any change. The notice must be given to the school district and to the exclusive representatives of employees.

Sec. 14. Minnesota Statutes 2022, section 471.617, subdivision 2, is amended to read:

Subd. 2. **Jointly.** Any two or more statutory or home rule charter cities, counties, school districts, or instrumentalities thereof which together have more than 100 employees may jointly self-insure for any employee health benefits including long-term disability, but not for employee life benefits, subject to the same requirements as an individual self-insurer under subdivision 1. Self-insurance pools under this section are subject to section 62L.045. A self-insurance pool established and operated by one or more service cooperatives governed by section 123A.21 to provide coverage described in this subdivision qualifies under this subdivision, but the individual school district members of such a pool shall not be considered to be self-insured for purposes of section 471.6161, subdivision 8, paragraph ~~(f)~~ (g). The commissioner of commerce may adopt rules pursuant to chapter 14, providing standards or guidelines for the operation and administration of self-insurance pools.

Sec. 15. **[513.80] RESIDENTIAL REAL ESTATE SERVICE AGREEMENTS; UNFAIR SERVICE AGREEMENTS.**

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

(b) "County recorder" has the meaning given in section 13.045, subdivision 1.

(c) "Person" means natural persons, corporations both foreign and domestic, trusts, partnerships both limited and general, incorporated or unincorporated associations, companies, business entities, and any other legal entity or any other group associated in fact although not a legal entity or any agent, assignee, heir, employee, representative, or servant thereof.

(d) "Record" or "recording" means placement of a document or instrument in the official county public land records.

(e) "Residential real property" means real property that is located in Minnesota and occupied, or intended to be occupied, by one to four families as the family's or families' residence.

(f) "Service agreement" means a contract under which a person agrees to provide real estate broker services, as defined in section 82.55, subdivision 19, in connection with the purchase or sale of residential real property.

(g) "Service provider" means an individual or entity that provides services to a person pursuant to a service agreement.

Subd. 2. Unfair service agreements; prohibition. (a) A service agreement subject to this section is unfair and prohibited if any part of the agreement provides an exclusive right to a service provider for a term in excess of one year after the time the service agreement is entered into and:

(1) purports to run with the land or to be binding on future owners of interests in the real property;

(2) allows for assignment of the right to provide service without notice to and the consent of the residential real property's owner, including a contract for deed vendee;

(3) is recorded or purports to create a lien, encumbrance, or other real property security interest; or

(4) contains a provision that purports to automatically renew the agreement upon the agreement's expiration.

(b) The following are not unfair service agreements under this section:

(1) a home warranty or similar product that covers the cost of maintaining a major home system or appliance for a fixed period;

(2) an insurance contract;

(3) a mortgage loan or a commitment to make or receive a mortgage loan;

(4) an option or right of refusal to purchase a residential real property;

(5) a declaration of any covenants, conditions, or restrictions created in the formation of a homeowners association, a group of condominium owners, or other common interest community or an amendment to the covenants, conditions, or restrictions;

(6) a maintenance or service agreement entered by a homeowners association in a common interest community;

(7) a security agreement governed by chapter 336 that relates to the sale or rental of personal property or fixtures; or

(8) a contract with a gas, water, sewer, electric, telephone, cable, or other utility service provider.

(c) This section does not impair any lien right granted under Minnesota law or that is judicially imposed.

Subd. 3. Recording prohibited. (a) A person is prohibited from:

(1) presenting or sending an unfair service agreement or notice or memorandum of an unfair service agreement to any county recorder to record; or

(2) causing an unfair service agreement or notice or memorandum of an unfair service agreement to be recorded by a county recorder.

(b) If a county recorder records an unfair service agreement, the county recorder does not incur liability.

(c) If an unfair service agreement is recorded, the recording does not create a lien or provide constructive notice to any third party, bona fide purchaser, or creditor.

Subd. 4. Unfair service agreements unenforceable. A service agreement that is unfair under this section is unenforceable and does not create a contractual obligation or relationship. Any waiver of a consumer right, including a right to trial by jury, in an unfair service agreement is void.

Subd. 5. Unfair service agreements; solicitation. Encouraging any consumer to enter into an unfair service agreement by any service provider constitutes:

(1) an unfair method of competition; and

(2) an unfair or deceptive act or practice under section 82.81, subdivision 12, paragraph (c), and section 325F.69.

Sec. 16. Minnesota Statutes 2022, section 604.18, subdivision 1, is amended to read:

Subdivision 1. **Terms.** For purposes of this section, the following terms have the meanings given them.

(a) "Insurance policy" means a written agreement between an insured and an insurer that obligates an insurer to pay proceeds directly to an insured. Insurance policy does not include provisions of a written agreement obligating an insurer to defend an insured, reimburse an insured's defense expenses, provide for any other type of defense obligation, or provide indemnification for judgments or settlements. Insurance policy does not include:

(1) coverage for workers' compensation insurance under chapter 176;

(2) a written agreement of a health carrier, as defined in section 62A.011, with the exception of coverage that is limited to disability or income protection or a long-term care policy or insurance, as defined under sections 62A.46, subdivision 2, and 62S.01, subdivision 18;

(3) a contract issued by a nonprofit health service plan corporation regulated under chapter 62C that provides only dental coverage;

(4) a written agreement authorized under section 60A.06, subdivision 1, clause (4) or (6), or 64B.16, subdivision 1; or

(5) a written agreement issued pursuant to section 67A.191.

(b) "Insured" means a person who, or an entity which, qualifies as an insured under the terms of an insurance policy on which a claim for coverage is made. An insured does not include any person or entity claiming a third-party beneficiary status under an insurance policy.

(c) "Insurer" means every insurer, corporation, business trust, or association engaged in insurance as a principal licensed or authorized to transact insurance under section 60A.06, but for purposes of this section an insurer does not include a political subdivision providing self-insurance or a pool of political subdivisions under section 471.981, subdivision 3. The term does not include the Joint Underwriting Association operating under chapter 62F or 62I.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to claims made or commenced under this section on or after that date.

Sec. 17. **REPEALER.**

Minnesota Statutes 2022, section 332.3351, is repealed.

ARTICLE 4
TELECOMMUNICATIONS POLICY

Section 1. Minnesota Statutes 2022, section 116J.39, subdivision 1, is amended to read:

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

(b) "Broadband" or "broadband service" means ~~any a service providing advanced telecommunications capability and that offers to a person or company~~ high-speed Internet access with transmission speeds that, at a minimum, meet the Federal Communications Commission definition for broadband.

(c) "Local unit of government" has the meaning given in section 116G.03, subdivision 3.

(d) "Office" means the Office of Broadband Development established in subdivision 2, paragraph (a).

Sec. 2. Minnesota Statutes 2022, section 116J.394, is amended to read:

116J.394 DEFINITIONS.

(a) For the purposes of sections 116J.394 to ~~416J.398~~ 116J.399, the following terms have the meanings given them.

(b) "Broadband" or "broadband service" has the meaning given in section 116J.39, subdivision 1, paragraph (b).

(c) "Broadband infrastructure" means networks of deployed ~~telecommunications~~ equipment and technologies necessary to provide ~~high-speed Internet access and other advanced telecommunications services for~~ broadband to end users.

(d) "Commissioner" means the commissioner of employment and economic development.

(e) "Last-mile infrastructure" means broadband infrastructure that serves as the final leg connecting the broadband service provider's network to the end-use customer's on-premises telecommunications equipment.

(f) "Middle-mile infrastructure" means broadband infrastructure that links a broadband service provider's core network infrastructure to last-mile infrastructure.

(g) "Political subdivision" means any county, city, town, school district, special district or other political subdivision, or public corporation.

(h) "Underserved areas" means areas of Minnesota in which households or businesses lack access to wire-line broadband service at speeds of at least 100 megabits per second download and at least 20 megabits per second upload.

(i) "Unserved areas" means areas of Minnesota in which households or businesses lack access to wire-line broadband service, as defined in section 116J.39.

Sec. 3. Minnesota Statutes 2022, section 116J.399, subdivision 1, is amended to read:

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

~~(1) "broadband infrastructure" has the meaning given in section 116J.394, paragraph (c);~~

~~(2) (1) "broadband service" has the meaning given in section 116J.394, paragraph (b)~~ 116J.39, subdivision 1, paragraph (b); and

(2) "local franchising authority" means any statutory city, home rule charter city, or town authorized by state law to require a provider to obtain a franchise; and

(3) "provider" means a broadband service provider, but does not include an electric cooperative association organized under chapter 308A ~~that provides broadband service~~; a provider that exclusively offers personal wireless service, as defined in United States Code, title 47, section 332(c)(7)(C); or a provider that exclusively offers direct broadband satellite service, as defined in United States Code, title 47, section 335(b)(5).

Sec. 4. Minnesota Statutes 2022, section 116J.399, subdivision 8, is amended to read:

Subd. 8. **Local governmental right-of-way management preserved.** (a) The placement of broadband infrastructure to provide broadband service under subdivisions 2 to 7: (1) is subject to local government ~~permitting and right of way management authority under section 237.163~~, franchising or other municipal authorization under subdivision 10; and (2) must be coordinated with the relevant local government unit in order to minimize potential future relocations. The provider must notify a local government unit prior to placing infrastructure for broadband service in an easement that is in or adjacent to the local government unit's public right-of-way.

(b) Nothing in this section applies to a public utility easement.

Sec. 5. Minnesota Statutes 2022, section 116J.399, is amended by adding a subdivision to read:

Subd. 10. **Franchise or municipal authorization.** (a) A local franchising authority may require a provider furnishing broadband within the local franchising authority's jurisdiction to obtain a franchise or other municipal authorization in accordance with the terms, conditions, and limitations of the local franchising authority's regulatory acts, including but not limited to regulatory acts governing the placing of lines and facilities above ground or underground.

(b) A local franchising authority may by ordinance or resolution create a joint powers commission under section 471.59 to which each local franchising authority may delegate authority vested in that entity by statute or charter to prepare, adopt, grant, administer, and enforce a franchise as contemplated hereunder.

(c) Pursuant to a franchise or other municipal authorization required under paragraph (a), a local franchising authority may require a provider to pay the local franchising authority fees to (1) raise revenue, (2) defray increased municipal costs that accrue as a result of right-of-way occupation, or (3) both. The fee may include but is not limited to a sum of money based on the gross operating revenues or gross earnings resulting from the provider's operations to provide broadband within the local franchising authority's jurisdiction for the duration of time the provider continues to operate within the local franchising authority's jurisdiction. A provider franchise fee must not exceed five percent of the provider's gross revenues and up to an additional three percent of the provider's gross revenues dedicated in support of local programming if the local franchising authority or local franchising authority's designee operates an access channel. Any franchise fee inconsistent with the express terms of title VI of the Communications Act, United States Code, title 47, section 521, et seq., is prohibited.

Sec. 6. Minnesota Statutes 2023 Supplement, section 222.37, subdivision 1, is amended to read:

Subdivision 1. **Use requirements.** (a) Any water power, telegraph, telephone, broadband, 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 entity ~~shall be~~ is subject to municipal franchising requirements, including compensation, as well as all reasonable regulations imposed by the governing body of any county, town or city in which such public road may be.

(b) If the governing body does not require the entity to obtain a franchise or permit, 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 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.

(c) For emergency repair an entity shall notify the governing body as soon as practical after the repair is made.

(d) Nothing herein shall be construed to grant to any person any rights ~~for the maintenance of~~ to construct and maintain a telegraph, telephone, pneumatic tube, community antenna television system, system or network that provides telecommunications, broadband, cable communications system, or light, heat, power system, electric power generating system, high voltage transmission line, or hydrant system, gas, electric, or other utility service within the corporate limits of any city until ~~such the person shall have~~ has obtained a franchise or other municipal authorization that grants the right to construct and maintain such the system within such the city or for a period beyond that for which the right to operate such the system is granted by such the city. Authority granted under this paragraph must be granted before the person provides the service. A company that provides multiple services to the public must obtain a franchise or specific municipal authorization to provide each service.

Sec. 7. Minnesota Statutes 2022, section 237.121, is amended to read:

237.121 PROHIBITED PRACTICES.

(a) A telephone company or telecommunications carrier may not do any of the following with respect to services regulated by the commission:

(1) upon request, fail to disclose in a timely and uniform manner information necessary for the design of equipment and services that will meet the specifications for interconnection;

(2) intentionally impair the speed, quality, or efficiency of services, products, or facilities offered to a consumer under a tariff, contract, or price list;

(3) fail to provide a service, product, or facility to a consumer other than a telephone company or telecommunications carrier in accordance with its applicable tariffs, price lists, or contracts and with the commission's rules and orders;

(4) refuse to provide a service, product, or facility to a telephone company or telecommunications carrier in accordance with its applicable tariffs, price lists, or contracts and with the commission's rules and orders;

(5) impose unreasonable or discriminatory restrictions on the resale of its services, provided that:

(i) it may require that residential service may not be resold as a different class of service; and

(ii) the commission may prohibit resale of services it has approved for provision for not-for-profit entities at rates less than those offered to the general public; ~~or~~

(6) provide telephone service to a person acting as a telephone company or telecommunications carrier if the commission has ordered the telephone company or telecommunications carrier to discontinue service to that person; or

(7) upon cancellation of a service, refuse to provide a prorated refund of payment made in advance by a customer.

(b) A telephone company or telecommunications carrier may not violate a provision of sections 325F.692 and 325F.693, with regard to any of the services provided by the company or carrier.

Sec. 8. Minnesota Statutes 2022, section 237.162, subdivision 4, is amended to read:

Subd. 4. **Telecommunications right-of-way user.** (a) "Telecommunications right-of-way user" means a person owning or controlling a facility in the public right-of-way, or seeking to own or control a facility in the public right-of-way, that is used or is intended to be used for providing wireless service, or transporting telecommunications or other voice ~~or data information~~ service.

(b) For purposes of this section and section 237.163, telecommunications service does not include: (1) cable service, as defined under United States Code, title 47, section 522(6); or (2) broadband service, as defined under section 116J.39, subdivision 1.

~~(b)~~ (c) A cable communication system defined and regulated under chapter 238, ~~and an entity that solely provides broadband services, as defined under section 116.39, subdivision 1,~~ telecommunications activities related to providing natural gas or electric energy services, a public utility as defined in section 216B.02, a municipality, a municipal gas or power agency organized under chapter 453 or 453A, or a cooperative electric association organized under chapter 308A, are not telecommunications right-of-way users for the purposes of this section and section 237.163, ~~except to the extent these entities are offering wireless services.~~

Sec. 9. Minnesota Statutes 2022, section 237.163, subdivision 2, is amended to read:

Subd. 2. **Generally.** (a) Subject to this section, a telecommunications right-of-way user authorized to do business under the laws of this state or by license of the Federal Communications Commission may construct, maintain, and operate small wireless facilities, conduit, cable, switches, and related appurtenances and facilities along, across, upon, above, and under any public right-of-way.

(b) Subject to this section, a local government unit has the authority to franchise and manage its public rights-of-way, receive compensation for use and occupancy, and ~~to~~ recover its rights-of-way management costs. Except as provided in subdivisions 3a, 3b, and 3c, the authority defined in this section may be exercised at the option of the local government unit and is not mandated under this section. A local government unit may, by ordinance:

(1) require a telecommunications right-of-way user seeking to excavate or obstruct a public right-of-way for the purpose of providing telecommunications services to obtain a right-of-way permit to do so and to impose permit conditions consistent with the local government unit's management of the right-of-way;

(2) require a telecommunications right-of-way user using, occupying, or seeking to use or occupy a public right-of-way for the purpose of providing telecommunications services to register with the local government unit by providing the local government unit with the following information:

(i) the applicant's name, gopher state one-call registration number under section 216D.03, address, and telephone and facsimile numbers;

(ii) the name, address, and telephone and facsimile numbers of the applicant's local representative;

(iii) proof of adequate insurance; and

(iv) other information deemed reasonably necessary by the local government unit for the efficient administration of the public right-of-way; and

(3) require telecommunications right-of-way users to submit to the local government unit plans for construction and major maintenance that provide reasonable notice to the local government unit of projects that the telecommunications right-of-way user expects to undertake that may require excavation and obstruction of public rights-of-way.

(c) A local government unit may also require a telecommunications right-of-way user that is registered with the local government unit pursuant to paragraph (b), clause (2), to periodically update the information in its registration application.

(d) Notwithstanding sections 394.34 and 462.355, or any other law, a local government unit must not establish a moratorium with respect to:

(1) filing, receiving, or processing applications for right-of-way or small wireless facility permits; or

(2) issuing or approving right-of-way or small wireless facility permits.

(e) A telecommunications right-of-way user may place a new wireless support structure or collocate small wireless facilities on wireless support structures located within a public right-of-way, subject to the approval procedures under this section and, for collocation on wireless support structures owned by a local government unit, the reasonable terms, conditions, and rates set forth under this section. A local government unit may prohibit, regulate, or charge a fee to install wireless support structures or to collocate small wireless facilities only as provided in this section.

(f) The placement of small wireless facilities and wireless support structures to accommodate small wireless facilities are a permitted use in a public right-of-way, except that a local government unit may require a person to obtain a special or conditional land use permit to install a new wireless support structure for the siting of a small wireless facility in a right-of-way in a district or area zoned for single-family residential use or within a historic district established by federal or state law or city ordinance as of the date of application for a small wireless facility permit. This paragraph does not apply to areas outside a public right-of-way that are zoned and used exclusively for single-family residential use.

Sec. 10. Minnesota Statutes 2022, section 237.163, subdivision 6, is amended to read:

Subd. 6. **Fees.** (a) In addition to franchise fees authorized under section 116J.399, subdivision 10, a local government unit may recover its right-of-way management costs by imposing a fee for registration, a fee for each right-of-way or small wireless facility permit, or, when appropriate, a fee applicable to a particular telecommunications right-of-way user when that user causes the local government unit to incur costs as a result of actions or inactions of that user. A local government unit may not recover costs from a telecommunications right-of-way user or an owner of a cable communications system awarded a franchise under chapter 238 caused by another entity's activity in the right-of-way.

(b) Fees, or other right-of-way obligations, imposed by a local government unit on telecommunications right-of-way users under this section to recover right-of-way management costs must be:

(1) based on the actual costs incurred by the local government unit in managing the public right-of-way;

(2) based on an allocation among all users of the public right-of-way, including the local government unit itself, which shall reflect the proportionate costs imposed on the local government unit by each of the various types of uses of the public rights-of-way;

(3) imposed on a competitively neutral basis; and

(4) imposed in a manner so that aboveground uses of public rights-of-way do not bear costs incurred by the local government unit to regulate underground uses of public rights-of-way.

(c) The rights, duties, and obligations regarding the use of the public right-of-way imposed under this section must be applied to all users of the public right-of-way, including the local government unit while recognizing regulation must reflect the distinct engineering, construction, operation, maintenance and public and worker safety requirements, and standards applicable to various users of the public rights-of-way. For users subject to the franchising authority of a local government unit, to the extent those rights, duties, and obligations are addressed in the terms of an applicable franchise agreement, the terms of the franchise shall prevail over any conflicting provision in an ordinance.

(d) A wireless service provider may collocate small wireless facilities on wireless support structures owned or controlled by a local government unit and located within the public roads or rights-of-way without being required to apply for or enter into any individual license, franchise, or other agreement with the local government unit or any other entity, other than a standard small wireless facility collocation agreement under subdivision 3a, paragraph (f), if the local unit of government elects to utilize such an agreement.

(e) Any initial engineering survey and preparatory construction work associated with collocation must be paid by the cost causer in the form of a onetime, nonrecurring, commercially reasonable, nondiscriminatory, and competitively neutral charge to recover the costs associated with a proposed attachment.

(f) Total application fees for a small wireless facility permit must comply with this subdivision with respect to costs related to the permit.

(g) A local government unit may elect to charge each small wireless facility attached to a wireless support structure owned by the local government unit a fee, in addition to other fees or charges allowed under this subdivision, consisting of:

(1) up to \$150 per year for rent to occupy space on a wireless support structure;

(2) up to \$25 per year for maintenance associated with the space occupied on a wireless support structure; and

(3) a monthly fee for electricity used to operate a small wireless facility, if not purchased directly from a utility, at the rate of:

(i) \$73 per radio node less than or equal to 100 max watts;

(ii) \$182 per radio node over 100 max watts; or

(iii) the actual costs of electricity, if the actual costs exceed the amount in item (i) or (ii).

Sec. 11. Minnesota Statutes 2022, section 237.163, subdivision 7, is amended to read:

Subd. 7. **Additional right-of-way provisions.** (a) In managing the public rights-of-way and in imposing fees under this section, no local ~~government unit~~ franchising authority may:

- (1) unlawfully discriminate among telecommunications right-of-way users;
- (2) grant a preference to any telecommunications right-of-way user; or
- (3) create or erect any unreasonable requirement for entry to the public rights-of-way by telecommunications right-of-way users; ~~or~~
- ~~(4) require a telecommunications right-of-way user to obtain a franchise or pay for the use of the right-of-way.~~

(b) A telecommunications right-of-way user need not apply for or obtain right-of-way permits for facilities that are located in public rights-of-way on May 10, 1997, for which the user has obtained the required consent of the local government unit, or that are otherwise lawfully occupying the public right-of-way. However, the telecommunications right-of-way user may be required to: (1) comply with all requirements imposed as allowed under this section; and (2) register and to obtain a right-of-way permit for an excavation or obstruction of existing facilities within the public right-of-way after May 10, 1997.

(c) Data and documents exchanged between a local government unit and a telecommunications right-of-way user are subject to the terms of chapter 13. A local government unit not complying with this paragraph is subject to the penalties set forth in section 13.08.

~~(d) A local government unit may not collect a fee imposed under this section through the provision of in-kind services by a telecommunications right-of-way user, nor may a local government unit require the provision of in-kind services as a condition of consent to use the local government unit's public right-of-way or to obtain a small wireless facility permit.~~

~~(e) Except as provided in this chapter or required by federal law, a local government unit shall not adopt or enforce any regulation on the placement or operation of communications facilities in the right-of-way where the entity is already authorized to operate in the right-of-way, and shall not regulate or impose or collect fees on communications services except to the extent specifically provided for in the existing authorization, and unless expressly required by state or federal statute.~~

Sec. 12. **[237.185] MISSED REPAIR APPOINTMENTS; CREDIT.**

Subdivision 1. **Credit required; limitation; exception.** (a) A local exchange carrier that schedules a repair appointment with a customer for any service, either to provide the service directly or by contracting with a third party, must provide an immediate \$25 credit to the customer if a repair technician fails to appear at the scheduled appointment time and at the location where the repair is required. A customer is not required to request the immediate credit.

(b) The immediate credit under paragraph (a) applies only if the customer, prior to the scheduled repair appointment, provides notice to the local exchange carrier that the customer's compromised health requires continued access to emergency services. The customer is not required to provide the local exchange carrier with medical documentation when providing notice under this paragraph.

(c) The local exchange carrier is not required to provide an immediate credit if the local exchange carrier (1) notifies the customer that a change in scheduling is necessary, and (2) provides the notice to the customer at least 24 hours before the scheduled appointment.

Subd. 2. **Notice.** (a) A local exchange carrier must notify the local exchange carrier's customers (1) of the right to an immediate credit for a missed repair appointment, and (2) that a health notice from the customer must be on file in order for the customer to obtain the immediate credit.

(b) The notice must be given to a new customer within 45 days of the date that service to the customer is commenced and at least annually thereafter. The notice must be provided in a writing labeled "NOTICE OF RIGHT TO IMMEDIATE CREDIT FOR MISSED REPAIR APPOINTMENTS FOR CERTAIN HEALTH COMPROMISED CUSTOMERS." The notification must be printed in a sufficient size so that the notification is clearly legible.

Sec. 13. Minnesota Statutes 2022, section 237.19, is amended to read:

237.19 MUNICIPAL TELECOMMUNICATIONS SERVICES.

Any municipality shall have the right to own and operate a telephone exchange within its own borders, subject to the provisions of this chapter. It may construct such plant, or purchase an existing plant by agreement with the owner, or where it cannot agree with the owner on price, it may acquire an existing plant by condemnation, as hereinafter provided, but in no case shall a municipality construct or purchase such a plant or proceed to acquire an existing plant by condemnation until such action by it is authorized by a majority of the electors voting upon the proposition at a general election or a special election called for that purpose, and if the proposal is to construct a new exchange where an exchange already exists, it shall not be authorized to do so unless 65 percent of those voting thereon vote in favor of the undertaking. A municipality that owns and operates a telephone exchange may enter into a joint venture as a partner or shareholder with a telecommunications organization to provide telecommunications services within its service area.

Sec. 14. **[325F.6945] INTERNET SERVICE PROVIDERS; PROHIBITED ACTIONS.**

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

(b) "Broadband Internet access service" means:

(1) a mass-market retail service by wire or radio that provides the capability, including any capability that is incidental to and enables the operation of the communications service, to transmit data to and receive data from all or substantially all Internet endpoints;

(2) any service that provides a functional equivalent of the service described in clause (1); or

(3) any service that is used to evade the protections established under this section.

Broadband Internet access service includes a service that serves end users at fixed endpoints using stationary equipment or end users using mobile stations, but does not include dial-up Internet access service.

(c) "Edge provider" means any person or entity that provides:

(1) any content, application, or service over the Internet; or

(2) a device used to access any content, application, or service over the Internet.

Edge provider does not include a person or entity providing obscene material, as defined in section 617.241.

(d) "Impairing or degrading lawful Internet traffic on the basis of Internet content, application, or service, or use of a nonharmful device" means impairing or degrading any of the following:

- (1) particular content, applications, or services;
- (2) particular classes of content, applications, or services;
- (3) lawful Internet traffic to particular nonharmful devices; or
- (4) lawful Internet traffic to particular classes of nonharmful devices.

Impairing or degrading lawful Internet traffic on the basis of Internet content, application, or service, or use of a nonharmful device includes, without limitation, differentiating positively or negatively between any of the following:

- (i) particular content, applications, or services;
- (ii) particular classes of content, applications, or services;
- (iii) lawful Internet traffic to particular nonharmful devices; or
- (iv) lawful Internet traffic to particular classes of nonharmful devices.

(e) "Internet service provider" means a business that provides broadband Internet access service to a customer in Minnesota.

(f) "Paid prioritization" means the management of an Internet service provider's network to directly or indirectly favor some traffic over other traffic:

- (1) in exchange for monetary or other consideration from a third party; or
- (2) to benefit an affiliated entity.

(g) "Reasonable network management" means a network management practice that has a primarily technical network-management justification, but does not include other business practices, which is reasonable if the practice is primarily used for and tailored to achieving a legitimate network-management purpose, taking into account the particular network architecture and technology of the broadband Internet access service, and is as application-agnostic as possible.

(h) "Zero-rating" means exempting some Internet traffic from a customer's data usage allowance.

Subd. 2. Prohibited actions. An Internet service provider is prohibited from engaging in any of the following activities with respect to any of the Internet service provider's Minnesota customers:

- (1) subject to reasonable network management, blocking lawful content, applications, services, or nonharmful devices;
- (2) subject to reasonable network management, impairing, impeding, or degrading lawful Internet traffic on the basis of (i) Internet content, application, or service, or (ii) use of a nonharmful device;
- (3) engaging in paid prioritization;

(4) unreasonably interfering with or unreasonably disadvantaging:

(i) a customer's ability to select, access, and use broadband Internet service or lawful Internet content, applications, services, or devices of the customer's choice; or

(ii) an edge provider's ability to provide lawful Internet content, applications, services, or devices to a customer;

(5) engaging in deceptive or misleading marketing practices that misrepresent the treatment of Internet traffic or content;

(6) engaging in zero-rating in exchange for consideration, monetary or otherwise, from a third party; or

(7) zero-rating some Internet content, applications, services, or devices in a category of Internet content, applications, services, or devices, but not the entire category.

Subd. 3. **Exceptions.** This section does not apply to software or applications sponsored by the federal government, a state government, or a federally recognized Tribal government when the Internet service provider allows an advantage to customers for free or improved access, or data for access to government services and programs.

Subd. 4. **Other laws.** This section does not: (1) supersede any obligation or authorization an Internet service provider may have to address the needs of emergency communications or law enforcement, public safety, or national security authorities, consistent with or as permitted by applicable law; or (2) limit the provider's ability to meet, address, or comply with the needs identified in clause (1).

Subd. 5. **Enforcement.** A violation of subdivision 2 may be enforced by the commissioner of commerce under section 45.027. The venue for enforcement proceedings is Ramsey County.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 15. Minnesota Statutes 2022, section 412.221, subdivision 6, is amended to read:

Subd. 6. **Public ways and grounds.** ~~(a) The council shall have~~ has the power to lay out, open, change, widen or extend streets, alleys, parks, squares, and other public ways and grounds and to grade, pave, repair, control, and maintain the same; to establish and maintain drains, canals, and sewers; to alter, widen or straighten watercourses; to lay, repair, or otherwise improve or discontinue sidewalks, paths, and crosswalks.

~~It shall have~~ (b) The council has the power: (1) to franchise the occupants and users of public right-of-way; (2) to receive compensation; and (3) by ordinance to regulate the use of streets and other public grounds to the extent provided in other applicable law, to prevent encumbrances or obstructions, and to require the owners or occupants of buildings and the owners of vacant lots to remove any snow, ice, dirt, or rubbish from the sidewalks adjacent thereto and in default thereof to cause such encumbrances, obstructions, or substances to be removed and the cost to be assessed against the property as a special assessment.

Sec. 16. Minnesota Statutes 2022, section 429.021, subdivision 1, is amended to read:

Subdivision 1. **Improvements authorized.** The council of a municipality shall have power to make the following improvements:

(1) To acquire, open, and widen any street, and to improve the same by constructing, reconstructing, and maintaining sidewalks, pavement, gutters, curbs, and vehicle parking strips of any material, or by grading, graveling, oiling, or otherwise improving the same, including the beautification thereof and including storm sewers or other street drainage and connections from sewer, water, or similar mains to curb lines.

(2) To acquire, develop, construct, reconstruct, extend, and maintain storm and sanitary sewers and systems, including outlets, holding areas and ponds, treatment plants, pumps, lift stations, service connections, and other appurtenances of a sewer system, within and without the corporate limits.

(3) To construct, reconstruct, extend, and maintain steam heating mains.

(4) To install, replace, extend, and maintain street lights and street lighting systems and special lighting systems.

(5) To acquire, improve, construct, reconstruct, extend, and maintain water works systems, including mains, valves, hydrants, service connections, wells, pumps, reservoirs, tanks, treatment plants, and other appurtenances of a water works system, within and without the corporate limits.

(6) To acquire, improve and equip parks, open space areas, playgrounds, and recreational facilities within or without the corporate limits.

(7) To plant trees on streets and provide for their trimming, care, and removal.

(8) To abate nuisances and to drain swamps, marshes, and ponds on public or private property and to fill the same.

(9) To construct, reconstruct, extend, and maintain dikes and other flood control works.

(10) To construct, reconstruct, extend, and maintain retaining walls and area walls.

(11) To acquire, construct, reconstruct, improve, alter, extend, operate, maintain, and promote a pedestrian skyway system. Such improvement may be made upon a petition pursuant to section 429.031, subdivision 3.

(12) To acquire, construct, reconstruct, extend, operate, maintain, and promote underground pedestrian concourses.

(13) To acquire, construct, improve, alter, extend, operate, maintain, and promote public malls, plazas or courtyards.

(14) To construct, reconstruct, extend, and maintain district heating systems.

(15) To construct, reconstruct, alter, extend, operate, maintain, and promote fire protection systems in existing buildings, but only upon a petition pursuant to section 429.031, subdivision 3.

(16) To acquire, construct, reconstruct, improve, alter, extend, and maintain highway sound barriers.

(17) To improve, construct, reconstruct, extend, and maintain gas and electric distribution facilities owned by a municipal gas or electric utility.

(18) To purchase, install, and maintain signs, posts, and other markers for addressing related to the operation of enhanced 911 telephone service.

(19) To improve, construct, extend, and maintain facilities for Internet access and other communications purposes, ~~if the council finds that:~~ provided that the municipality must:

~~(i) the facilities are necessary to make available Internet access or other communications services that are not and will not be available through other providers or the private market in the reasonably foreseeable future; and~~

~~(ii) the service to be provided by the facilities will not compete with service provided by private entities.~~

(i) not discriminate in favor of the municipality's own communications facilities by granting the municipality more favorable or less burdensome terms and conditions than a competitive service provider with respect to: (A) access and use of public rights-of-way; (B) access and use of municipally owned or controlled conduit, towers, and utility poles; and (C) permitting fees charged to access municipally owned and managed facilities;

(ii) maintain separation between the municipality's role as a regulator over firms that offer services in competition with the services offered by the municipality over the municipality's communications service facilities, and the municipality's role as a competitive provider of services over the municipality's communications service facilities; and

(iii) not share inside information between employees or contractors responsible for executing the municipality's role as a regulator over firms that offer communications services in competition with the communication services offered by the municipality, and employees or contractors responsible for executing the municipality's role as a competitive communications services provider.

(20) To assess affected property owners for all or a portion of the costs agreed to with an electric utility, telecommunications carrier, or cable system operator to bury or alter a new or existing distribution system within the public right-of-way that exceeds the utility's design and construction standards, or those set by law, tariff, or franchise, but only upon petition under section 429.031, subdivision 3.

(21) To assess affected property owners for repayment of voluntary energy improvement financings under section 216C.436, subdivision 7, or 216C.437, subdivision 28.

(22) To construct, reconstruct, alter, extend, operate, maintain, and promote energy improvement projects in existing buildings, provided that:

(i) a petition for the improvement is made by a property owner under section 429.031, subdivision 3;

(ii) the municipality funds and administers the energy improvement project;

(iii) project funds are only used for the installation of improvements to heating, ventilation, and air conditioning equipment and building envelope and for the installation of renewable energy systems;

(iv) each property owner petitioning for the improvement receives notice that free or low-cost energy improvements may be available under federal, state, or utility programs;

(v) for energy improvement projects on residential property, only residential property having five or more units may obtain financing for projects under this clause; and

(vi) prior to financing an energy improvement project or imposing an assessment for a project, written notice is provided to the mortgage lender of any mortgage encumbering or otherwise secured by the property proposed to be improved.

ARTICLE 5 LIQUOR

Section 1. Minnesota Statutes 2022, section 340A.404, subdivision 2, is amended to read:

Subd. 2. **Special provision; city of Minneapolis.** (a) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie Theater, the Cricket Theatre, the Orpheum Theatre, the State Theatre, and the Historic Pantages Theatre, notwithstanding the limitations of law, or local ordinance, or charter provision relating to zoning

or school or church distances. The licenses authorize sales on all days of the week to holders of tickets for performances presented by the theaters and to members of the nonprofit corporations holding the licenses and to their guests.

(b) The city of Minneapolis may issue an intoxicating liquor license to 510 Groveland Associates, a Minnesota cooperative, for use by a restaurant on the premises owned by 510 Groveland Associates, notwithstanding limitations of law, or local ordinance, or charter provision.

(c) The city of Minneapolis may issue an on-sale intoxicating liquor license to Zuhrah Shrine Temple for use on the premises owned by Zuhrah Shrine Temple at 2540 Park Avenue South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances.

(d) The city of Minneapolis may issue an on-sale intoxicating liquor license to the American Association of University Women, Minneapolis branch, for use on the premises owned by the American Association of University Women, Minneapolis branch, at 2115 Stevens Avenue South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter provisions relating to zoning or school or church distances.

(e) The city of Minneapolis may issue an on-sale wine license and an on-sale 3.2 percent malt liquor license to a restaurant located at 5000 Penn Avenue South, and an on-sale wine license and an on-sale malt liquor license to a restaurant located at 1931 Nicollet Avenue South, notwithstanding any law or local ordinance or charter provision.

(f) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor license to the Brave New Workshop Theatre located at 3001 Hennepin Avenue South, the Theatre de la Jeune Lune, the Illusion Theatre located at 528 Hennepin Avenue South, the Hollywood Theatre located at 2815 Johnson Street Northeast, the Loring Playhouse located at 1633 Hennepin Avenue South, the Jungle Theater located at 2951 Lyndale Avenue South, Brave New Institute located at 2605 Hennepin Avenue South, the Guthrie Lab located at 700 North First Street, and the Southern Theatre located at 1420 Washington Avenue South, notwithstanding any law or local ordinance or charter provision. The license authorizes sales on all days of the week.

(g) The city of Minneapolis may issue an on-sale intoxicating liquor license to University Gateway Corporation, a Minnesota nonprofit corporation, for use by a restaurant or catering operator at the building owned and operated by the University Gateway Corporation on the University of Minnesota campus, notwithstanding limitations of law, or local ordinance or charter provision. The license authorizes sales on all days of the week.

(h) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Walker Art Center's concessionaire or operator, for a restaurant and catering operator on the premises of the Walker Art Center, notwithstanding limitations of law, or local ordinance or charter provisions. The license authorizes sales on all days of the week.

(i) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie Theater's concessionaire or operator for a restaurant and catering operator on the premises of the Guthrie Theater, notwithstanding limitations of law, local ordinance, or charter provisions. The license authorizes sales on all days of the week.

(j) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor license to the Minnesota Book and Literary Arts Building, Inc.'s concessionaire or operator for a restaurant and catering operator on the premises of the Minnesota Book and Literary Arts Building, Inc. (dba Open Book), notwithstanding limitations of law, or local ordinance or charter provision. The license authorizes sales on all days of the week.

(k) The city of Minneapolis may issue an on-sale intoxicating liquor license to a restaurant located at 5411 Penn Avenue South, notwithstanding any law or local ordinance or charter provision.

(l) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Museum of Russian Art's concessionaire or operator for a restaurant and catering operator on the premises of the Museum of Russian Art located at 5500 Stevens Avenue South, notwithstanding any law or local ordinance or charter provision.

(m) The city of Minneapolis may issue an on-sale intoxicating liquor license to the American Swedish Institute or to its concessionaire or operator for use on the premises owned by the American Swedish Institute at 2600 Park Avenue South, notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances.

(n) Notwithstanding any other law, local ordinance, or charter provision, the city of Minneapolis may issue one or more on-sale intoxicating liquor licenses to the Minneapolis Society of Fine Arts (dba Minneapolis Institute of Arts), or to an entity holding a concessions or catering contract with the Minneapolis Institute of Arts for use on the premises of the Minneapolis Institute of Arts. The licenses authorized by this subdivision may be issued for space that is not compact and contiguous, provided that all such space is included in the description of the licensed premises on the approved license application. The licenses authorize sales on all days of the week.

(o) The city of Minneapolis may issue an on-sale intoxicating liquor license to Norway House or to its concessionaire or operator for use on the premises owned by Norway House at 913 East Franklin Avenue, notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances.

(p) Notwithstanding any other law, including section 340A.504, subdivision 3, relating to seating requirements, local ordinance, or charter provision, the city of Minneapolis may issue one or more on-sale intoxicating liquor licenses to any entity holding a concessions or catering contract with the Minneapolis Park and Recreation Board for use on ~~the Minneapolis Park and Recreation Board premises of the Downtown Commons Park, the Minneapolis Sculpture Garden, or at Boom Island Park.~~ The licenses authorized by this subdivision may be used for space specified within the park property, provided all such space is included in the description of the licensed premises on the approved license application. The licenses authorize sales on the dates on the approved license application.

EFFECTIVE DATE. This section is effective upon approval by the Minneapolis City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 2. Laws 2022, chapter 86, article 2, section 3, is amended to read:

Sec. 3. CITY OF ST. PAUL; LICENSE AUTHORIZED.

Notwithstanding Minnesota Statutes, section 340A.412, subdivision 4, the city of St. Paul may issue a temporary on-sale malt liquor license to the Thai Cultural Council of Minnesota or to a person or entity holding a concessions contract with the Thai Cultural Council of Minnesota. The license may authorize the sale of malt liquor on the grounds of the State Capitol for both days of the Minnesota Songkran Festival. All provisions of Minnesota Statutes, section 340A.404, subdivision 10, not inconsistent with this section, apply to the license authorized by this section.

EFFECTIVE DATE. This section is effective upon approval by the St. Paul City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 3. **SPECIAL LIQUOR LAW; CITY OF LITCHFIELD.**

Notwithstanding Minnesota Statutes, section 624.701, the city of Litchfield may issue an on-sale license under Minnesota Statutes, section 340A.404, subdivision 1, paragraph (d), for sales at town ball games played at a ballpark on school grounds, provided that the board of Independent School District No. 465, Litchfield, adopts a resolution approving the issuance of the license. The provisions of Minnesota Statutes, section 624.701, do not apply to the school grounds or buildings for a license issued under this section.

EFFECTIVE DATE. This section is effective upon approval by the Litchfield City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 4. **SPECIAL LIQUOR LAW; CITY OF WATKINS.**

Notwithstanding Minnesota Statutes, section 624.701, the city of Watkins may issue an on-sale license under Minnesota Statutes, section 340A.404, subdivision 1, paragraph (d), for sales at town ball games played at a ballpark on school grounds, provided the board of Independent School District No. 463, Eden Valley-Watkins, adopts a resolution approving the issuance of the license. The provisions of Minnesota Statutes, section 624.701, do not apply to the school grounds or buildings for a license issued under this section.

EFFECTIVE DATE. This section is effective upon approval by the Watkins City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 5. **SPORTS AND EVENT CENTER LICENSE; EAGAN.**

Notwithstanding Minnesota Statutes, chapter 340A, or any other local law or ordinance to the contrary, the city of Eagan may issue up to three on-sale intoxicating liquor licenses to the owner of a multiuse sports and event center located on property in the city of Eagan, legally described as Outlot A, Viking Lakes 3rd Addition, or as may be described hereafter due to subdivision or replatting, or to any facility operator, concessionaire, catering operator, or other third-party food and beverage vendor for the center under contract with the owner. A license issued under this section may be issued for a space that is not compact and contiguous, provided that the licensed premises shall only be the space described in the approved license. A license issued under this section authorizes sales on all days of the week. The provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to a license issued under this section.

EFFECTIVE DATE. This section is effective upon approval by the Eagan City Council and compliance with Minnesota Statutes, section 645.021."

Delete the title and insert:

"A bill for an act relating to commerce; adding, modifying, or eliminating provisions governing consumer protection, monetary and financial institutions policy, insurance, and telecommunications; modifying and authorizing certain on-sale liquor licenses; making technical changes; requiring reports; establishing penalties; amending Minnesota Statutes 2022, sections 45.011, subdivision 1; 47.20, subdivision 2; 47.54, subdivisions 2, 6; 47.59, subdivision 3; 48.24, subdivision 2; 58.02, subdivisions 18, 21, by adding a subdivision; 58.04, subdivisions 1, 2; 58.05, subdivisions 1, 3; 58.06, by adding subdivisions; 58.08, subdivisions 1a, 2; 58.10, subdivision 3; 58.115; 58.13, subdivision 1; 60A.201, by adding a subdivision; 65A.29, subdivisions 7, 8; 70A.05; 72A.20, subdivision 13; 80A.61; 80A.66; 80C.05, subdivision 3; 82B.021, subdivision 26; 82B.095, subdivision 3; 82B.19, subdivision 1; 115C.08, subdivision 2; 116J.39, subdivision 1; 116J.394; 116J.399, subdivisions 1, 8, by adding a subdivision; 237.121; 237.162, subdivision 4; 237.163, subdivisions 2, 6, 7; 237.19; 272.12; 325D.43, by adding a subdivision;

325D.44, by adding subdivisions; 325E.66, subdivision 1; 325F.03; 325F.04; 325F.05; 325F.56, subdivision 2; 325F.62, subdivision 3; 340A.404, subdivision 2; 412.221, subdivision 6; 429.021, subdivision 1; 471.6161, subdivision 8; 471.617, subdivision 2; 507.235, subdivisions 1a, 5; 513.73, subdivision 3; 519.05; 550.37, subdivisions 2, 4, 6, 12a, 14, 20, 22, 23, by adding subdivisions; 550.39; 559.21, subdivisions 2a, 4, by adding subdivisions; 559.211, subdivision 1; 559.213; 563.01, subdivisions 3, 4, 8, 9, 10; 563.02, subdivision 2; 571.72, subdivisions 6, 8, 9, 10; 571.911; 571.914, subdivision 1; 571.92; 571.921; 571.922; 571.924, subdivision 1; 571.925; 571.927; 604.18, subdivision 1; Minnesota Statutes 2023 Supplement, sections 47.59, subdivision 2; 53B.28, subdivisions 18, 25; 53B.29; 53B.69, by adding subdivisions; 61A.031; 80A.50; 222.37, subdivision 1; 239.791, subdivision 8; 325E.21, subdivisions 1b, 11; 332.71, subdivisions 2, 4, 5, 7; 332.72; 332.73, subdivision 1; 332.74, subdivisions 3, 5; Laws 2022, chapter 86, article 2, section 3; proposing coding for new law in Minnesota Statutes, chapters 53B; 58; 60A; 62Q; 65A; 237; 325F; 332; 513; 550; proposing coding for new law as Minnesota Statutes, chapters 46A; 325O; 332C; 559A; repealing Minnesota Statutes 2022, sections 45.014; 58.08, subdivision 3; 82B.25; 239.791, subdivision 3; 332.3351; 559.201; 559.202; Minnesota Statutes 2023 Supplement, sections 53B.58; 332.71, subdivision 8."

The motion prevailed and the amendment was adopted.

Stephenson moved to amend S. F. No. 4097, the second engrossment, as amended, as follows:

Page 19, delete sections 14 and 15

Page 20, delete section 16

Page 26, delete section 25

Page 144, delete sections 1 and 2

Page 145, delete sections 3 and 4

Page 146, delete section 5

Page 147, delete section 6

Page 148, delete section 8

Page 149, delete section 9

Page 151, delete section 10

Page 152, delete section 11

Page 157, delete section 15

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Novotny moved to amend S. F. No. 4097, the second engrossment, as amended, as follows:

Page 26, line 10, after the second period, insert " _"

Page 26, line 13, strike ""

The motion prevailed and the amendment was adopted.

Hemmingsen-Jaeger moved to amend S. F. No. 4097, the second engrossment, as amended, as follows:

Page 84, after line 17, insert:

"Sec. 16. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 3b. **New customer.** "New customer" means a consumer transacting at a kiosk in Minnesota who has been a customer with a virtual currency kiosk operator for less than 72 hours. After a 72-hour period has elapsed from the day of first signing up as a customer with a virtual currency kiosk operator, the customer will be considered an existing customer and no longer subject to the new customer transaction limit described in this act.

Sec. 17. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 3c. **Existing customer.** "Existing customer" means a consumer transacting at a kiosk in Minnesota who has been a customer with a virtual currency kiosk operator for more than a 72-hour period. A new customer will automatically convert to an existing customer after the 72-hour period of first becoming a new customer. An existing customer is subject to the transaction limits described in this act."

Page 85, delete line 4

Page 85, line 5, delete everything before "that" and insert "a licensee"

Page 85, line 14, after "in" insert "a" and delete "legibly written English" and insert "easily readable manner"

Page 86, line 9, delete "MAY" and insert "ARE" and delete "BE"

Page 86, line 10, after the period, insert "VIRTUAL CURRENCY TRANSACTIONS MAY BE USED BY SCAMMERS IMPERSONATING LOVED ONES, THREATENING JAIL TIME, AND INSISTING YOU WITHDRAW MONEY FROM YOUR BANK ACCOUNT TO PURCHASE VIRTUAL CURRENCY."

Page 86, line 14, after "in" insert "a" and delete everything after the second comma and insert "and easily readable manner"

Page 86, line 15, delete everything before the period

Page 86, line 27, before "clear" insert "a"

Page 86, line 28, delete everything after "and" and insert "easily readable manner. The"

Page 87, delete subdivision 4 and insert:

"Subd. 4. **Refunds for new customers.** A virtual currency kiosk operator must issue a refund to a new customer for the full amount of all transactions made within the 72-hour new customer time period, as described in section 53B.69, subdivision 3b, upon request of the customer. In order to receive a refund under this subdivision, a customer must:

(1) have been fraudulently induced to engage in the virtual currency transactions; and

(2) within 14 days of the last transaction to occur during the 72-hour new customer time period, contact the virtual currency kiosk operator and a government or law enforcement agency to inform them of the fraudulent nature of the transaction."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Finke moved to amend S. F. No. 4097, the second engrossment, as amended, as follows:

Page 132, after line 11, insert:

"Sec. 5. Minnesota Statutes 2023 Supplement, section 62Q.522, subdivision 1, is amended to read:

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

~~(b) "Closely held for profit entity" means an entity that:~~

~~(1) is not a nonprofit entity;~~

~~(2) has more than 50 percent of the value of its ownership interest owned directly or indirectly by five or fewer owners; and~~

~~(3) has no publicly traded ownership interest.~~

~~For purposes of this paragraph:~~

~~(i) ownership interests owned by a corporation, partnership, limited liability company, estate, trust, or similar entity are considered owned by that entity's shareholders, partners, members, or beneficiaries in proportion to their interest held in the corporation, partnership, limited liability company, estate, trust, or similar entity;~~

~~(ii) ownership interests owned by a nonprofit entity are considered owned by a single owner;~~

~~(iii) ownership interests owned by all individuals in a family are considered held by a single owner. For purposes of this item, "family" means brothers and sisters, including half brothers and half sisters, a spouse, ancestors, and lineal descendants; and~~

~~(iv) if an individual or entity holds an option, warrant, or similar right to purchase an ownership interest, the individual or entity is considered to be the owner of those ownership interests.~~

~~(e)~~ (b) "Contraceptive method" means a drug, device, or other product approved by the Food and Drug Administration to prevent unintended pregnancy.

~~(d)~~ (c) "Contraceptive service" means consultation, examination, procedures, and medical services related to the prevention of unintended pregnancy, excluding vasectomies. This includes but is not limited to voluntary sterilization procedures, patient education, counseling on contraceptives, and follow-up services related to contraceptive methods or services, management of side effects, counseling for continued adherence, and device insertion or removal.

~~(e) "Eligible organization" means an organization that opposes providing coverage for some or all contraceptive methods or services on account of religious objections and that is:~~

~~(1) organized as a nonprofit entity and holds itself out to be religious; or~~

~~(2) organized and operates as a closely held for-profit entity, and the organization's owners or highest governing body has adopted, under the organization's applicable rules of governance and consistent with state law, a resolution or similar action establishing that the organization objects to covering some or all contraceptive methods or services on account of the owners' sincerely held religious beliefs.~~

~~(f) "Exempt organization" means an organization that is organized and operates as a nonprofit entity and meets the requirements of section 6033(a)(3)(A)(i) or (iii) of the Internal Revenue Code of 1986, as amended.~~

~~(g)~~ (d) "Medical necessity" includes but is not limited to considerations such as severity of side effects, difference in permanence and reversibility of a contraceptive method or service, and ability to adhere to the appropriate use of the contraceptive method or service, as determined by the attending provider.

~~(h)~~ (e) "Therapeutic equivalent version" means a drug, device, or product that can be expected to have the same clinical effect and safety profile when administered to a patient under the conditions specified in the labeling, and that:

(1) is approved as safe and effective;

(2) is a pharmaceutical equivalent: (i) containing identical amounts of the same active drug ingredient in the same dosage form and route of administration; and (ii) meeting compendial or other applicable standards of strength, quality, purity, and identity;

(3) is bioequivalent in that:

(i) the drug, device, or product does not present a known or potential bioequivalence problem and meets an acceptable in vitro standard; or

(ii) if the drug, device, or product does present a known or potential bioequivalence problem, it is shown to meet an appropriate bioequivalence standard;

(4) is adequately labeled; and

(5) is manufactured in compliance with current manufacturing practice regulations.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to health plans offered, sold, issued, or renewed on or after that date.

Sec. 6. Minnesota Statutes 2023 Supplement, section 62Q.523, subdivision 1, is amended to read:

Subdivision 1. **Scope of coverage.** Except as otherwise provided in section ~~62Q.522~~ 62Q.679, subdivisions ~~2 and 3~~ and 4, all health plans that provide prescription coverage must comply with the requirements of this section.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to health plans offered, sold, issued, or renewed on or after that date."

Page 132, line 30, delete "Gender affirming" and insert "Gender-affirming"

Page 133, after line 4, insert:

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 6. **[62Q.679] RELIGIOUS OBJECTIONS.**

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

(b) "Closely held for-profit entity" means an entity that is not a nonprofit entity, has more than 50 percent of the value of its ownership interest owned directly or indirectly by five or fewer owners, and has no publicly traded ownership interest. For purposes of this paragraph:

(1) ownership interests owned by a corporation, partnership, limited liability company, estate, trust, or similar entity are considered owned by that entity's shareholders, partners, members, or beneficiaries in proportion to their interest held in the corporation, partnership, limited liability company, estate, trust, or similar entity;

(2) ownership interests owned by a nonprofit entity are considered owned by a single owner;

(3) ownership interests owned by all individuals in a family are considered held by a single owner. For purposes of this clause, "family" means brothers and sisters, including half-brothers and half-sisters, a spouse, ancestors, and lineal descendants; and

(4) if an individual or entity holds an option, warrant, or similar right to purchase an ownership interest, the individual or entity is considered to be the owner of those ownership interests.

(c) "Eligible organization" means an organization that opposes covering some or all health benefits under section 62Q.522 or 62Q.585 on account of religious objections and that is:

(1) organized as a nonprofit entity and holds itself out to be religious; or

(2) organized and operates as a closely held for-profit entity, and the organization's owners or highest governing body has adopted, under the organization's applicable rules of governance and consistent with state law, a resolution or similar action establishing that the organization objects to covering some or all health benefits under section 62Q.522 or 62Q.585 on account of the owners' sincerely held religious beliefs.

(d) "Exempt organization" means an organization that is organized and operates as a nonprofit entity and meets the requirements of section 6033(a)(3)(A)(i) or (iii) of the Internal Revenue Code of 1986, as amended.

Subd. 2. Exemption. (a) An exempt organization is not required to provide coverage under section 62Q.522 or 62Q.585 if the exempt organization has religious objections to the coverage. An exempt organization that chooses to not provide coverage pursuant to this paragraph must notify employees as part of the hiring process and must notify all employees at least 30 days before:

(1) an employee enrolls in the health plan; or

(2) the effective date of the health plan, whichever occurs first.

(b) If the exempt organization provides partial coverage under section 62Q.522 or 62Q.585, the notice required under paragraph (a) must provide a list of the portions of such coverage which the organization refuses to cover.

Subd. 3. Accommodation for eligible organizations. (a) A health plan established or maintained by an eligible organization complies with the coverage requirements of section 62Q.522 or 62Q.585, with respect to the health benefits identified in the notice under this paragraph, if the eligible organization provides notice to any health plan company with which the eligible organization contracts that it is an eligible organization and that the eligible organization has a religious objection to coverage for all or a subset of the health benefits under section 62Q.522 or 62Q.585.

(b) The notice from an eligible organization to a health plan company under paragraph (a) must include: (1) the name of the eligible organization; (2) a statement that it objects to coverage for some or all of the health benefits under section 62Q.522 or 62Q.585, including a list of the health benefits to which the eligible organization objects, if applicable; and (3) the health plan name. The notice must be executed by a person authorized to provide notice on behalf of the eligible organization.

(c) An eligible organization must provide a copy of the notice under paragraph (a) to prospective employees as part of the hiring process and to all employees at least 30 days before:

(1) an employee enrolls in the health plan; or

(2) the effective date of the health plan, whichever occurs first.

(d) A health plan company that receives a copy of the notice under paragraph (a) with respect to a health plan established or maintained by an eligible organization must, for all future enrollments in the health plan:

(1) expressly exclude coverage for those health benefits identified in the notice under paragraph (a) from the health plan; and

(2) provide separate payments for any health benefits required to be covered under section 62Q.522 or 62Q.585 for enrollees as long as the enrollee remains enrolled in the health plan.

(e) The health plan company must not impose any cost-sharing requirements, including co-pays, deductibles, or coinsurance, or directly or indirectly impose any premium, fee, or other charge for the health benefits under section 62Q.522 on the enrollee. The health plan company must not directly or indirectly impose any premium, fee, or other charge for the health benefits under section 62Q.522 or 62Q.585 on the eligible organization or health plan.

(f) On January 1, 2024, and every year thereafter a health plan company must notify the commissioner, in a manner determined by the commissioner, of the number of eligible organizations granted an accommodation under this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to health plans offered, sold, issued, or renewed on or after that date."

Page 144, delete section 17 and insert:

"Sec. 17. **REPEALER.**

(a) Minnesota Statutes 2022, section 332.3351, is repealed.

(b) Minnesota Statutes 2023 Supplement, section 62Q.522, subdivisions 3 and 4, are repealed.

EFFECTIVE DATE. Paragraph (b) is effective January 1, 2025, and applies to health plans offered, sold, issued, or renewed on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Bliss moved to amend S. F. No. 4097, the second engrossment, as amended, as follows:

Page 160, after line 21, insert:

"Section 1. Minnesota Statutes 2022, section 340A.404, subdivision 1, is amended to read:

Subdivision 1. **Cities.** (a) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or an on-sale malt liquor license to the following establishments located within its jurisdiction:

(1) hotels;

(2) restaurants;

(3) bowling centers;

(4) clubs or congressionally chartered veterans organizations with the approval of the commissioner, provided that the organization has been in existence for at least three years and liquor sales will only be to members and bona fide guests, except that a club may permit the general public to participate in a wine tasting conducted at the club under section 340A.419;

(5) sports facilities, restaurants, clubs, or bars located on land owned or leased by the Minnesota Sports Facilities Authority;

(6) sports facilities located on land owned by the Metropolitan Sports Commission;

(7) exclusive liquor stores; ~~and~~

(8) resorts as defined in section 157.15, subdivision 11; and

(9) golf courses.

(b) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or an on-sale malt liquor license to a theater within the city, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons attending events at the theater.

(c) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or an on-sale malt liquor license to a convention center within the city, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons attending events at the convention center. This paragraph does not apply to convention centers located in the seven-county metropolitan area.

(d) A municipality may issue an on-sale wine license and an on-sale malt liquor license to a person who is the owner of a summer collegiate league baseball team or baseball team competing in a league established by the Minnesota Baseball Association, or to a person holding a concessions or management contract with the owner, for beverage sales at a ballpark or stadium located within the municipality for the purposes of summer collegiate league baseball games, town ball games, and any other events at the ballpark or stadium, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons attending baseball games and any other events at the ballpark or stadium."

Page 163, after line 11, insert:

"Sec. 2. Minnesota Statutes 2022, section 340A.404, subdivision 6, is amended to read:

Subd. 6. **Counties.** (a) A county board may issue an annual on-sale intoxicating liquor license, an on-sale wine license, or an on-sale malt liquor license within the area of the county that is unorganized or unincorporated to a bowling center, restaurant, club, hotel, golf course, or resort as defined in section 157.15, subdivision 11, with the approval of the commissioner.

(b) A county board may also with the approval of the commissioner issue up to ten seasonal on-sale licenses to restaurants and clubs for the sale of intoxicating liquor within the area of the county that is unorganized or unincorporated. Notwithstanding section 340A.412, subdivision 8, a seasonal license is valid for a period specified by the board, not to exceed nine months. Not more than one license may be issued for any one premises during any consecutive 12-month period."

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

Bliss moved to amend the Bliss amendment to S. F. No. 4097, the second engrossment, as amended, as follows:

Page 1, delete section 1 and insert:

"Section 1. Minnesota Statutes 2022, section 340A.404, subdivision 1, is amended to read:

Subdivision 1. **Cities.** (a) A city may issue an on-sale intoxicating liquor license to the following establishments located within its jurisdiction:

- (1) hotels;
- (2) restaurants;
- (3) bowling centers;

(4) clubs or congressionally chartered veterans organizations with the approval of the commissioner, provided that the organization has been in existence for at least three years and liquor sales will only be to members and bona fide guests, except that a club may permit the general public to participate in a wine tasting conducted at the club under section 340A.419;

(5) sports facilities, restaurants, clubs, or bars located on land owned or leased by the Minnesota Sports Facilities Authority;

(6) sports facilities located on land owned by the Metropolitan Sports Commission;

(7) exclusive liquor stores; and

(8) resorts as defined in section 157.15, subdivision 11.

(b) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or an on-sale malt liquor license to a theater within the city, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons attending events at the theater.

(c) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or an on-sale malt liquor license to a convention center within the city, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons attending events at the convention center. This paragraph does not apply to convention centers located in the seven-county metropolitan area.

(d) A municipality may issue an on-sale wine license and an on-sale malt liquor license to a person who is the owner of a summer collegiate league baseball team or baseball team competing in a league established by the Minnesota Baseball Association, or to a person holding a concessions or management contract with the owner, for beverage sales at a ballpark or stadium located within the municipality for the purposes of summer collegiate league baseball games, town ball games, and any other events at the ballpark or stadium, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons attending baseball games and any other events at the ballpark or stadium.

(e) A municipality may issue an on-sale malt liquor license to a resort as defined in section 157.15, subdivision 11, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons staying at the resort and their guests."

Page 2, delete section 2 and insert:

"Sec. 3. Minnesota Statutes 2022, section 340A.404, subdivision 6, is amended to read:

Subd. 6. **Counties.** (a) A county board may issue an annual on-sale intoxicating liquor license within the area of the county that is unorganized or unincorporated to a bowling center, restaurant, club, hotel, or resort as defined in section 157.15, subdivision 11, with the approval of the commissioner.

(b) A county board may also with the approval of the commissioner issue up to ten seasonal on-sale licenses to restaurants and clubs for the sale of intoxicating liquor within the area of the county that is unorganized or unincorporated. Notwithstanding section 340A.412, subdivision 8, a seasonal license is valid for a period specified by the board, not to exceed nine months. Not more than one license may be issued for any one premises during any consecutive 12-month period.

(c) A county board may issue an annual on-sale malt liquor license to a resort as defined in section 157.15, subdivision 11, within the area of the county that is unorganized or unincorporated, notwithstanding any law or local ordinance. A license issued under this paragraph authorizes sales on all days of the week to persons staying at the resort and their guests."

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Bliss amendment, as amended, to S. F. No. 4097, the second engrossment, as amended. The motion prevailed and the amendment, as amended, was adopted.

The Speaker resumed the Chair.

Neu Brindley moved to amend S. F. No. 4097, the second engrossment, as amended, as follows:

Page 79, delete section 12

Page 80, delete section 13

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Neu Brindley amendment and the roll was called. There were 60 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davids	Heintzeman	Kresha	Neu Brindley	Schultz
Anderson, P. E.	Davis	Hudella	Lawrence	Niska	Scott
Anderson, P. H.	Demuth	Hudson	McDonald	Novotny	Skraba
Backer	Dotseth	Igo	Mekeland	O'Driscoll	Swedzinski
Bakeberg	Fogelman	Jacob	Mueller	Olson, B.	Torkelson
Baker	Franson	Johnson	Murphy	Perryman	West
Bennett	Garofalo	Joy	Myers	Petersburg	Wiener
Bliss	Gillman	Kiel	Nadeau	Quam	Wiens
Burkel	Grossell	Knudsen	Nash	Robbins	Witte
Daniels	Harder	Koznick	Nelson, N.	Schomacker	Zeleznikar

Those who voted in the negative were:

Acomb	Bierman	Coulter	Finke	Gomez	Hemmingsen-Jaeger
Agbaje	Brand	Curran	Fischer	Greenman	Her
Bahner	Carroll	Edelson	Frazier	Hansen, R.	Hicks
Becker-Finn	Cha	Elkins	Frederick	Hanson, J.	Hill
Berg	Clardy	Feist	Freiberg	Hassan	Hollins

Hornstein	Koegel	Lillie	Norris	Rehm	Virnig
Howard	Kotyza-Witthuhn	Lislegard	Olson, L.	Reyer	Wolgamott
Huot	Kozlowski	Long	Pelowski	Sencer-Mura	Xiong
Hussein	Kraft	Moller	Pérez-Vega	Smith	Youakim
Jordan	Lee, F.	Nelson, M.	Pinto	Stephenson	Spk. Hortman
Keeler	Lee, K.	Newton	Pryor	Tabke	
Klevorn	Liebling	Noor	Pursell	Vang	

The motion did not prevail and the amendment was not adopted.

Neu Brindley moved to amend S. F. No. 4097, the second engrossment, as amended, as follows:

Page 154, delete section 13

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Neu Brindley amendment and the roll was called. There were 61 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davis	Hudson	Mekeland	Olson, B.	Torkelson
Anderson, P. E.	Demuth	Igo	Mueller	Perryman	West
Anderson, P. H.	Dotseth	Jacob	Murphy	Petersburg	Wiener
Backer	Fogelman	Johnson	Myers	Quam	Wiens
Bakeberg	Franson	Joy	Nadeau	Rarick	Witte
Baker	Garofalo	Kiel	Nash	Robbins	Zeleznikar
Bennett	Gillman	Knudsen	Nelson, N.	Schomacker	
Bliss	Grossell	Koznick	Neu Brindley	Schultz	
Burkel	Harder	Kresha	Niska	Scott	
Daniels	Heintzeman	Lawrence	Novotny	Skraba	
Davids	Hudella	McDonald	O'Driscoll	Swedzinski	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Newton	Smith
Bahner	Feist	Her	Kotyza-Witthuhn	Noor	Stephenson
Becker-Finn	Finke	Hicks	Kozlowski	Norris	Tabke
Berg	Fischer	Hill	Kraft	Olson, L.	Vang
Bierman	Frazier	Hollins	Lee, F.	Pelowski	Virnig
Brand	Frederick	Hornstein	Lee, K.	Pérez-Vega	Wolgamott
Carroll	Freiberg	Howard	Liebling	Pinto	Xiong
Cha	Gomez	Huot	Lillie	Pryor	Youakim
Clardy	Greenman	Hussein	Lislegard	Pursell	Spk. Hortman
Coulter	Hansen, R.	Jordan	Long	Rehm	
Curran	Hanson, J.	Keeler	Moller	Reyer	

The motion did not prevail and the amendment was not adopted.

Neu Brindley moved to amend S. F. No. 4097, the second engrossment, as amended, as follows:

Page 132, line 16, after "necessary" insert "adolescent" and after "care" insert "or medically necessary adult gender-affirming care"

Page 132, after line 29, insert:

"(b) "Adolescent gender-affirming care" means all counseling or referral services, including telehealth services, that an individual under age 21 may receive to support and affirm the individual's gender identity or gender expression and that are legal under the laws of this state."

Page 132, line 30, delete "(b) "Gender affirming"" and insert "(c) "Adult gender-affirming""

Page 132, line 31, after "individual" insert "21 years of age or older"

Page 133, line 3, delete "(c)" and insert "(d)"

A roll call was requested and properly seconded.

Franson moved to amend the Neu Brindley amendment to S. F. No. 4097, the second engrossment, as amended, as follows:

Page 1, after line 2, insert:

"Page 132, line 14, before "No" insert "(a)"

Page 1, after line 4, insert:

"Page 132, after line 19, insert:

"(b) A health plan that provides coverage for an enrollee's gender transition procedure or treatment shall provide coverage for:

(1) all possible adverse consequences related to the enrollee's gender transition procedure or treatment, including any short- or long-term side effects of the procedure or treatment;

(2) any testing or screening necessary to monitor the mental and physical health of the enrollee on at least an annual basis; and

(3) any procedure or treatment necessary to reverse the enrollee's gender transition procedure or treatment.

(b) A health plan that offers coverage for a gender transition procedure or treatment shall also provide the coverage in paragraph (b) to any enrollee who has undergone a gender transition procedure or treatment regardless of whether the enrollee was enrolled in the health plan at the time of the procedure or treatment."

A roll call was requested and properly seconded.

The question was taken on the Franson amendment to the Neu Brindley amendment and the roll was called. There were 62 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davis	Hudson	McDonald	O'Driscoll	Swedzinski
Anderson, P. E.	Demuth	Igo	Mekeland	Olson, B.	Torkelson
Anderson, P. H.	Dotseth	Jacob	Mueller	Perryman	West
Backer	Fogelman	Johnson	Murphy	Petersburg	Wiener
Bakeberg	Franson	Joy	Myers	Quam	Wiens
Baker	Garofalo	Kiel	Nadeau	Rarick	Witte
Bennett	Gillman	Knudsen	Nash	Robbins	Zeleznikar
Bliss	Grossell	Koznick	Nelson, N.	Schomacker	
Burkel	Harder	Kresha	Neu Brindley	Schultz	
Daniels	Heintzeman	Lawrence	Niska	Scott	
Davids	Hudella	Lislegard	Novotny	Skraba	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Newton	Smith
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Stephenson
Bahner	Feist	Her	Kotzya-Witthuhn	Norris	Tabke
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Vang
Berg	Fischer	Hill	Kraft	Pelowski	Virnig
Bierman	Frazier	Hollins	Lee, F.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Lee, K.	Pinto	Xiong
Carroll	Freiberg	Howard	Liebling	Pryor	Youakim
Cha	Gomez	Huot	Lillie	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Long	Rehm	
Coulter	Hansen, R.	Jordan	Moller	Reyer	
Curran	Hanson, J.	Keeler	Nelson, M.	Sencer-Mura	

The motion did not prevail and the amendment to the amendment was not adopted.

The question recurred on the Neu Brindley amendment and the roll was called. There were 62 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davis	Hudson	McDonald	O'Driscoll	Swedzinski
Anderson, P. E.	Demuth	Igo	Mekeland	Olson, B.	Torkelson
Anderson, P. H.	Dotseth	Jacob	Mueller	Perryman	West
Backer	Fogelman	Johnson	Murphy	Petersburg	Wiener
Bakeberg	Franson	Joy	Myers	Quam	Wiens
Baker	Garofalo	Kiel	Nadeau	Rarick	Witte
Bennett	Gillman	Knudsen	Nash	Robbins	Zeleznikar
Bliss	Grossell	Koznick	Nelson, N.	Schomacker	
Burkel	Harder	Kresha	Neu Brindley	Schultz	
Daniels	Heintzeman	Lawrence	Niska	Scott	
Davids	Hudella	Lislegard	Novotny	Skraba	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Newton	Stephenson
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Tabke
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Vang
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Virmig
Berg	Fischer	Hill	Kraft	Pérez-Vega	Wolgamott
Bierman	Frazier	Hollins	Lee, F.	Pinto	Xiong
Brand	Frederick	Hornstein	Lee, K.	Pryor	Youakim
Carroll	Freiberg	Howard	Liebling	Pursell	Spk. Hortman
Cha	Gomez	Huot	Lillie	Rehm	
Clardy	Greenman	Hussein	Long	Reyer	
Coulter	Hansen, R.	Jordan	Moller	Sencer-Mura	
Curran	Hanson, J.	Keeler	Nelson, M.	Smith	

The motion did not prevail and the amendment was not adopted.

S. F. No. 4097, A bill for an act relating to commerce; adding and modifying various provisions related to insurance; regulating financial institutions; modifying provisions governing financial institutions; providing for certain consumer protections and privacy; modifying provisions governing commerce; making technical changes; establishing civil and criminal penalties; authorizing administrative rulemaking; requiring reports; amending Minnesota Statutes 2022, sections 45.011, subdivision 1; 47.20, subdivision 2; 47.54, subdivisions 2, 6; 48.24, subdivision 2; 58.02, subdivisions 18, 21, by adding a subdivision; 58.04, subdivisions 1, 2; 58.05, subdivisions 1, 3; 58.06, by adding subdivisions; 58.08, subdivisions 1a, 2; 58.10, subdivision 3; 58.115; 58.13, subdivision 1; 58B.02, subdivision 8, by adding a subdivision; 58B.03, by adding a subdivision; 58B.06, subdivisions 4, 5; 58B.07, subdivisions 1, 3, 9, by adding subdivisions; 58B.09, by adding a subdivision; 60A.201, by adding a subdivision; 67A.01, subdivision 2; 67A.14, subdivision 1; 80A.61; 80A.66; 80C.05, subdivision 3; 82B.021, subdivision 26; 82B.094; 82B.095, subdivision 3; 82B.13, subdivision 1; 82B.19, subdivision 1; 115C.08, subdivision 2; 239.791, by adding a subdivision; 325F.03; 325F.04; 325F.05; 325G.24; 325G.25, subdivision 1; 340A.101, subdivision 13; 340A.404, subdivision 2; 340A.412, by adding a subdivision; 507.071; Minnesota Statutes 2023 Supplement, sections 53B.28, subdivisions 18, 25; 53B.29; 53B.69, by adding subdivisions; 80A.50; 239.791, subdivision 8; 325E.80, subdivisions 1, 5, 6, 7; 332.71, subdivisions 2, 4, 5, 7; 332.72; 332.73, subdivision 1; 332.74, subdivisions 3, 5; Laws 2022, chapter 86, article 2, section 3; Laws 2023, chapter 57, article 2, sections 7; 8; 9; 10; 11; 12; 13; 14; 15; proposing coding for new law in Minnesota Statutes, chapters 53B; 58; 65A; 325F; 325G; 332; 507; 513; proposing coding for new law as Minnesota Statutes, chapters 46A; 60M; repealing Minnesota Statutes 2022, sections 45.014; 58.08, subdivision 3; 82B.25; 325G.25, subdivision 1a; 332.3351; Minnesota Statutes 2023 Supplement, sections 53B.58; 332.71, subdivision 8.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 70 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Acomb	Bierman	Coulter	Finke	Gomez	Hemmingsen-Jaeger
Agbaje	Brand	Curran	Fischer	Greenman	Her
Bahner	Carroll	Edelson	Frazier	Hansen, R.	Hicks
Becker-Finn	Cha	Elkins	Frederick	Hanson, J.	Hill
Berg	Clardy	Feist	Freiberg	Hassan	Hollins

Hornstein	Koegel	Lillie	Norris	Rehm	Virnig
Howard	Kotyza-Witthuhn	Lislegard	Olson, L.	Reyer	Wolgamott
Huot	Kozlowski	Long	Pelowski	Sencer-Mura	Xiong
Hussein	Kraft	Moller	Pérez-Vega	Smith	Youakim
Jordan	Lee, F.	Nelson, M.	Pinto	Stephenson	Spk. Hortman
Keeler	Lee, K.	Newton	Pryor	Tabke	
Klevorn	Liebling	Noor	Pursell	Vang	

Those who voted in the negative were:

Altendorf	Davis	Hudson	Mekeland	Olson, B.	Torkelson
Anderson, P. E.	Demuth	Igo	Mueller	Perryman	West
Anderson, P. H.	Dotseth	Jacob	Murphy	Petersburg	Wiener
Backer	Fogelman	Johnson	Myers	Quam	Wiens
Bakeberg	Franson	Joy	Nadeau	Rarick	Witte
Baker	Garofalo	Kiel	Nash	Robbins	Zeleznikar
Bennett	Gillman	Knudsen	Nelson, N.	Schomacker	
Bliss	Grossell	Koznick	Neu Brindley	Schultz	
Burkel	Harder	Kresha	Niska	Scott	
Daniels	Heintzeman	Lawrence	Novotny	Skraba	
Davids	Hudella	McDonald	O'Driscoll	Swedzinski	

The bill was passed, as amended, and its title agreed to.

There being no objection, the order of business reverted to Reports of Standing Committees and Divisions.

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Long from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 4461, A bill for an act relating to commerce; requiring a license to sell copper metal; amending Minnesota Statutes 2022, section 325E.21, by adding a subdivision; Minnesota Statutes 2023 Supplement, section 325E.21, subdivision 1b.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Ways and Means.

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 4024, A bill for an act relating to higher education; making policy and technical changes to certain higher education provisions including student sexual misconduct, student aid, student supports, and institutional registration and contract provisions; modifying allowable uses for appropriations; requiring reports; amending Minnesota Statutes 2022, sections 135A.15, subdivisions 1a, 2, 6, 8, by adding a subdivision; 136A.091, subdivision 3; 136A.1241, subdivision 3; 136A.1701, subdivisions 4, 7; 136A.62, by adding subdivisions; 136A.63, subdivision 1; 136A.646; 136A.65, subdivision 4; 136A.675, subdivision 2; 136A.821, subdivision 5, by adding a subdivision; 136A.822, subdivisions 1, 2, 6, 7, 8; 136A.828, subdivision 3; 136A.829, subdivision 3, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 135A.121, subdivision 2; 135A.15, subdivision 1; 135A.161, by adding a subdivision; 135A.162, subdivision 2; 136A.1241, subdivision 5; 136A.1465, subdivisions 1, 2, 3, 4, 5; 136A.62, subdivision 3; 136A.833, subdivision 2; 136F.38, subdivision 3; Laws 2023, chapter 41, article 1, section 4, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; repealing Minnesota Statutes 2022, section 135A.16; Minnesota Statutes 2023 Supplement, section 135A.162, subdivision 7.

THOMAS S. BOTTERN, Secretary of the Senate

Pelowski moved that the House refuse to concur in the Senate amendments to H. F. No. 4024, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 4024:

Pelowski, Wolgamott and McDonald.

ANNOUNCEMENT BY THE SPEAKER

Pursuant to Rule 1.15(c)

A message from the Senate has been received requesting concurrence by the House to amendments adopted by the Senate to the following House File:

H. F. No. 3071.

MOTIONS AND RESOLUTIONS

Davis moved that the name of Backer be added as an author on H. F. No. 667. The motion prevailed.

Urdahl moved that the names of Hussein; Nelson, M., and Xiong be added as authors on H. F. No. 3299. The motion prevailed.

Berg moved that the name of Pérez-Vega be added as an author on H. F. No. 3446. The motion prevailed.

Hollins moved that the names of Hanson, J., and Carroll be added as authors on H. F. No. 3564. The motion prevailed.

Hollins moved that the name of Koznick be added as an author on H. F. No. 3565. The motion prevailed.

Myers moved that the name of Koznick be added as an author on H. F. No. 3662. The motion prevailed.

Kotyza-Witthuhn moved that the name of Feist be added as an author on H. F. No. 3682. The motion prevailed.

Hanson, J., moved that the name of Finke be added as an author on H. F. No. 3736. The motion prevailed.

Urdahl moved that the name of Koznick be added as an author on H. F. No. 3924. The motion prevailed.

Frederick moved that the name of Zeleznikar be added as an author on H. F. No. 3954. The motion prevailed.

Hanson, J., moved that the name of Finke be added as an author on H. F. No. 3963. The motion prevailed.

Smith moved that the name of Finke be added as an author on H. F. No. 4049. The motion prevailed.

Kozlowski moved that the name of Jordan be added as an author on H. F. No. 4050. The motion prevailed.

Hassan moved that the name of Gomez be added as an author on H. F. No. 4169. The motion prevailed.

Baker moved that the name of Clardy be added as an author on H. F. No. 4190. The motion prevailed.

Noor moved that the name of Virnig be added as an author on H. F. No. 4360. The motion prevailed.

Bierman moved that the name of Koznick be added as an author on H. F. No. 4385. The motion prevailed.

Fischer moved that the name of Frederick be added as an author on H. F. No. 4392. The motion prevailed.

Stephenson moved that the name of Smith be added as an author on H. F. No. 4423. The motion prevailed.

Kozlowski moved that the name of Koznick be added as an author on H. F. No. 4550. The motion prevailed.

Long moved that the name of Kraft be added as an author on H. F. No. 4700. The motion prevailed.

Stephenson moved that the name of Hanson, J., be added as an author on H. F. No. 4757. The motion prevailed.

Brand moved that the name of Finke be added as an author on H. F. No. 4872. The motion prevailed.

Agbaje moved that the names of Noor and Sencer-Mura be added as authors on H. F. No. 4977. The motion prevailed.

Lislegard moved that the name of Rehm be added as an author on H. F. No. 4991. The motion prevailed.

Lee, K., moved that the names of Hansen, R.; Kraft and Pursell be added as authors on H. F. No. 4996. The motion prevailed.

Wolgamott moved that the name of Bakeberg be added as an author on H. F. No. 5137. The motion prevailed.

Xiong moved that the name of Xiong be stricken as an author on H. F. No. 5140. The motion prevailed.

Brand moved that the name of Zeleznikar be added as an author on H. F. No. 5170. The motion prevailed.

Lee, K., moved that the name of Edelson be added as an author on H. F. No. 5191. The motion prevailed.

Lislegard moved that the names of Gomez; Coulter; Lee, K., and Stephenson be added as authors on H. F. No. 5198. The motion prevailed.

Kresha moved that the name of Schultz be added as an author on H. F. No. 5209. The motion prevailed.

Youakim moved that the names of Edelson, Jordan, Clardy, Greenman, Sencer-Mura, Pursell and Hill be added as authors on H. F. No. 5237. The motion prevailed.

Hassan moved that the name of Gomez be added as an author on H. F. No. 5244. The motion prevailed.

Noor moved that the name of Virnig be added as an author on H. F. No. 5329. The motion prevailed.

Nash moved that the name of Norris be added as an author on H. F. No. 5344. The motion prevailed.

Koegel moved that the name of Norris be added as an author on H. F. No. 5359. The motion prevailed.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 3:30 p.m., Thursday, April 18, 2024. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 3:30 p.m., Thursday, April 18, 2024.

PATRICK D. MURPHY, Chief Clerk, House of Representatives

