STATE OF MINNESOTA

Journal of the House

NINETY-THIRD SESSION — 2024

ONE HUNDRED SIXTH DAY

SAINT PAUL, MINNESOTA, FRIDAY, APRIL 26, 2024

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

Prayer was offered by Rabbi Tobias Moss, Temple Israel, 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	Kraft	Noor	Scott
Agbaje	Davis	Heintzeman	Kresha	Norris	Sencer-Mura
Altendorf	Dotseth	Hemmingsen-Jaeger	Lee, F.	Novotny	Skraba
Anderson, P. E.	Edelson	Her	Lee, K.	Olson, B.	Smith
Anderson, P. H.	Elkins	Hicks	Liebling	Olson, L.	Swedzinski
Backer	Engen	Hill	Lillie	Pelowski	Tabke
Bahner	Feist	Hollins	Lislegard	Pérez-Vega	Torkelson
Baker	Finke	Hornstein	Long	Perryman	Vang
Becker-Finn	Fischer	Howard	McDonald	Petersburg	Virnig
Berg	Fogelman	Hudella	Moller	Pfarr	Wiener
Bierman	Franson	Huot	Mueller	Pinto	Witte
Brand	Frederick	Hussein	Murphy	Pryor	Wolgamott
Burkel	Freiberg	Jacob	Myers	Pursell	Xiong
Carroll	Garofalo	Jordan	Nadeau	Quam	Youakim
Cha	Gomez	Keeler	Nelson, M.	Rarick	Spk. Hortman
Clardy	Greenman	Kiel	Nelson, N.	Reyer	
Coulter	Hansen, R.	Klevorn	Neu Brindley	Robbins	
Curran	Hanson, J.	Koegel	Newton	Schomacker	
Daniels	Harder	Koznick	Niska	Schultz	

A quorum was present.

Bakeberg, Bennett, Bliss, Demuth, Frazier, Gillman, Grossell, Hudson, Igo, Johnson, Joy, Knudsen, Kotyza-Witthuhn, Kozlowski, Lawrence, Mekeland, Nash, O'Driscoll, Rehm, Stephenson, Urdahl, West, Wiens and Zeleznikar were excused.

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

REPORTS OF STANDING COMMITTEES AND DIVISIONS

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

H. F. No. 2476, A bill for an act relating to children; modifying provisions related to child protection, economic supports, housing and homelessness, child care licensing, the Department of Children, Youth, and Families, and early childhood education; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 245.975, subdivisions 2, 4, 9; 256.045, subdivisions 3b, as amended, 5, as amended, 7, as amended; 256.0451, subdivisions 1, as amended, 22, 24; 256.046, subdivision 2, as amended; 256E.35, subdivision 5; 256N.26, subdivisions 12, 13; 260C.331, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 124D.151, subdivision 6; 124D.165, subdivisions 3, 6; 256.01, subdivision 12b; 256.043, subdivisions 3, 3a; 256.045, subdivision 3, as amended; 256E.35, subdivision 2; 256E.38, subdivision 4; 518A.42, subdivision 3; Laws 2023, chapter 54, section 20, subdivisions 6, 24; Laws 2023, chapter 70, article 12, section 30, subdivisions 2, 3; article 14, section 42, by adding a subdivision; article 20, sections 2, subdivisions 22, 24; 23; Laws 2024, chapter 80, article 1, sections 38, subdivisions 1, 2, 5, 6, 7, 9; 96; article 4, section 26; article 6, section 4; proposing coding for new law in Minnesota Statutes, chapters 142A; 256D; 260E; proposing coding for new law as Minnesota Statutes, chapter 142B; repealing Minnesota Statutes 2022, sections 245.975, subdivision 8; 245A.065; 256.01, subdivisions 12, 12a; Laws 2024, chapter 80, article 1, sections 38, subdivisions 3, 4, 11; 39; 43, subdivision 2; article 7, sections 3; 9; Minnesota Rules, part 9560.0232, subpart 5.

Reported the same back with the following amendments:

Page 8, after line 27, insert:

"(5) the superintendent of the Bureau of Criminal Apprehension, or a designee;"

Renumber the clauses in sequence

Page 9, line 11, delete "(5)" and insert "(6)" and delete the second "(6)" and insert "(7)"

Page 40, delete lines 20 and 21

Renumber the clauses in sequence

Page 51, delete article 6

Page 70, after line 20, insert:

"Sec. 11. **APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation or transfer under this article is enacted more than once during the 2024 regular session, the appropriation or transfer must be given effect once.

Sec. 12. **EXPIRATION OF UNCODIFIED LANGUAGE.**

All uncodified language contained in this article expires on June 30, 2025, unless a different expiration date is explicit."

Renumber the articles in sequence

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the third comma, insert "and"

Page 1, line 4, delete ", and early childhood education"

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 4124, A bill for an act relating to state government; appropriating money from the outdoor heritage fund, clean water fund, parks and trails fund, and arts and cultural heritage fund; modifying and extending prior appropriations; amending Laws 2023, chapter 40, article 3, sections 2, subdivision 1; 3; 4.

Reported the same back with the following amendments:

Page 28, line 31, delete "$4,434,000" and insert "$3,434,000"

Page 30, after line 10, insert:

"(e) $1,000,000 the second year is for conservation easements acquired under Minnesota Statutes, sections 103F.501 to 103F.535, or for grants or contracts to local units of government or Tribal governments, including for fee title acquisition or for long-term protection of groundwater supply sources. Consideration must be given to drinking water supply management areas and alternative management tools in the Department of Agriculture *Minnesota Nitrogen Fertilizer Management Plan*, including using low-nitrogen cropping systems or implementing nitrogen fertilizer best management practices. Priority must be placed on land that is located where the vulnerability of the drinking water supply is designated as high or very high by the commissioner of health, where drinking water protection plans have identified specific activities that will achieve long-term protection, and on lands with expiring conservation contracts. Up to $50,000 is for deposit in a conservation easement stewardship account established according to Minnesota Statutes, section 103B.103. This appropriation, including the conditions and considerations, is added to the appropriation in Laws 2023, chapter 40, article 2, section 6, paragraph (g)."

Reletter the paragraphs in sequence

Page 41, line 4, delete "Pullman Company" and insert "Minnesota Transportation Museum"

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

The report was adopted.

Liebling from the Committee on Health Finance and Policy to which was referred:

H. F. No. 4571, A bill for an act relating to health; correcting an appropriation to the commissioner of health; amending Laws 2023, chapter 70, article 20, section 3, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
DEPARTMENT OF HUMAN SERVICES HEALTH CARE FINANCE

Section 1. **[62V.12] STATE-FUNDED COST-SHARING REDUCTIONS.**

Subdivision 1. **Establishment.** (a) The board must develop and administer a state-funded cost-sharing reduction program for eligible persons who enroll in a silver level qualified health plan through MNsure. The board must implement the cost-sharing reduction program for plan years beginning on or after January 1, 2027.

(b) For purposes of this section, an "eligible person" is an individual who meets the eligibility criteria to receive a cost-sharing reduction under Code of Federal Regulations, title 45, section 155.305(g).

Subd. 2. **Reduction in cost-sharing.** The cost-sharing reduction program must use state money to reduce enrollee cost-sharing by increasing the actuarial value of silver level health plans for eligible persons beyond the 73 percent value established in Code of Federal Regulations, title 45, section 156.420(a)(3)(ii), to an actuarial value of 87 percent.

Subd. 3. **Administration.** The board, when administering the program, must:

(1) allow eligible persons to enroll in a silver level health plan with a state-funded cost-sharing reduction;

(2) modify the MNsure shopping tool to display the total cost-sharing reduction benefit available to individuals eligible under this section; and

(3) reimburse health carriers on a quarterly basis for the cost to the health plan providing the state-funded cost-sharing reductions.

Sec. 2. Minnesota Statutes 2023 Supplement, section 256.9631, is amended to read:

256.9631 ~~DIRECT PAYMENT SYSTEM~~ ALTERNATIVE CARE DELIVERY MODELS FOR MEDICAL ASSISTANCE AND MINNESOTACARE.

Subdivision 1. **Direction to the commissioner.** (a) The commissioner, in order to deliver services to eligible individuals, achieve better health outcomes, and reduce the cost of health care for the state, shall develop ~~an~~ implementation ~~plan~~ plans for ~~a direct payment system to deliver services to eligible individuals in order to achieve better health outcomes and reduce the cost of health care for the state. Under this system,~~ at least three care delivery models that:

(1) are alternatives to the use of commercial managed care plans to deliver health care to Minnesota health care program enrollees; and

(2) do not shift financial risk to nongovernmental entities.

(b) One of the alternative models must be a direct payment system under which eligible individuals ~~must~~ receive services through the ~~medical assistance~~ fee-for-service system, county-based purchasing plans, ~~or~~ and county-owned health maintenance organizations. At least one additional model must include county-based purchasing plans and county-owned health maintenance organizations in their design, and must allow these entities to deliver care in geographic areas on a single plan basis, if:

(1) these entities contract with all providers that agree to contract terms for network participation; and

(2) the commissioner of human services determines that an entity's provider network is adequate to ensure enrollee access and choice.

(c) Before determining the alternative models for which implementation plans will be developed, the commissioner shall consult with the chairs and ranking minority members of the legislative committees with jurisdiction over health care finance and policy.

(d) The commissioner shall present ~~an~~ implementation ~~plan~~ plans for the ~~direct payment system~~ selected models to the chairs and ranking minority members of the legislative committees with jurisdiction over health care finance and policy by January 15, 2026. The commissioner may contract for technical assistance in developing the implementation ~~plan~~ plans and conducting related studies and analyses.

~~(b) For the purposes of the direct payment system, the commissioner shall make the following assumptions:~~

~~(1) health care providers are reimbursed directly for all medical assistance covered services provided to eligible individuals, using the fee-for-service payment methods specified in chapters 256, 256B, 256R, and 256S;~~

~~(2) payments to a qualified hospital provider are equivalent to the payments that would have been received based on managed care direct payment arrangements. If necessary, a qualified hospital provider may use a county-owned health maintenance organization to receive direct payments as described in section 256B.1973; and~~

~~(3) county-based purchasing plans and county-owned health maintenance organizations must be reimbursed at the capitation rate determined under sections 256B.69 and 256B.692.~~

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

(b) "Eligible individuals" means ~~qualified~~ all medical assistance ~~enrollees, defined as persons eligible for medical assistance as families and children and adults without children~~ and MinnesotaCare enrollees.

(c) "Minnesota health care programs" means the medical assistance and MinnesotaCare programs.

~~(c)~~ (d) "Qualified hospital provider" means a nonstate government teaching hospital with high medical assistance utilization and a level 1 trauma center, and all of the hospital's owned or affiliated health care professionals, ambulance services, sites, and clinics.

Subd. 3. **Implementation ~~plan~~ plans.** (a) ~~The~~ Each implementation plan must include:

(1) a timeline for the development and recommended implementation date of the ~~direct payment system~~ alternative model. In recommending a timeline, the commissioner must consider:

(i) timelines required by the existing contracts with managed care plans and county-based purchasing plans to sunset existing delivery models;

(ii) in counties that choose to operate a county-based purchasing plan under section 256B.692, timelines for any new procurements required for those counties to establish a new county-based purchasing plan or participate in an existing county-based purchasing plan;

(iii) in counties that choose to operate a county-owned health maintenance organization under section 256B.69, timelines for any new procurements required for those counties to establish a new county-owned health maintenance organization or to continue serving enrollees through an existing county-owned health maintenance organization; and

(iv) a recommendation on whether the commissioner should contract with a third-party administrator to administer the ~~direct payment system~~ alternative model, and the timeline needed for procuring an administrator;

(2) the procedures to be used to ensure continuity of care for enrollees who transition from managed care to fee-for-service and any administrative resources needed to carry out these procedures;

(3) recommended quality measures for health care service delivery;

(4) any changes to fee-for-service payment rates that the commissioner determines are necessary to ensure provider access and high-quality care and to reduce health disparities;

(5) recommendations on ensuring effective care coordination under the ~~direct payment system~~ alternative model, especially for enrollees who:

(i) are age 65 or older, blind, or have disabilities;

(ii) have complex medical conditions~~, who~~;

(iii) face socioeconomic barriers to receiving care~~, or who~~; or

(iv) are from underserved populations that experience health disparities;

(6) recommendations on ~~whether the direct payment system should provide supplemental payments~~ payment arrangements for care coordination, including:

(i) the provider types eligible for ~~supplemental~~ care coordination payments;

(ii) procedures to coordinate ~~supplemental~~ care coordination payments with existing supplemental or cost-based payment methods or to replace these existing methods; and

(iii) procedures to align care coordination initiatives funded ~~through supplemental payments~~ under ~~this section~~ the alternative model with existing care coordination initiatives;

(7) recommendations on whether the ~~direct payment system~~ alternative model should include funding to providers for outreach initiatives to patients who, because of mental illness, homelessness, or other circumstances, are unlikely to obtain needed care and treatment;

(8) recommendations for a supplemental payment to qualified hospital providers to offset any potential revenue losses resulting from the shift from managed care payments; and

~~(9) recommendations on whether and how the direct payment system should be expanded to deliver services and care coordination to medical assistance enrollees who are age 65 or older, are blind, or have a disability and to persons enrolled in MinnesotaCare; and~~

~~(10)~~ (9) recommendations for statutory changes necessary to implement the ~~direct payment system~~ alternative model.

(b) In developing ~~the~~ each implementation plan, the commissioner shall:

(1) calculate the projected cost of ~~a direct payment system~~ the alternative model relative to the cost of the current system;

(2) assess gaps in care coordination under the current medical assistance and MinnesotaCare programs;

(3) evaluate the effectiveness of approaches other states have taken to coordinate care under a fee-for-service system, including the coordination of care provided to persons who are age 65 or older, are blind, or have disabilities;

(4) estimate the loss of revenue and cost savings from other payment enhancements based on managed care plan directed payments and pass-throughs;

(5) estimate cost trends under ~~a direct payment system~~ the alternative model for managed care payments to county-based purchasing plans and county-owned health maintenance organizations;

(6) estimate the impact of ~~a direct payment system~~ the alternative model on other revenue, including taxes, surcharges, or other federally approved in lieu of services and on other arrangements allowed under managed care;

(7) consider allowing eligible individuals to opt out of managed care as an alternative approach;

~~(8) assess the feasibility of a medical assistance outpatient prescription drug benefit carve-out under section 256B.69, subdivision 6d, and in consultation with the commissioners of commerce and health, assess the feasibility of including MinnesotaCare enrollees and private sector enrollees of health plan companies in the drug benefit carve-out. The assessment of feasibility must address and include recommendations related to the process and terms~~

~~by which the commissioner would contract with health plan companies to administer prescription drug benefits and develop and manage a drug formulary, and the impact of the drug benefit carve-out on health care providers, including small pharmacies;~~

~~(9)~~ (8) consult with the commissioners of health and commerce and the contractor or contractors analyzing the Minnesota Health Plan ~~under section 19~~ and other health reform models on plan design and assumptions; and

~~(10)~~ (9) conduct other analyses necessary to develop the implementation plan.

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

Sec. 3. Minnesota Statutes 2022, section 256.9657, is amended by adding a subdivision to read:

Subd. 2a. **Teaching hospital surcharge.** (a) Each teaching hospital shall pay to the medical assistance account a surcharge equal to 0.01 percent of net non-Medicare patient care revenue. The initial surcharge must be paid 60 days after both this subdivision and section 256.969, subdivision 2g, have received federal approval, and subsequent surcharge payments must be made annually in the form and manner specified by the commissioner.

(b) The commissioner shall use revenue from the surcharge only to pay the nonfederal share of the medical assistance supplemental payments described in section 256.969, subdivision 2g, and to supplement, and not supplant, medical assistance reimbursement to teaching hospitals. The surcharge must comply with Code of Federal Regulations, title 42, section 433.63.

(c) For purposes of this subdivision, "teaching hospital" means any Minnesota hospital, except facilities of the federal Indian Health Service and regional treatment centers, with a Centers for Medicare and Medicaid Services designation of "teaching hospital" as reported on form CMS-2552-10, worksheet S-2, line 56, that is eligible for reimbursement under section 256.969, subdivision 2g.

EFFECTIVE DATE. This section is effective the later of January 1, 2025, or federal approval of this section and sections 4 and 5. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 4. Minnesota Statutes 2023 Supplement, section 256.969, subdivision 2b, is amended to read:

Subd. 2b. **Hospital payment rates.** (a) For discharges occurring on or after November 1, 2014, hospital inpatient services for hospitals located in Minnesota shall be paid according to the following:

(1) critical access hospitals as defined by Medicare shall be paid using a cost-based methodology;

(2) long-term hospitals as defined by Medicare shall be paid on a per diem methodology under subdivision 25;

(3) rehabilitation hospitals or units of hospitals that are recognized as rehabilitation distinct parts as defined by Medicare shall be paid according to the methodology under subdivision 12; and

(4) all other hospitals shall be paid on a diagnosis-related group (DRG) methodology.

(b) For the period beginning January 1, 2011, through October 31, 2014, rates shall not be rebased, except that a Minnesota long-term hospital shall be rebased effective January 1, 2011, based on its most recent Medicare cost report ending on or before September 1, 2008, with the provisions under subdivisions 9 and 23, based on the rates in effect on December 31, 2010. For rate setting periods after November 1, 2014, in which the base years are updated, a Minnesota long-term hospital's base year shall remain within the same period as other hospitals.

(c) Effective for discharges occurring on and after November 1, 2014, payment rates for hospital inpatient services provided by hospitals located in Minnesota or the local trade area, except for the hospitals paid under the methodologies described in paragraph (a), clauses (2) and (3), shall be rebased, incorporating cost and payment methodologies in a manner similar to Medicare. The base year or years for the rates effective November 1, 2014, shall be calendar year 2012. The rebasing under this paragraph shall be budget neutral, ensuring that the total aggregate payments under the rebased system are equal to the total aggregate payments that were made for the same number and types of services in the base year. Separate budget neutrality calculations shall be determined for payments made to critical access hospitals and payments made to hospitals paid under the DRG system. Only the rate increases or decreases under subdivision 3a or 3c that applied to the hospitals being rebased during the entire base period shall be incorporated into the budget neutrality calculation.

(d) For discharges occurring on or after November 1, 2014, through the next rebasing that occurs, the rebased rates under paragraph (c) that apply to hospitals under paragraph (a), clause (4), shall include adjustments to the projected rates that result in no greater than a five percent increase or decrease from the base year payments for any hospital. Any adjustments to the rates made by the commissioner under this paragraph and paragraph (e) shall maintain budget neutrality as described in paragraph (c).

(e) For discharges occurring on or after November 1, 2014, the commissioner may make additional adjustments to the rebased rates, and when evaluating whether additional adjustments should be made, the commissioner shall consider the impact of the rates on the following:

(1) pediatric services;

(2) behavioral health services;

(3) trauma services as defined by the National Uniform Billing Committee;

(4) transplant services;

(5) obstetric services, newborn services, and behavioral health services provided by hospitals outside the seven-county metropolitan area;

(6) outlier admissions;

(7) low-volume providers; and

(8) services provided by small rural hospitals that are not critical access hospitals.

(f) Hospital payment rates established under paragraph (c) must incorporate the following:

(1) for hospitals paid under the DRG methodology, the base year payment rate per admission is standardized by the applicable Medicare wage index and adjusted by the hospital's disproportionate population adjustment;

(2) for critical access hospitals, payment rates for discharges between November 1, 2014, and June 30, 2015, shall be set to the same rate of payment that applied for discharges on October 31, 2014;

(3) the cost and charge data used to establish hospital payment rates must only reflect inpatient services covered by medical assistance; and

(4) in determining hospital payment rates for discharges occurring on or after the rate year beginning January 1, 2011, through December 31, 2012, the hospital payment rate per discharge shall be based on the cost-finding methods and allowable costs of the Medicare program in effect during the base year or years. In determining hospital payment rates for discharges in subsequent base years, the per discharge rates shall be based on the cost-finding methods and allowable costs of the Medicare program in effect during the base year or years.

(g) The commissioner shall validate the rates effective November 1, 2014, by applying the rates established under paragraph (c), and any adjustments made to the rates under paragraph (d) or (e), to hospital claims paid in calendar year 2013 to determine whether the total aggregate payments for the same number and types of services under the rebased rates are equal to the total aggregate payments made during calendar year 2013.

(h) Effective for discharges occurring on or after July 1, 2017, and every two years thereafter, payment rates under this section shall be rebased to reflect only those changes in hospital costs between the existing base year or years and the next base year or years. In any year that inpatient claims volume falls below the threshold required to ensure a statistically valid sample of claims, the commissioner may combine claims data from two consecutive years to serve as the base year. Years in which inpatient claims volume is reduced or altered due to a pandemic or other public health emergency shall not be used as a base year or part of a base year if the base year includes more than one year. Changes in costs between base years shall be measured using the lower of the hospital cost index defined in subdivision 1, paragraph (a), or the percentage change in the case mix adjusted cost per claim. The commissioner shall establish the base year for each rebasing period considering the most recent year or years for which filed Medicare cost reports are available, except that the base years for the rebasing effective July 1, 2023, are calendar years 2018 and 2019. The estimated change in the average payment per hospital discharge resulting from a scheduled rebasing must be calculated and made available to the legislature by January 15 of each year in which rebasing is scheduled to occur, and must include by hospital the differential in payment rates compared to the individual hospital's costs.

(i) Effective for discharges occurring on or after July 1, 2015, inpatient payment rates for critical access hospitals located in Minnesota or the local trade area shall be determined using a new cost-based methodology. The commissioner shall establish within the methodology tiers of payment designed to promote efficiency and cost-effectiveness. Payment rates for hospitals under this paragraph shall be set at a level that does not exceed the total cost for critical access hospitals as reflected in base year cost reports. Until the next rebasing that occurs, the new methodology shall result in no greater than a five percent decrease from the base year payments for any hospital, except a hospital that had payments that were greater than 100 percent of the hospital's costs in the base year shall have their rate set equal to 100 percent of costs in the base year. The rates paid for discharges on and after July 1, 2016, covered under this paragraph shall be increased by the inflation factor in subdivision 1, paragraph (a). The new cost-based rate shall be the final rate and shall not be settled to actual incurred costs. Hospitals shall be assigned a payment tier based on the following criteria:

(1) hospitals that had payments at or below 80 percent of their costs in the base year shall have a rate set that equals 85 percent of their base year costs;

(2) hospitals that had payments that were above 80 percent, up to and including 90 percent of their costs in the base year shall have a rate set that equals 95 percent of their base year costs; and

(3) hospitals that had payments that were above 90 percent of their costs in the base year shall have a rate set that equals 100 percent of their base year costs.

(j) The commissioner may refine the payment tiers and criteria for critical access hospitals to coincide with the next rebasing under paragraph (h). The factors used to develop the new methodology may include, but are not limited to:

(1) the ratio between the hospital's costs for treating medical assistance patients and the hospital's charges to the medical assistance program;

(2) the ratio between the hospital's costs for treating medical assistance patients and the hospital's payments received from the medical assistance program for the care of medical assistance patients;

(3) the ratio between the hospital's charges to the medical assistance program and the hospital's payments received from the medical assistance program for the care of medical assistance patients;

(4) the statewide average increases in the ratios identified in clauses (1), (2), and (3);

(5) the proportion of that hospital's costs that are administrative and trends in administrative costs; and

(6) geographic location.

(k) Subject to section 256.969, subdivision 2g, paragraph (i), effective for discharges occurring on or after January 1, 2024, the rates paid to hospitals described in paragraph (a), clauses (2) to (4), must include a rate factor specific to each hospital that qualifies for a medical education and research cost distribution under section 62J.692, subdivision 4, paragraph (a).

EFFECTIVE DATE. This section is effective the later of January 1, 2025, or federal approval of this section and sections 3 and 5. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 5. Minnesota Statutes 2022, section 256.969, is amended by adding a subdivision to read:

Subd. 2g. **Annual supplemental payments; direct and indirect physician graduate medical education.** (a) For discharges occurring on or after January 1, 2025, the commissioner shall determine and pay annual supplemental payments to all eligible hospitals as provided in this subdivision for direct and indirect physician graduate medical education cost reimbursement. A hospital must be an eligible hospital to receive an annual supplemental payment under this subdivision.

(b) The commissioner must use the following information to calculate the total cost of direct graduate medical education incurred by each eligible hospital:

(1) the total allowable direct graduate medical education cost, as calculated by adding form CMS-2552-10, worksheet B, part 1, columns 21 and 22, line 202; and

(2) the Medicaid share of total allowable direct graduate medical education cost percentage, representing the allocation of total graduate medical education costs to Medicaid based on the share of all Medicaid inpatient days, as reported on form CMS-2552-10, worksheets S-2 and S-3, divided by the hospital's total inpatient days, as reported on worksheet S-3.

(c) The commissioner may obtain the information in paragraph (b) from an eligible hospital upon request by the commissioner or from the eligible hospital's most recently filed form CMS-2552-10.

(d) The commissioner must use the following information to calculate the total allowable indirect cost of graduate medical education incurred by each eligible hospital:

(1) for eligible hospitals that are not children's hospitals, the indirect graduate medical education amount attributable to Medicaid, calculated based on form CMS-2552-10, worksheet E, part A, including:

(i) the Medicare indirect medical education formula, using Medicaid variables;

(ii) Medicaid payments for inpatient services under fee-for-service and managed care, as determined by the commissioner in consultation with each eligible hospital;

(iii) total inpatient beds available, as reported on form CMS-2552-10, worksheet E, part A, line 4; and

(iv) full-time employees, as determined by adding form CMS-2552-10, worksheet E, part A, lines 10 and 11; and

(2) for eligible hospitals that are children's hospitals:

(i) the Medicare indirect medical education formula, using Medicaid variables;

(ii) Medicaid payments for inpatient services under fee-for-service and managed care, as determined by the commissioner in consultation with each eligible hospital;

(iii) total inpatient beds available, as reported on form CMS-2552-10, worksheet S-3, part 1; and

(iv) full-time equivalent interns and residents, as determined by adding form CMS-2552-10, worksheet E-4, lines 6, 10.01, and 15.01.

(e) The commissioner shall determine each eligible hospital's maximum allowable Medicaid direct graduate medical education supplemental payment amount by calculating the sum of:

(1) the total allowable direct graduate medical education costs determined under paragraph (b), clause (1), multiplied by the Medicaid share of total allowable direct graduate medical education cost percentage in paragraph (b), clause (2); and

(2) the total allowable direct graduate medical education costs determined under paragraph (b), clause (1), multiplied by the most recently updated Medicaid utilization percentage from form CMS-2552-10, as submitted to Medicare by each eligible hospital.

(f) The commissioner shall determine each eligible hospital's indirect graduate medical education supplemental payment amount by multiplying the total allowable indirect cost of graduate medical education amount calculated in paragraph (d) by:

(1) 0.95 for prospective payment system, for hospitals that are not children's hospitals and have fewer than 50 full-time equivalent trainees;

(2) 1.0 for prospective payment system, for hospitals that are not children's hospitals and have equal to or greater than 50 full-time equivalent trainees; and

(3) 1.05 for children's hospitals.

(g) An eligible hospital's annual supplemental payment under this subdivision equals the sum of the amount calculated for the eligible hospital under paragraph (e) and the amount calculated for the eligible hospital under paragraph (f).

(h) The annual supplemental payments under this subdivision are contingent upon federal approval and must conform with the requirements for permissible supplemental payments for direct and indirect graduate medical education under all applicable federal laws.

(i) An eligible hospital is only eligible for reimbursement under section 62J.692 for nonphysician graduate medical education training costs that are not accounted for in the calculation of an annual supplemental payment under this section. An eligible hospital must not accept reimbursement under section 62J.692 for physician graduate medical education training costs that are accounted for in the calculation of an annual supplemental payment under this section.

(j) For purposes of this subdivision, "children's hospital" means a Minnesota hospital designated as a children's hospital under Medicare.

(k) For purposes of this subdivision, "eligible hospital" means a hospital located in Minnesota:

(1) participating in Minnesota's medical assistance program;

(2) that has received fee-for-service medical assistance payments in the payment year; and

(3) that is either:

(i) eligible to receive graduate medical education payments from the Medicare program under Code of Federal Regulations, title 42, section 413.75; or

(ii) a children's hospital.

EFFECTIVE DATE. This section is effective the later of January 1, 2025, or federal approval of this section and sections 3 and 4. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 6. Minnesota Statutes 2022, section 256.969, is amended by adding a subdivision to read:

Subd. 2h. **Alternate inpatient payment rate for a discharge.** (a) Effective retroactively from January 1, 2024, in any rate year in which a children's hospital discharge is included in the federally required disproportionate share hospital payment audit where the patient discharged had resided in a children's hospital for over 20 years, the commissioner shall compute an alternate inpatient rate for the children's hospital. The alternate payment rate must be the rate computed under this section excluding the disproportionate share hospital payment under subdivision 9, paragraph (d), clause (1), increased by an amount equal to 99 percent of what the disproportionate share hospital payment would have been under subdivision 9, paragraph (d), clause (1), had the discharge been excluded.

(b) In any rate year in which payment to a children's hospital is made using this alternate payment rate, payments must not be made to the hospital under subdivisions 2e, 2f, and 9.

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. 7. Minnesota Statutes 2023 Supplement, section 256B.0625, subdivision 13e, as amended by Laws 2024, chapter 85, section 66, is amended to read:

Subd. 13e. **Payment rates.** (a) The basis for determining the amount of payment shall be the lower of the ingredient costs of the drugs plus the professional dispensing fee; or the usual and customary price charged to the public. The usual and customary price means the lowest price charged by the provider to a patient who pays for the prescription by cash, check, or charge account and includes prices the pharmacy charges to a patient enrolled in a prescription savings club or prescription discount club administered by the pharmacy or pharmacy chain. The amount of payment basis must be reduced to reflect all discount amounts applied to the charge by any third-party provider/insurer agreement or contract for submitted charges to medical assistance programs. The net submitted charge may not be greater than the patient liability for the service. The professional dispensing fee shall be ~~$10.77~~ $11.55 for prescriptions filled with legend drugs meeting the definition of "covered outpatient drugs" according to United States Code, title 42, section 1396r-8(k)(2). The dispensing fee for intravenous solutions that must be compounded by the pharmacist shall be ~~$10.77~~ $11.55 per claim. The professional dispensing fee for prescriptions filled with over-the-counter drugs meeting the definition of covered outpatient drugs shall be ~~$10.77~~ $11.55 for dispensed quantities equal to or greater than the number of units contained in the manufacturer's original package. The professional dispensing fee shall be prorated based on the percentage of the package dispensed when the pharmacy dispenses a quantity less than the number of units contained in the manufacturer's original package. The pharmacy dispensing fee for prescribed over-the-counter drugs not meeting the definition of covered outpatient drugs shall be $3.65 for quantities equal to or greater than the number of units contained in the manufacturer's original package and shall be prorated based on the percentage of the package dispensed when the pharmacy dispenses a quantity less than the number of units contained in the manufacturer's original package. The National Average Drug Acquisition Cost (NADAC) shall be used to determine the ingredient cost of a drug. For drugs for which a NADAC is not reported, the commissioner shall estimate the ingredient cost at the wholesale acquisition cost minus two percent. The ingredient cost of a drug for a provider participating in the federal 340B Drug Pricing Program shall be either the 340B Drug Pricing Program ceiling price established by the Health Resources and Services Administration or NADAC, whichever is lower. Wholesale acquisition cost is defined as the manufacturer's list price for a drug or biological to wholesalers or direct purchasers in the United States, not including prompt pay or other discounts, rebates, or reductions in price, for the most recent month for which information is available, as reported in wholesale price guides or other publications of drug or biological pricing data. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to the actual acquisition cost of the drug product and no higher than the NADAC of the generic product. Establishment of the amount of payment for drugs shall not be subject to the requirements of the Administrative Procedure Act.

(b) Pharmacies dispensing prescriptions to residents of long-term care facilities using an automated drug distribution system meeting the requirements of section 151.58, or a packaging system meeting the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse, may employ retrospective billing for prescription drugs dispensed to long-term care facility residents. A retrospectively billing pharmacy must submit a claim only for the quantity of medication used by the enrolled recipient during the defined billing period. A retrospectively billing pharmacy must use a billing period not less than one calendar month or 30 days.

(c) A pharmacy provider using packaging that meets the standards set forth in Minnesota Rules, part 6800.2700, is required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse, unless the pharmacy is using retrospective billing. The commissioner may permit the drug clozapine to be dispensed in a quantity that is less than a 30-day supply.

(d) If a pharmacy dispenses a multisource drug, the ingredient cost shall be the NADAC of the generic product or the maximum allowable cost established by the commissioner unless prior authorization for the brand name product has been granted according to the criteria established by the Drug Formulary Committee as required by subdivision 13f, paragraph (a), and the prescriber has indicated "dispense as written" on the prescription in a manner consistent with section 151.21, subdivision 2.

(e) The basis for determining the amount of payment for drugs administered in an outpatient setting shall be the lower of the usual and customary cost submitted by the provider, 106 percent of the average sales price as determined by the United States Department of Health and Human Services pursuant to title XVIII, section 1847a of the federal Social Security Act, the specialty pharmacy rate, or the maximum allowable cost set by the commissioner. If average sales price is unavailable, the amount of payment must be lower of the usual and customary cost submitted by the provider, the wholesale acquisition cost, the specialty pharmacy rate, or the maximum allowable cost set by the commissioner. The commissioner shall discount the payment rate for drugs obtained through the federal 340B Drug Pricing Program by 28.6 percent. The payment for drugs administered in an outpatient setting shall be made to the administering facility or practitioner. A retail or specialty pharmacy dispensing a drug for administration in an outpatient setting is not eligible for direct reimbursement.

(f) The commissioner may establish maximum allowable cost rates for specialty pharmacy products that are lower than the ingredient cost formulas specified in paragraph (a). The commissioner may require individuals enrolled in the health care programs administered by the department to obtain specialty pharmacy products from providers with whom the commissioner has negotiated lower reimbursement rates. Specialty pharmacy products are defined as those used by a small number of recipients or recipients with complex and chronic diseases that require expensive and challenging drug regimens. Examples of these conditions include, but are not limited to: multiple sclerosis, HIV/AIDS, transplantation, hepatitis C, growth hormone deficiency, Crohn's Disease, rheumatoid arthritis, and certain forms of cancer. Specialty pharmaceutical products include injectable and infusion therapies, biotechnology drugs, antihemophilic factor products, high-cost therapies, and therapies that require complex care. The commissioner shall consult with the Formulary Committee to develop a list of specialty pharmacy products subject to maximum allowable cost reimbursement. In consulting with the Formulary Committee in developing this list, the commissioner shall take into consideration the population served by specialty pharmacy products, the current delivery system and standard of care in the state, and access to care issues. The commissioner shall have the discretion to adjust the maximum allowable cost to prevent access to care issues.

(g) Home infusion therapy services provided by home infusion therapy pharmacies must be paid at rates according to subdivision 8d.

(h) The commissioner shall contract with a vendor to conduct a cost of dispensing survey for all pharmacies that are physically located in the state of Minnesota that dispense outpatient drugs under medical assistance. The commissioner shall ensure that the vendor has prior experience in conducting cost of dispensing surveys. Each pharmacy enrolled with the department to dispense outpatient prescription drugs to fee-for-service members must respond to the cost of dispensing survey. The commissioner may sanction a pharmacy under section 256B.064 for failure to respond. The commissioner shall require the vendor to measure a single statewide cost of dispensing for specialty prescription drugs and a single statewide cost of dispensing for nonspecialty prescription drugs for all responding pharmacies to measure the mean, mean weighted by total prescription volume, mean weighted by medical assistance prescription volume, median, median weighted by total prescription volume, and median weighted by total medical assistance prescription volume. The commissioner shall post a copy of the final cost of dispensing survey report on the department's website. The initial survey must be completed no later than January 1, 2021, and repeated every three years. The commissioner shall provide a summary of the results of each cost of dispensing survey and provide recommendations for any changes to the dispensing fee to the chairs and ranking minority members of the legislative committees with jurisdiction over medical assistance pharmacy reimbursement. Notwithstanding section 256.01, subdivision 42, this paragraph does not expire.

(i) The commissioner shall increase the ingredient cost reimbursement calculated in paragraphs (a) and (f) by 1.8 percent for prescription and nonprescription drugs subject to the wholesale drug distributor tax under section 295.52.

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

Sec. 8. Minnesota Statutes 2022, section 256B.69, is amended by adding a subdivision to read:

Subd. 38. **Reimbursement of network providers.** (a) A managed care plan that is a staff model health plan company, when reimbursing network providers for services provided to medical assistance and MinnesotaCare enrollees, must not reimburse network providers who are employees at a higher rate than network providers who provide services under contract for each separate service or grouping of services. This requirement does not apply to reimbursement:

(1) of network providers when participating in value-based purchasing models that are intended to recognize value or outcomes over volume of services, including:

(i) total cost of care and risk/gain sharing arrangements under section 256B.0755; and

(ii) other pay-for-performance arrangements or service payments, as long as the terms and conditions of the value-based purchasing model are applied uniformly to all participating network providers; and

(2) for services furnished by providers who are out-of-network.

(b) Any contract or agreement between a managed care plan and a network administrator, for purposes of delivering services to medical assistance and MinnesotaCare enrollees, must require the network administrator to comply with the requirements that apply to a managed care plan that is a staff model health plan company under paragraph (a) when reimbursing providers who are employees of the network administrator and providers who provide services under contract with the network administrator. This provision applies whether or not the managed care plan, network administrator, and providers are under the same corporate ownership.

(c) For purposes of this subdivision, "network provider" has the meaning specified in subdivision 37. For purposes of this subdivision, "network administrator" means any entity that furnishes a provider network for a managed care plan company, or furnishes individual health care providers or provider groups to a managed care plan for inclusion in the managed care plan's provider network.

Sec. 9. **COUNTY-ADMINISTERED MEDICAL ASSISTANCE MODEL.**

Subdivision 1. **Model development.** (a) The commissioner of human services, in collaboration with the Association of Minnesota Counties and county-based purchasing plans, shall develop a county-administered medical assistance (CAMA) model and a detailed plan for implementing the CAMA model.

(b) The CAMA model must be designed to achieve the following objectives:

(1) provide a distinct county owned and administered alternative to the prepaid medical assistance program;

(2) facilitate greater integration of health care and social services to address social determinants of health in rural and nonrural communities, with the degree of integration of social services varying with each county's needs and resources;

(3) account for differences between counties in the number of medical assistance enrollees and locally available providers of behavioral health, oral health, specialty and tertiary care, nonemergency medical transportation, and other health care services in rural communities; and

(4) promote greater accountability for health outcomes, health equity, customer service, community outreach, and cost of care.

Subd. 2. **County participation.** (a) The CAMA model must give each rural and nonrural county the option of applying to participate in the CAMA model as an alternative to participation in the prepaid medical assistance program. The CAMA model must include a process for the commissioner to determine whether and how a county can participate.

(b) The CAMA model may allow a county-administered managed care organization to deliver care on a single-plan basis to all medical assistance enrollees residing in a county if:

(1) the managed care organization contracts with all health care providers that agree to accept the contract terms for network participation; and

(2) the commissioner determines that the health care provider network of the managed care organization is adequate to ensure enrollee access to care and enrollee choice of providers.

Subd. 3. **Report to the legislature.** (a) The commissioner shall report recommendations and an implementation plan for the CAMA model to the chairs and ranking minority members of the legislative committees with jurisdiction over health care policy and finance by January 15, 2025. The CAMA model and implementation plan must address the issues and consider the recommendations identified in the document titled "Recommendations Not Contingent on Outcome(s) of Current Litigation," attached to the September 13, 2022, e-filing to the Second Judicial District Court (Correspondence for Judicial Approval Index #102), that relates to the final contract decisions of the commissioner of human services regarding *South Country Health Alliance v. Minnesota Department of Human Services*, No. 62-CV-22-907 (Ramsey Cnty. Dist. Ct. 2022).

(b) The report must also identify the clarifications, approvals, and waivers that are needed from the Centers for Medicare and Medicaid Services and include any draft legislation necessary to implement the CAMA model.

Sec. 10. **REVISOR INSTRUCTION.**

When the proposed rule published at Federal Register, volume 88, page 25313, becomes effective, the revisor of statutes must change: (1) the reference in Minnesota Statutes, section 256B.06, subdivision 4, paragraph (d), from Code of Federal Regulations, title 8, section 103.12, to Code of Federal Regulations, title 42, section 435.4; and (2) the reference in Minnesota Statutes, section 256L.04, subdivision 10, paragraph (a), from Code of Federal Regulations, title 8, section 103.12, to Code of Federal Regulations, title 45, section 155.20. The commissioner of human services shall notify the revisor of statutes when the proposed rule published at Federal Register, volume 88, page 25313, becomes effective.

ARTICLE 2
DEPARTMENT OF HUMAN SERVICES HEALTH CARE POLICY

Section 1. Minnesota Statutes 2023 Supplement, section 256.0471, subdivision 1, as amended by Laws 2024, chapter 80, article 1, section 76, is amended to read:

Subdivision 1. **Qualifying overpayment.** Any overpayment for state-funded medical assistance under chapter 256B and state-funded MinnesotaCare under chapter 256L granted pursuant to section 256.045, subdivision 10; ~~chapter 256B for state-funded medical assistance;~~ and chapters 256D, 256I, 256K, and 256L for state-funded MinnesotaCare except agency error claims, become a judgment by operation of law 90 days after the notice of overpayment is personally served upon the recipient in a manner that is sufficient under rule 4.03(a) of the Rules of Civil Procedure for district courts, or by certified mail, return receipt requested. This judgment shall be entitled to full faith and credit in this and any other state.

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

Sec. 2. Minnesota Statutes 2022, section 256.9657, subdivision 8, is amended to read:

Subd. 8. **Commissioner's duties.** ~~(a) Beginning October 1, 2023, the commissioner of human services shall annually report to the chairs and ranking minority members of the legislative committees with jurisdiction over health care policy and finance regarding the provider surcharge program. The report shall include information on total billings, total collections, and administrative expenditures for the previous fiscal year. This paragraph expires January 1, 2032.~~

~~(b)~~ (a) The surcharge shall be adjusted by inflationary and caseload changes in future bienniums to maintain reimbursement of health care providers in accordance with the requirements of the state and federal laws governing the medical assistance program, including the requirements of the Medicaid moratorium amendments of 1991 found in Public Law No. 102-234.

~~(c)~~ (b) The commissioner shall request the Minnesota congressional delegation to support a change in federal law that would prohibit federal disallowances for any state that makes a good faith effort to comply with Public Law 102-234 by enacting conforming legislation prior to the issuance of federal implementing regulations.

Sec. 3. Minnesota Statutes 2022, section 256B.056, subdivision 1a, is amended to read:

Subd. 1a. **Income and assets generally.** (a)(1) Unless specifically required by state law or rule or federal law or regulation, the methodologies used in counting income and assets to determine eligibility for medical assistance for persons whose eligibility category is based on blindness, disability, or age of 65 or more years, the methodologies for the Supplemental Security Income program shall be used, except as provided ~~under~~ in clause (2) and subdivision 3, paragraph (a), clause (6).

(2) State tax credits, rebates, and refunds must not be counted as income. State tax credits, rebates, and refunds must not be counted as assets for a period of 12 months after the month of receipt.

~~(2)~~ (3) 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. Effective upon federal approval, for children eligible under section 256B.055, subdivision 12, or for home and community-based waiver services whose eligibility for medical assistance is determined without regard to parental income, child support payments, including any payments made by an obligor in satisfaction of or in addition to a temporary or permanent order for child support, and Social Security payments are not counted as income.

(b)(1) The modified adjusted gross income methodology as defined in United States Code, title 42, section 1396a(e)(14), shall be used for eligibility categories based on:

(i) children under age 19 and their parents and relative caretakers as defined in section 256B.055, subdivision 3a;

(ii) children ages 19 to 20 as defined in section 256B.055, subdivision 16;

(iii) pregnant women as defined in section 256B.055, subdivision 6;

(iv) infants as defined in sections 256B.055, subdivision 10, and 256B.057, subdivision 1; and

(v) adults without children as defined in section 256B.055, subdivision 15.

For these purposes, a "methodology" does not include an asset or income standard, or accounting method, or method of determining effective dates.

(2) For individuals whose income eligibility is determined using the modified adjusted gross income methodology in clause (1):

(i) the commissioner shall subtract from the individual's modified adjusted gross income an amount equivalent to five percent of the federal poverty guidelines; and

(ii) the individual's current monthly income and household size is used to determine eligibility for the 12-month eligibility period. If an individual's income is expected to vary month to month, eligibility is determined based on the income predicted for the 12-month eligibility period.

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

Sec. 4. Minnesota Statutes 2022, section 256B.056, subdivision 10, is amended to read:

Subd. 10. **Eligibility verification.** (a) The commissioner shall require women who are applying for the continuation of medical assistance coverage following the end of the 12-month postpartum period to update their income and asset information and to submit any required income or asset verification.

(b) The commissioner shall determine the eligibility of private-sector health care coverage for infants less than one year of age eligible under section 256B.055, subdivision 10, or 256B.057, subdivision 1, paragraph (c), and shall pay for private-sector coverage if this is determined to be cost-effective.

(c) The commissioner shall verify assets and income for all applicants, and for all recipients upon renewal.

(d) The commissioner shall utilize information obtained through the electronic service established by the secretary of the United States Department of Health and Human Services and other available electronic data sources in Code of Federal Regulations, title 42, sections 435.940 to 435.956, to verify eligibility requirements. The commissioner shall establish standards to define when information obtained electronically is reasonably compatible with information provided by applicants and enrollees, including use of self-attestation, to accomplish real-time eligibility determinations and maintain program integrity.

(e) Each person applying for or receiving medical assistance under section 256B.055, subdivision 7, and any other person whose resources are required by law to be disclosed to determine the applicant's or recipient's eligibility must authorize the commissioner to obtain information from financial institutions to ~~identify unreported accounts~~ verify assets as required in section 256.01, subdivision 18f. If a person refuses or revokes the authorization, the commissioner may determine that the applicant or recipient is ineligible for medical assistance. For purposes of this paragraph, an authorization to ~~identify unreported accounts~~ verify assets meets the requirements of the Right to Financial Privacy Act, United States Code, title 12, chapter 35, and need not be furnished to the financial institution.

(f) County and tribal agencies shall comply with the standards established by the commissioner for appropriate use of the asset verification system specified in section 256.01, subdivision 18f.

Sec. 5. Minnesota Statutes 2023 Supplement, section 256B.0701, subdivision 6, is amended to read:

Subd. 6. **Recuperative care facility rate.** (a) The recuperative care facility rate is for facility costs and must be paid from state money in an amount equal to the ~~medical assistance room and board~~ MSA equivalent rate as defined in section 256I.03, subdivision 11a, at the time the recuperative care services were provided. The eligibility standards in chapter 256I do not apply to the recuperative care facility rate. The recuperative care facility rate is only paid when the recuperative care services rate is paid to a provider. Providers may opt to only receive the recuperative care services rate.

(b) Before a recipient is discharged from a recuperative care setting, the provider must ensure that the recipient's medical condition is stabilized or that the recipient is being discharged to a setting that is able to meet that recipient's needs.

Sec. 6. Minnesota Statutes 2022, section 256B.0757, subdivision 4a, is amended to read:

Subd. 4a. **Behavioral health home services provider requirements.** A behavioral health home services provider must:

(1) be an enrolled Minnesota Health Care Programs provider;

(2) provide a medical assistance covered primary care or behavioral health service;

(3) utilize an electronic health record;

(4) utilize an electronic patient registry that contains data elements required by the commissioner;

(5) demonstrate the organization's capacity to administer screenings approved by the commissioner for substance use disorder or alcohol and tobacco use;

(6) demonstrate the organization's capacity to refer an individual to resources appropriate to the individual's screening results;

(7) have policies and procedures to track referrals to ensure that the referral met the individual's needs;

(8) conduct a brief needs assessment when an individual begins receiving behavioral health home services. The brief needs assessment must be completed with input from the individual and the individual's identified supports. The brief needs assessment must address the individual's immediate safety and transportation needs and potential barriers to participating in behavioral health home services;

(9) conduct a health wellness assessment within 60 days after intake that contains all required elements identified by the commissioner;

(10) conduct a health action plan that contains all required elements identified by the commissioner. The plan must be completed within 90 days after intake and must be updated at least once every six months, or more frequently if significant changes to an individual's needs or goals occur;

(11) agree to cooperate with and participate in the state's monitoring and evaluation of behavioral health home services; and

(12) obtain the individual's ~~written~~ consent to begin receiving behavioral health home services using a form approved by the commissioner.

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

Sec. 7. Minnesota Statutes 2022, section 256B.0757, subdivision 4d, is amended to read:

Subd. 4d. **Behavioral health home services delivery standards.** (a) A behavioral health home services provider must meet the following service delivery standards:

(1) establish and maintain processes to support the coordination of an individual's primary care, behavioral health, and dental care;

(2) maintain a team-based model of care, including regular coordination and communication between behavioral health home services team members;

(3) use evidence-based practices that recognize and are tailored to the medical, social, economic, behavioral health, functional impairment, cultural, and environmental factors affecting the individual's health and health care choices;

(4) use person-centered planning practices to ensure the individual's health action plan accurately reflects the individual's preferences, goals, resources, and optimal outcomes for the individual and the individual's identified supports;

(5) use the patient registry to identify individuals and population subgroups requiring specific levels or types of care and provide or refer the individual to needed treatment, intervention, or services;

(6) ~~utilize the Department of Human Services Partner Portal to~~ identify past and current treatment or services and identify potential gaps in care using a tool approved by the commissioner;

(7) deliver services consistent with the standards for frequency and face-to-face contact required by the commissioner;

(8) ensure that a diagnostic assessment is completed for each individual receiving behavioral health home services within six months of the start of behavioral health home services;

(9) deliver services in locations and settings that meet the needs of the individual;

(10) provide a central point of contact to ensure that individuals and the individual's identified supports can successfully navigate the array of services that impact the individual's health and well-being;

(11) have capacity to assess an individual's readiness for change and the individual's capacity to integrate new health care or community supports into the individual's life;

(12) offer or facilitate the provision of wellness and prevention education on evidenced-based curriculums specific to the prevention and management of common chronic conditions;

(13) help an individual set up and prepare for medical, behavioral health, social service, or community support appointments, including accompanying the individual to appointments as appropriate, and providing follow-up with the individual after these appointments;

(14) offer or facilitate the provision of health coaching related to chronic disease management and how to navigate complex systems of care to the individual, the individual's family, and identified supports;

(15) connect an individual, the individual's family, and identified supports to appropriate support services that help the individual overcome access or service barriers, increase self-sufficiency skills, and improve overall health;

(16) provide effective referrals and timely access to services; and

(17) establish a continuous quality improvement process for providing behavioral health home services.

(b) The behavioral health home services provider must also create a plan, in partnership with the individual and the individual's identified supports, to support the individual after discharge from a hospital, residential treatment program, or other setting. The plan must include protocols for:

(1) maintaining contact between the behavioral health home services team member, the individual, and the individual's identified supports during and after discharge;

(2) linking the individual to new resources as needed;

(3) reestablishing the individual's existing services and community and social supports; and

(4) following up with appropriate entities to transfer or obtain the individual's service records as necessary for continued care.

(c) If the individual is enrolled in a managed care plan, a behavioral health home services provider must:

(1) notify the behavioral health home services contact designated by the managed care plan within 30 days of when the individual begins behavioral health home services; and

(2) adhere to the managed care plan communication and coordination requirements described in the behavioral health home services manual.

(d) Before terminating behavioral health home services, the behavioral health home services provider must:

(1) provide a 60-day notice of termination of behavioral health home services to all individuals receiving behavioral health home services, the commissioner, and managed care plans, if applicable; and

(2) refer individuals receiving behavioral health home services to a new behavioral health home services provider.

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

Sec. 8. Minnesota Statutes 2023 Supplement, section 256B.764, is amended to read:

256B.764 REIMBURSEMENT FOR FAMILY PLANNING SERVICES.

(a) Effective for services rendered on or after July 1, 2007, payment rates for family planning services shall be increased by 25 percent over the rates in effect June 30, 2007, when these services are provided by a community clinic as defined in section 145.9268, subdivision 1.

(b) Effective for services rendered on or after July 1, 2013, payment rates for family planning services shall be increased by 20 percent over the rates in effect June 30, 2013, when these services are provided by a community clinic as defined in section 145.9268, subdivision 1. The commissioner shall adjust capitation rates to managed care and county-based purchasing plans to reflect this increase, and shall require plans to pass on the full amount of the rate increase to eligible community clinics, in the form of higher payment rates for family planning services.

(c) Effective for services provided on or after January 1, 2024, payment rates for family planning, when such services are provided by an eligible community clinic as defined in section 145.9268, subdivision 1, and abortion services shall be increased by 20 percent. This increase does not apply to federally qualified health centers, rural health centers, or Indian health services.

Sec. 9. Minnesota Statutes 2023 Supplement, section 256L.03, subdivision 1, is amended to read:

Subdivision 1. **Covered health services.** (a) "Covered health services" means the health services reimbursed under chapter 256B, with the exception of special education services, home care nursing services, ~~adult dental care services other than services covered under section 256B.0625, subdivision 9, orthodontic services,~~ nonemergency

medical transportation services, personal care assistance and case management services, community first services and supports under section 256B.85, behavioral health home services under section 256B.0757, housing stabilization services under section 256B.051, and nursing home or intermediate care facilities services.

(b) Covered health services shall be expanded as provided in this section.

(c) For the purposes of covered health services under this section, "child" means an individual younger than 19 years of age.

Sec. 10. Minnesota Statutes 2022, section 524.3-801, as amended by Laws 2024, chapter 79, article 9, section 20, is amended to read:

524.3-801 NOTICE TO CREDITORS. (a) Unless notice has already been given under this section, upon appointment of a general personal representative in informal proceedings or upon the filing of a petition for formal appointment of a general personal representative, notice thereof, in the form prescribed by court rule, shall be given under the direction of the court administrator by publication once a week for two successive weeks in a legal newspaper in the county wherein the proceedings are pending giving the name and address of the general personal representative and notifying creditors of the estate to present their claims within four months after the date of the court administrator's notice which is subsequently published or be forever barred, unless they are entitled to further service of notice under paragraph (b) or (c).

(b) The personal representative shall, within three months after the date of the first publication of the notice, serve a copy of the notice upon each then known and identified creditor in the manner provided in paragraph (c). If the decedent or a predeceased spouse of the decedent received assistance for which a claim could be filed under section 246.53, 256B.15, 256D.16, or 261.04, notice to the commissioner of human services or direct care and treatment executive board, as applicable, must be given under paragraph (d) instead of under this paragraph or paragraph (c). A creditor is "known" if: (i) the personal representative knows that the creditor has asserted a claim that arose during the decedent's life against either the decedent or the decedent's estate; (ii) the creditor has asserted a claim that arose during the decedent's life and the fact is clearly disclosed in accessible financial records known and available to the personal representative; or (iii) the claim of the creditor would be revealed by a reasonably diligent search for creditors of the decedent in accessible financial records known and available to the personal representative. Under this section, a creditor is "identified" if the personal representative's knowledge of the name and address of the creditor will permit service of notice to be made under paragraph (c).

(c) Unless the claim has already been presented to the personal representative or paid, the personal representative shall serve a copy of the notice required by paragraph (b) upon each creditor of the decedent who is then known to the personal representative and identified either by delivery of a copy of the required notice to the creditor, or by mailing a copy of the notice to the creditor by certified, registered, or ordinary first class mail addressed to the creditor at the creditor's office or place of residence.

(d)(1) Effective for decedents dying on or after July 1, 1997, if the decedent or a predeceased spouse of the decedent received assistance for which a claim could be filed under section 246.53, 256B.15, 256D.16, or 261.04, the personal representative or the attorney for the personal representative shall serve the commissioner or executive board, as applicable, with notice in the manner prescribed in paragraph (c), or electronically in a manner prescribed by the commissioner, as soon as practicable after the appointment of the personal representative. The notice must state the decedent's full name, date of birth, and Social Security number and, to the extent then known after making a reasonably diligent inquiry, the full name, date of birth, and Social Security number for each of the decedent's predeceased spouses. The notice may also contain a statement that, after making a reasonably diligent inquiry, the personal representative has determined that the decedent did not have any predeceased spouses or that the personal representative has been unable to determine one or more of the previous items of information for a predeceased spouse of the decedent. A copy of the notice to creditors must be attached to and be a part of the notice to the commissioner or executive board.

(2) Notwithstanding a will or other instrument or law to the contrary, except as allowed in this paragraph, no property subject to administration by the estate may be distributed by the estate or the personal representative until 70 days after the date the notice is served on the commissioner or executive board as provided in paragraph (c), unless the local agency consents as provided for in clause (6). This restriction on distribution does not apply to the personal representative's sale of real or personal property, but does apply to the net proceeds the estate receives from these sales. The personal representative, or any person with personal knowledge of the facts, may provide an affidavit containing the description of any real or personal property affected by this paragraph and stating facts showing compliance with this paragraph. If the affidavit describes real property, it may be filed or recorded in the office of the county recorder or registrar of titles for the county where the real property is located. This paragraph does not apply to proceedings under sections 524.3-1203 and 525.31, or when a duly authorized agent of a county is acting as the personal representative of the estate.

(3) At any time before an order or decree is entered under section 524.3-1001 or 524.3-1002, or a closing statement is filed under section 524.3-1003, the personal representative or the attorney for the personal representative may serve an amended notice on the commissioner or executive board to add variations or other names of the decedent or a predeceased spouse named in the notice, the name of a predeceased spouse omitted from the notice, to add or correct the date of birth or Social Security number of a decedent or predeceased spouse named in the notice, or to correct any other deficiency in a prior notice. The amended notice must state the decedent's name, date of birth, and Social Security number, the case name, case number, and district court in which the estate is pending, and the date the notice being amended was served on the commissioner or executive board. If the amendment adds the name of a predeceased spouse omitted from the notice, it must also state that spouse's full name, date of birth, and Social Security number. The amended notice must be served on the commissioner or executive board in the same manner as the original notice. Upon service, the amended notice relates back to and is effective from the date the notice it amends was served, and the time for filing claims arising under section 246.53, 256B.15, 256D.16 or 261.04 is extended by 60 days from the date of service of the amended notice. Claims filed during the 60-day period are undischarged and unbarred claims, may be prosecuted by the entities entitled to file those claims in accordance with section 524.3-1004, and the limitations in section 524.3-1006 do not apply. The personal representative or any person with personal knowledge of the facts may provide and file or record an affidavit in the same manner as provided for in clause (1).

(4) Within one year after the date an order or decree is entered under section 524.3-1001 or 524.3-1002 or a closing statement is filed under section 524.3-1003, any person who has an interest in property that was subject to administration by the estate may serve an amended notice on the commissioner or executive board to add variations or other names of the decedent or a predeceased spouse named in the notice, the name of a predeceased spouse omitted from the notice, to add or correct the date of birth or Social Security number of a decedent or predeceased spouse named in the notice, or to correct any other deficiency in a prior notice. The amended notice must be served on the commissioner or executive board in the same manner as the original notice and must contain the information required for amendments under clause (3). If the amendment adds the name of a predeceased spouse omitted from the notice, it must also state that spouse's full name, date of birth, and Social Security number. Upon service, the amended notice relates back to and is effective from the date the notice it amends was served. If the amended notice adds the name of an omitted predeceased spouse or adds or corrects the Social Security number or date of birth of the decedent or a predeceased spouse already named in the notice, then, notwithstanding any other laws to the contrary, claims against the decedent's estate on account of those persons resulting from the amendment and arising under section 246.53, 256B.15, 256D.16, or 261.04 are undischarged and unbarred claims, may be prosecuted by the entities entitled to file those claims in accordance with section 524.3-1004, and the limitations in section 524.3-1006 do not apply. The person filing the amendment or any other person with personal knowledge of the facts may provide and file or record an affidavit describing affected real or personal property in the same manner as clause (1).

(5) After one year from the date an order or decree is entered under section 524.3-1001 or 524.3-1002, or a closing statement is filed under section 524.3-1003, no error, omission, or defect of any kind in the notice to the commissioner or executive board required under this paragraph or in the process of service of the notice on the

commissioner or executive board, or the failure to serve the commissioner or executive board with notice as required by this paragraph, makes any distribution of property by a personal representative void or voidable. The distributee's title to the distributed property shall be free of any claims based upon a failure to comply with this paragraph.

(6) The local agency may consent to a personal representative's request to distribute property subject to administration by the estate to distributees during the 70-day period after service of notice on the commissioner or executive board. The local agency may grant or deny the request in whole or in part and may attach conditions to its consent as it deems appropriate. When the local agency consents to a distribution, it shall give the estate a written certificate evidencing its consent to the early distribution of assets at no cost. The certificate must include the name, case number, and district court in which the estate is pending, the name of the local agency, describe the specific real or personal property to which the consent applies, state that the local agency consents to the distribution of the specific property described in the consent during the 70-day period following service of the notice on the commissioner or executive board, state that the consent is unconditional or list all of the terms and conditions of the consent, be dated, and may include other contents as may be appropriate. The certificate must be signed by the director of the local agency or the director's designees and is effective as of the date it is dated unless it provides otherwise. The signature of the director or the director's designee does not require any acknowledgment. The certificate shall be prima facie evidence of the facts it states, may be attached to or combined with a deed or any other instrument of conveyance and, when so attached or combined, shall constitute a single instrument. If the certificate describes real property, it shall be accepted for recording or filing by the county recorder or registrar of titles in the county in which the property is located. If the certificate describes real property and is not attached to or combined with a deed or other instrument of conveyance, it shall be accepted for recording or filing by the county recorder or registrar of titles in the county in which the property is located. The certificate constitutes a waiver of the 70-day period provided for in clause (2) with respect to the property it describes and is prima facie evidence of service of notice on the commissioner or executive board. The certificate is not a waiver or relinquishment of any claims arising under section 246.53, 256B.15, 256D.16, or 261.04, and does not otherwise constitute a waiver of any of the personal representative's duties under this paragraph. Distributees who receive property pursuant to a consent to an early distribution shall remain liable to creditors of the estate as provided for by law.

(7) All affidavits provided for under this paragraph:

(i) shall be provided by persons who have personal knowledge of the facts stated in the affidavit;

(ii) may be filed or recorded in the office of the county recorder or registrar of titles in the county in which the real property they describe is located for the purpose of establishing compliance with the requirements of this paragraph; and

(iii) are prima facie evidence of the facts stated in the affidavit.

(8) This paragraph applies to the estates of decedents dying on or after July 1, 1997. Clause (5) also applies with respect to all notices served on the commissioner of human services before July 1, 1997, under Laws 1996, chapter 451, article 2, section 55. All notices served on the commissioner before July 1, 1997, pursuant to Laws 1996, chapter 451, article 2, section 55, shall be deemed to be legally sufficient for the purposes for which they were intended, notwithstanding any errors, omissions or other defects.

ARTICLE 3
HEALTH CARE

Section 1. **[62J.805] DEFINITIONS.**

Subdivision 1. **Application.** For purposes of sections 62J.805 to 62J.808, the following terms have the meanings given.

Subd. 2. **Group practice.** "Group practice" has the meaning given to health care provider group practice in section 145D.01, subdivision 1.

Subd. 3. **Health care provider.** "Health care provider" means:

(1) a health professional who is licensed or registered by the state to provide health treatments and services within the professional's scope of practice and in accordance with state law;

(2) a group practice; or

(3) a hospital.

Subd. 4. **Health plan.** "Health plan" has the meaning given in section 62A.011, subdivision 3.

Subd. 5. **Hospital.** "Hospital" means a health care facility licensed as a hospital under sections 144.50 to 144.56.

Subd. 6. **Medically necessary.** "Medically necessary" means:

(1) safe and effective;

(2) not experimental or investigational, except as provided in Code of Federal Regulations, title 42, section 411.15(o);

(3) furnished in accordance with acceptable medical standards of medical practice for the diagnosis or treatment of the patient's condition or to improve the function of a malformed body member;

(4) furnished in a setting appropriate to the patient's medical need and condition;

(5) ordered and furnished by qualified personnel;

(6) meets, but does not exceed, the patient's medical need; and

(7) is at least as beneficial as an existing and available medically appropriate alternative.

Subd. 7. **Miscode.** "Miscode" means a health care provider or a health care provider's designee, using a coding system and for billing purposes, assigns a numeric or alphanumeric code to a health treatment or service provided to a patient and the code assigned does not accurately reflect the health treatment or service provided based on factors that include the patient's diagnosis and the complexity of the patient's condition.

Subd. 8. **Payment.** "Payment" includes co-payments and coinsurance and deductible payments made by a patient.

Sec. 2. **[62J.806] POLICY FOR COLLECTION OF MEDICAL DEBT.**

Subdivision 1. **Requirement.** Each health care provider must make available to the public the health care provider's policy for the collection of medical debt from patients. This policy must be made available by:

(1) clearly posting it on the health care provider's website or, for health professionals, on the website of the health clinic, group practice, or hospital at which the health professional is employed or under contract; and

(2) providing a copy of the policy to any individual who requests it.

Subd. 2. **Content.** A policy made available under this section must at least specify the procedures followed by the health care provider for:

(1) communicating with patients about the medical debt owed and collecting medical debt;

(2) referring medical debt to a collection agency or law firm for collection; and

(3) identifying medical debt as uncollectible or satisfied, and ending collection activities.

Sec. 3. **[62J.807] DENIAL OF HEALTH TREATMENTS OR SERVICES DUE TO OUTSTANDING MEDICAL DEBT.**

(a) A health care provider must not deny medically necessary health treatments or services to a patient or any member of the patient's family or household because of outstanding medical debt owed by the patient or any member of the patient's family or household to the health care provider, regardless of whether the health treatment or service may be available from another health care provider.

(b) As a condition of providing medically necessary health treatments or services in the circumstances described in paragraph (a), a health care provider may require the patient to enroll in a payment plan for the outstanding medical debt owed to the health care provider.

Sec. 4. **[62J.808] BILLING AND PAYMENT FOR MISCODED HEALTH TREATMENTS AND SERVICES.**

Subdivision 1. **Participation and cooperation required.** Each health care provider must participate in, and cooperate with, all processes and investigations to identify, review, and correct the coding of health treatments and services that are miscoded by the health care provider or a designee.

Subd. 2. **Notice; billing and payment during review.** (a) When a health care provider receives notice, other than notice from a health plan company as provided in paragraph (b), or otherwise determines that a health treatment or service may have been miscoded, the health care provider must notify the health plan company administering the patient's health plan in a timely manner of the potentially miscoded health treatment or service.

(b) When a health plan company receives notice, other than notice from a health care provider as provided in paragraph (a), or otherwise determines that a health treatment or service may have been miscoded, the health plan company must notify the health care provider who provided the health treatment or service of the potentially miscoded health treatment or service.

(c) When a review of a potentially miscoded health treatment or service is commenced, the health care provider and health plan company must notify the patient that a miscoding review is being conducted and that the patient will not be billed for any health treatment or service subject to the review and is not required to submit payments for any health treatment or service subject to the review until the review is complete and any miscoded health treatments or services are correctly coded.

(d) While a review of a potentially miscoded health treatment or service is being conducted, the health care provider and health plan company must not bill the patient for, or accept payment from the patient for, any health treatment or service subject to the review.

Subd. 3. **Billing and payment after completion of review.** The health care provider and health plan company may bill the patient for, and accept payment from the patient for, the health treatment or service that was subject to the miscoding review only after the review is complete and any miscoded health treatments or services have been correctly coded.

Sec. 5. Minnesota Statutes 2023 Supplement, section 144.587, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The terms defined in this subdivision apply to this section and sections 144.588 to 144.589.

(b) "Charity care" means the provision of free or discounted care to a patient according to a hospital's financial assistance policies.

(c) "Hospital" means a private, nonprofit, or municipal hospital licensed under sections 144.50 to 144.56.

(d) "Insurance affordability program" has the meaning given in section 256B.02, subdivision 19.

(e) "Navigator" has the meaning given in section 62V.02, subdivision 9.

(f) "Presumptive eligibility" has the meaning given in section 256B.057, subdivision 12.

~~(g) "Revenue recapture" means the use of the procedures in chapter 270A to collect debt.~~

~~(h)~~ (g) "Uninsured service or treatment" means any service or treatment that is not covered by:

(1) a health plan, contract, or policy that provides health coverage to a patient; or

(2) any other type of insurance coverage, including but not limited to no-fault automobile coverage, workers' compensation coverage, or liability coverage.

~~(i)~~ (h) "Unreasonable burden" includes requiring a patient to apply for enrollment in a state or federal program for which the patient is obviously or categorically ineligible or has been found to be ineligible in the previous 12 months.

Sec. 6. Minnesota Statutes 2023 Supplement, section 144.587, subdivision 4, is amended to read:

Subd. 4. **Prohibited actions.** (a) A hospital must not initiate one or more of the following actions until the hospital determines that the patient is ineligible for charity care or denies an application for charity care:

(1) offering to enroll or enrolling the patient in a payment plan;

(2) changing the terms of a patient's payment plan;

(3) offering the patient a loan or line of credit, application materials for a loan or line of credit, or assistance with applying for a loan or line of credit, for the payment of medical debt;

(4) referring a patient's debt for collections, including in-house collections, third-party collections, ~~revenue recapture,~~ or any other process for the collection of debt; or

~~(5) denying health care services to the patient or any member of the patient's household because of outstanding medical debt, regardless of whether the services are deemed necessary or may be available from another provider; or~~

~~(6)~~ (5) accepting a credit card payment of over $500 for the medical debt owed to the hospital.

(b) A hospital is subject to section 62J.807.

Sec. 7. Minnesota Statutes 2023 Supplement, section 151.555, subdivision 1, is amended to read:

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

(b) "Central repository" means a wholesale distributor that meets the requirements under subdivision 3 and enters into a contract with the Board of Pharmacy in accordance with this section.

(c) "Distribute" means to deliver, other than by administering or dispensing.

(d) "Donor" means:

(1) ~~a health care facility as defined in this subdivision~~ an individual at least 18 years of age, provided that the drug or medical supply that is donated was obtained legally and meets the requirements of this section for donation; or

(2) ~~a skilled nursing facility licensed under chapter 144A;~~ any entity legally authorized to possess medicine with a license or permit in good standing in the state in which it is located, without further restrictions, including but not limited to a health care facility, skilled nursing facility, assisted living facility, pharmacy, wholesaler, and drug manufacturer.

~~(3) an assisted living facility licensed under chapter 144G;~~

~~(4) a pharmacy licensed under section 151.19, and located either in the state or outside the state;~~

~~(5) a drug wholesaler licensed under section 151.47;~~

~~(6) a drug manufacturer licensed under section 151.252; or~~

~~(7) an individual at least 18 years of age, provided that the drug or medical supply that is donated was obtained legally and meets the requirements of this section for donation.~~

(e) "Drug" means any prescription drug that has been approved for medical use in the United States, is listed in the United States Pharmacopoeia or National Formulary, and meets the criteria established under this section for donation; or any over-the-counter medication that meets the criteria established under this section for donation. This definition includes cancer drugs and antirejection drugs, but does not include controlled substances, as defined in section 152.01, subdivision 4, or a prescription drug that can only be dispensed to a patient registered with the drug's manufacturer in accordance with federal Food and Drug Administration requirements.

(f) "Health care facility" means:

(1) a physician's office or health care clinic where licensed practitioners provide health care to patients;

(2) a hospital licensed under section 144.50;

(3) a pharmacy licensed under section 151.19 and located in Minnesota; or

(4) a nonprofit community clinic, including a federally qualified health center; a rural health clinic; public health clinic; or other community clinic that provides health care utilizing a sliding fee scale to patients who are low-income, uninsured, or underinsured.

(g) "Local repository" means a health care facility that elects to accept donated drugs and medical supplies and meets the requirements of subdivision 4.

(h) "Medical supplies" or "supplies" means any prescription or nonprescription medical supplies needed to administer a drug.

(i) "Original, sealed, unopened, tamper-evident packaging" means packaging that is sealed, unopened, and tamper-evident, including a manufacturer's original unit dose or unit-of-use container, a repackager's original unit dose or unit-of-use container, or unit-dose packaging prepared by a licensed pharmacy according to the standards of Minnesota Rules, part 6800.3750.

(j) "Practitioner" has the meaning given in section 151.01, subdivision 23, except that it does not include a veterinarian.

Sec. 8. Minnesota Statutes 2023 Supplement, section 151.555, subdivision 4, is amended to read:

Subd. 4. **Local repository requirements.** (a) To be eligible for participation in the medication repository program, a health care facility must agree to comply with all applicable federal and state laws, rules, and regulations pertaining to the medication repository program, drug storage, and dispensing. The facility must also agree to maintain in good standing any required state license or registration that may apply to the facility.

(b) A local repository may elect to participate in the program by submitting the following information to the central repository on a form developed by the board and made available on the board's website:

(1) the name, street address, and telephone number of the health care facility and any state-issued license or registration number issued to the facility, including the issuing state agency;

(2) the name and telephone number of a responsible pharmacist or practitioner who is employed by or under contract with the health care facility; and

(3) a statement signed and dated by the responsible pharmacist or practitioner indicating that the health care facility meets the eligibility requirements under this section and agrees to comply with this section.

(c) Participation in the medication repository program is voluntary. A local repository may withdraw from participation in the medication repository program at any time by providing written notice to the central repository on a form developed by the board and made available on the board's website. ~~The central repository shall provide the board with a copy of the withdrawal notice within ten business days from the date of receipt of the withdrawal notice.~~

Sec. 9. Minnesota Statutes 2023 Supplement, section 151.555, subdivision 5, is amended to read:

Subd. 5. **Individual eligibility and application requirements.** (a) ~~To be eligible for the medication repository program~~ At the time of or before receiving donated drugs or supplies as a new eligible patient, an individual must submit to a local repository an electronic or physical intake application form that is signed by the individual and attests that the individual:

(1) is a resident of Minnesota;

(2) is uninsured ~~and is not enrolled in the medical assistance program under chapter 256B or the MinnesotaCare program under chapter 256L~~, has no prescription drug coverage, or is underinsured;

(3) acknowledges that the drugs or medical supplies to be received through the program may have been donated; and

(4) consents to a waiver of the child-resistant packaging requirements of the federal Poison Prevention Packaging Act.

~~(b) Upon determining that an individual is eligible for the program, the local repository shall furnish the individual with an identification card. The card shall be valid for one year from the date of issuance and may be used at any local repository. A new identification card may be issued upon expiration once the individual submits a new application form.~~

~~(c)~~ (b) The local repository shall send a copy of the intake application form to the central repository by regular mail, facsimile, or secured email within ten days from the date the application is approved by the local repository.

~~(d)~~ (c) The board shall develop and make available on the board's website an application form ~~and the format for the identification card~~.

Sec. 10. Minnesota Statutes 2023 Supplement, section 151.555, subdivision 6, is amended to read:

Subd. 6. **Standards and procedures for accepting donations of drugs and supplies.** (a) Notwithstanding any other law or rule, a donor may donate drugs or medical supplies to the central repository or a local repository if the drug or supply meets the requirements of this section as determined by a pharmacist or practitioner who is employed by or under contract with the central repository or a local repository.

(b) A drug is eligible for donation under the medication repository program if the following requirements are met:

~~(1) the donation is accompanied by a medication repository donor form described under paragraph (d) that is signed by an individual who is authorized by the donor to attest to the donor's knowledge in accordance with paragraph (d);~~

~~(2)~~ (1) the drug's expiration date is at least six months after the date the drug was donated. If a donated drug bears an expiration date that is less than six months from the donation date, the drug may be accepted and distributed if the drug is in high demand and can be dispensed for use by a patient before the drug's expiration date;

~~(3)~~ (2) the drug is in its original, sealed, unopened, tamper-evident packaging that includes the expiration date. Single-unit-dose drugs may be accepted if the single-unit-dose packaging is unopened;

~~(4)~~ (3) the drug or the packaging does not have any physical signs of tampering, misbranding, deterioration, compromised integrity, or adulteration;

~~(5)~~ (4) the drug does not require storage temperatures other than normal room temperature as specified by the manufacturer or United States Pharmacopoeia, unless the drug is being donated directly by its manufacturer, a wholesale drug distributor, or a pharmacy located in Minnesota; and

~~(6)~~ (5) the drug is not a controlled substance.

(c) A medical supply is eligible for donation under the medication repository program if the following requirements are met:

(1) the supply has no physical signs of tampering, misbranding, or alteration and there is no reason to believe it has been adulterated, tampered with, or misbranded;

(2) the supply is in its original, unopened, sealed packaging; and

~~(3) the donation is accompanied by a medication repository donor form described under paragraph (d) that is signed by an individual who is authorized by the donor to attest to the donor's knowledge in accordance with paragraph (d); and~~

~~(4)~~ (3) if the supply bears an expiration date, the date is at least six months later than the date the supply was donated. If the donated supply bears an expiration date that is less than six months from the date the supply was donated, the supply may be accepted and distributed if the supply is in high demand and can be dispensed for use by a patient before the supply's expiration date.

(d) The board shall develop the medication repository donor form and make it available on the board's website. ~~The form must state that to the best of the donor's knowledge the donated drug or supply has been properly stored under appropriate temperature and humidity conditions and that the drug or supply has never been opened, used, tampered with, adulterated, or misbranded.~~ Prior to the first donation from a new donor, a central repository or local repository shall verify and record the following information on the donor form:

(1) the donor's name, address, phone number, and license number, if applicable;

(2) that the donor will only make donations in accordance with the program;

(3) to the best of the donor's knowledge, only drugs or supplies that have been properly stored under appropriate temperature and humidity conditions will be donated; and

(4) to the best of the donor's knowledge, only drugs or supplies that have never been opened, used, tampered with, adulterated, or misbranded will be donated.

(e) Notwithstanding any other law or rule, a central repository or a local repository may receive donated drugs from donors. Donated drugs and supplies may be shipped or delivered to the premises of the central repository or a local repository, and shall be inspected by a pharmacist or an authorized practitioner who is employed by or under contract with the repository and who has been designated by the repository ~~to accept donations~~ prior to dispensing. A drop box must not be used to deliver or accept donations.

(f) The central repository and local repository shall maintain a written or electronic inventory of all drugs and supplies donated to the repository upon acceptance of each drug or supply. For each drug, the inventory must include the drug's name, strength, quantity, manufacturer, expiration date, and the date the drug was donated. For each medical supply, the inventory must include a description of the supply, its manufacturer, the date the supply was donated, and, if applicable, the supply's brand name and expiration date. The board may waive the requirement under this paragraph if an entity is under common ownership or control with a central repository or local repository and either the entity or the repository maintains an inventory containing all the information required under this paragraph.

Sec. 11. Minnesota Statutes 2023 Supplement, section 151.555, subdivision 7, is amended to read:

Subd. 7. **Standards and procedures for inspecting and storing donated drugs and supplies.** (a) A pharmacist or authorized practitioner who is employed by or under contract with the central repository or a local repository shall inspect all donated drugs and supplies before the drug or supply is dispensed to determine, to the extent reasonably possible in the professional judgment of the pharmacist or practitioner, that the drug or supply is not adulterated or misbranded, has not been tampered with, is safe and suitable for dispensing, has not been subject to a recall, and meets the requirements for donation. ~~The pharmacist or practitioner who inspects the drugs or supplies shall sign an inspection record stating that the requirements for donation have been met.~~ If a local repository receives drugs and supplies from the central repository, the local repository does not need to reinspect the drugs and supplies.

(b) The central repository and local repositories shall store donated drugs and supplies in a secure storage area under environmental conditions appropriate for the drug or supply being stored. Donated drugs and supplies may not be stored with nondonated inventory.

(c) The central repository and local repositories shall dispose of all drugs and medical supplies that are not suitable for donation in compliance with applicable federal and state statutes, regulations, and rules concerning hazardous waste.

(d) In the event that controlled substances or drugs that can only be dispensed to a patient registered with the drug's manufacturer are shipped or delivered to a central or local repository for donation, the shipment delivery must be documented by the repository and returned immediately to the donor or the donor's representative that provided the drugs.

(e) Each repository must develop drug and medical supply recall policies and procedures. If a repository receives a recall notification, the repository shall destroy all of the drug or medical supply in its inventory that is the subject of the recall and complete a record of destruction form in accordance with paragraph (f). If a drug or medical supply that is the subject of a Class I or Class II recall has been dispensed, the repository shall immediately notify the recipient of the recalled drug or medical supply. A drug that potentially is subject to a recall need not be destroyed if its packaging bears a lot number and that lot of the drug is not subject to the recall. If no lot number is on the drug's packaging, it must be destroyed.

(f) A record of destruction of donated drugs and supplies that are not dispensed under subdivision 8, are subject to a recall under paragraph (e), or are not suitable for donation shall be maintained by the repository for at least two years. For each drug or supply destroyed, the record shall include the following information:

(1) the date of destruction;

(2) the name, strength, and quantity of the drug destroyed; and

(3) the name of the person or firm that destroyed the drug.

<u>No other record of destruction is required.</u>

Sec. 12. Minnesota Statutes 2023 Supplement, section 151.555, subdivision 8, is amended to read:

Subd. 8. **Dispensing requirements.** (a) Donated <u>prescription</u> drugs and supplies may be dispensed if the drugs or supplies are prescribed by a practitioner for use by an eligible individual and are dispensed by a pharmacist or practitioner. A repository shall dispense drugs and supplies to eligible individuals in the following priority order: (1) individuals who are uninsured; (2) individuals with no prescription drug coverage; and (3) individuals who are

underinsured. A repository shall dispense donated drugs in compliance with applicable federal and state laws and regulations for dispensing drugs, including all requirements relating to packaging, labeling, record keeping, drug utilization review, and patient counseling.

(b) Before dispensing or administering a drug or supply, the pharmacist or practitioner shall visually inspect the drug or supply for adulteration, misbranding, tampering, and date of expiration. Drugs or supplies that have expired or appear upon visual inspection to be adulterated, misbranded, or tampered with in any way must not be dispensed or administered.

(c) Before ~~a~~ the first drug or supply is dispensed or administered to an individual, the individual must sign ~~a~~ an electronic or physical drug repository recipient form acknowledging that the individual understands ~~the information stated on the form. The board shall develop the form and make it available on the board's website. The form must include the following information~~:

(1) that the drug or supply being dispensed or administered has been donated and may have been previously dispensed;

(2) that a visual inspection has been conducted by the pharmacist or practitioner to ensure that the drug or supply has not expired, has not been adulterated or misbranded, and is in its original, unopened packaging; and

(3) that the dispensing pharmacist, the dispensing or administering practitioner, the central repository or local repository, the Board of Pharmacy, and any other participant of the medication repository program cannot guarantee the safety of the drug or medical supply being dispensed or administered and that the pharmacist or practitioner has determined that the drug or supply is safe to dispense or administer based on the accuracy of the donor's form submitted with the donated drug or medical supply and the visual inspection required to be performed by the pharmacist or practitioner before dispensing or administering.

Sec. 13. Minnesota Statutes 2023 Supplement, section 151.555, subdivision 9, is amended to read:

Subd. 9. **Handling fees.** (a) The central or local repository may charge the individual receiving a drug or supply a handling fee of no more than 250 percent of the medical assistance program dispensing fee for each drug or medical supply dispensed or administered by that repository.

(b) A repository that dispenses or administers a drug or medical supply through the medication repository program shall not receive reimbursement under the medical assistance program or the MinnesotaCare program for that dispensed or administered drug or supply.

(c) A supply or handling fee must not be charged to an individual enrolled in the medical assistance or MinnesotaCare program.

Sec. 14. Minnesota Statutes 2023 Supplement, section 151.555, subdivision 11, is amended to read:

Subd. 11. **Forms and record-keeping requirements.** (a) The following forms developed for the administration of this program ~~shall be utilized by the participants of the program and~~ shall be available on the board's website:

(1) intake application form described under subdivision 5;

(2) local repository participation form described under subdivision 4;

(3) local repository withdrawal form described under subdivision 4;

(4) medication repository donor form described under subdivision 6;

(5) record of destruction form described under subdivision 7; and

(6) medication repository recipient form described under subdivision 8.

Participants may use substantively similar electronic or physical forms.

(b) All records, including drug inventory~~, inspection,~~ and disposal of donated drugs and medical supplies, must be maintained by a repository for a minimum of two years. Records required as part of this program must be maintained pursuant to all applicable practice acts.

(c) Data collected by the medication repository program from all local repositories shall be submitted quarterly or upon request to the central repository. Data collected may consist of the information, records, and forms required to be collected under this section.

(d) The central repository shall submit reports to the board as required by the contract or upon request of the board.

Sec. 15. Minnesota Statutes 2023 Supplement, section 151.555, subdivision 12, is amended to read:

Subd. 12. **Liability.** (a) The manufacturer of a drug or supply is not subject to criminal or civil liability for injury, death, or loss to a person or to property for causes of action described in clauses (1) and (2). A manufacturer is not liable for:

(1) the intentional or unintentional alteration of the drug or supply by a party not under the control of the manufacturer; or

(2) the failure of a party not under the control of the manufacturer to transfer or communicate product or consumer information or the expiration date of the donated drug or supply.

(b) A health care facility participating in the program, a pharmacist dispensing a drug or supply pursuant to the program, a practitioner dispensing or administering a drug or supply pursuant to the program, ~~or~~ a donor of a drug or medical supply, or a person or entity that facilitates any of the above is immune from civil liability for an act or omission that causes injury to or the death of an individual to whom the drug or supply is dispensed and no disciplinary action by a health-related licensing board shall be taken against a ~~pharmacist or practitioner~~ person or entity so long as the drug or supply is donated, accepted, distributed, and dispensed according to the requirements of this section. This immunity does not apply if the act or omission involves reckless, wanton, or intentional misconduct, or malpractice unrelated to the quality of the drug or medical supply.

Sec. 16. Minnesota Statutes 2023 Supplement, section 151.74, subdivision 3, is amended to read:

Subd. 3. **Access to urgent-need insulin.** (a) MNsure shall develop an application form to be used by an individual who is in urgent need of insulin. The application must ask the individual to attest to the eligibility requirements described in subdivision 2. The form shall be accessible through MNsure's website. MNsure shall also make the form available to pharmacies and health care providers who prescribe or dispense insulin, hospital emergency departments, urgent care clinics, and community health clinics. By submitting a completed, signed, and dated application to a pharmacy, the individual attests that the information contained in the application is correct.

(b) If the individual is in urgent need of insulin, the individual may present a completed, signed, and dated application form to a pharmacy. The individual must also:

(1) have a valid insulin prescription; and

(2) present the pharmacist with identification indicating Minnesota residency in the form of a valid Minnesota identification card, driver's license or permit, individual taxpayer identification number, or Tribal identification card as defined in section 171.072, paragraph (b). If the individual in urgent need of insulin is under the age of 18, the individual's parent or legal guardian must provide the pharmacist with proof of residency.

(c) Upon receipt of a completed and signed application, the pharmacist shall dispense the prescribed insulin in an amount that will provide the individual with a 30-day supply. The pharmacy must notify the health care practitioner who issued the prescription order no later than 72 hours after the insulin is dispensed.

(d) The pharmacy may submit to the manufacturer of the dispensed insulin product or to the manufacturer's vendor a claim for payment that is in accordance with the National Council for Prescription Drug Program standards for electronic claims processing, unless the manufacturer agrees to send to the pharmacy a replacement supply of the same insulin as dispensed in the amount dispensed. If the pharmacy submits an electronic claim to the manufacturer or the manufacturer's vendor, the manufacturer or vendor shall reimburse the pharmacy in an amount that covers the pharmacy's acquisition cost.

(e) The pharmacy may collect an insulin co-payment from the individual to cover the pharmacy's costs of processing and dispensing in an amount not to exceed $35 for the 30-day supply of insulin dispensed.

(f) The pharmacy shall also provide each eligible individual with the information sheet described in subdivision 7 and a list of trained navigators provided by the Board of Pharmacy for the individual to contact if the individual ~~is in need of accessing~~ needs to access ongoing insulin coverage options, including assistance in:

(1) applying for medical assistance or MinnesotaCare;

(2) applying for a qualified health plan offered through MNsure, subject to open and special enrollment periods;

(3) accessing information on providers who participate in prescription drug discount programs, including providers who are authorized to participate in the 340B program under section 340b of the federal Public Health Services Act, United States Code, title 42, section 256b; and

(4) accessing insulin manufacturers' patient assistance programs, co-payment assistance programs, and other foundation-based programs.

(g) The pharmacist shall retain a copy of the application form submitted by the individual to the pharmacy for reporting and auditing purposes.

(h) A manufacturer may submit to the commissioner of administration a request for reimbursement in an amount not to exceed $35 for each 30-day supply of insulin the manufacturer provides under paragraph (d). The commissioner of administration shall determine the manner and format for submitting and processing requests for reimbursement. After receiving a reimbursement request, the commissioner of administration shall reimburse the manufacturer in an amount not to exceed $35 for each 30-day supply of insulin the manufacturer provided under paragraph (d).

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

Sec. 17. Minnesota Statutes 2022, section 151.74, subdivision 6, is amended to read:

Subd. 6. **Continuing safety net program; process.** (a) The individual shall submit to a pharmacy the statement of eligibility provided by the manufacturer under subdivision 5, paragraph (b). Upon receipt of an individual's eligibility status, the pharmacy shall submit an order containing the name of the insulin product and the daily dosage amount as contained in a valid prescription to the product's manufacturer.

(b) The pharmacy must include with the order to the manufacturer the following information:

(1) the pharmacy's name and shipping address;

(2) the pharmacy's office telephone number, fax number, email address, and contact name; and

(3) any specific days or times when deliveries are not accepted by the pharmacy.

(c) Upon receipt of an order from a pharmacy and the information described in paragraph (b), the manufacturer shall send to the pharmacy a 90-day supply of insulin as ordered, unless a lesser amount is requested in the order, at no charge to the individual or pharmacy.

(d) Except as authorized under paragraph (e), the pharmacy shall provide the insulin to the individual at no charge to the individual. The pharmacy shall not provide insulin received from the manufacturer to any individual other than the individual associated with the specific order. The pharmacy shall not seek reimbursement for the insulin received from the manufacturer or from any third-party payer.

(e) The pharmacy may collect a co-payment from the individual to cover the pharmacy's costs for processing and dispensing in an amount not to exceed $50 for each 90-day supply if the insulin is sent to the pharmacy.

(f) The pharmacy may submit to a manufacturer a reorder for an individual if the individual's eligibility statement has not expired. Upon receipt of a reorder from a pharmacy, the manufacturer must send to the pharmacy an additional 90-day supply of the product, unless a lesser amount is requested, at no charge to the individual or pharmacy if the individual's eligibility statement has not expired.

(g) Notwithstanding paragraph (c), a manufacturer may send the insulin as ordered directly to the individual if the manufacturer provides a mail order service option.

(h) A manufacturer may submit to the commissioner of administration a request for reimbursement in an amount not to exceed $105 for each 90-day supply of insulin the manufacturer provides under paragraphs (c) and (f). The commissioner of administration shall determine the manner and format for submitting and processing requests for reimbursement. After receiving a reimbursement request, the commissioner of administration shall reimburse the manufacturer in an amount not to exceed $105 for each 90-day supply of insulin the manufacturer provided under paragraphs (c) and (f). If the manufacturer provides less than a 90-day supply of insulin under paragraphs (c) and (f), the manufacturer may submit a request for reimbursement not to exceed $35 for each 30-day supply of insulin provided.

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

Sec. 18. **[151.741] INSULIN MANUFACTURER REGISTRATION FEE.**

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

(b) "Board" means the Minnesota Board of Pharmacy under section 151.02.

(c) "Manufacturer" means a manufacturer licensed under section 151.252 and engaged in the manufacturing of prescription insulin.

Subd. 2. **Assessment of registration fee.** (a) The board shall assess each manufacturer an annual registration fee of $100,000, except as provided in paragraph (b). The board shall notify each manufacturer of this requirement beginning November 1, 2024, and each November 1 thereafter.

(b) A manufacturer may request an exemption from the annual registration fee. The board shall exempt a manufacturer from the annual registration fee if the manufacturer can demonstrate to the board, in the form and manner specified by the board, that sales of prescription insulin produced by that manufacturer and sold or delivered within or into the state totaled $2,000,000 or less in the previous calendar year.

Subd. 3. **Payment of the registration fee; deposit of fee.** (a) Each manufacturer must pay the registration fee by March 1, 2025, and by each March 1 thereafter. In the event of a change in ownership of the manufacturer, the new owner must pay the registration fee that the original owner would have been assessed had the original owner retained ownership. The board may assess a late fee of ten percent per month or any portion of a month that the registration fee is paid after the due date.

(b) The registration fee, including any late fees, must be deposited in the insulin safety net program account.

Subd. 4. **Insulin safety net program account.** The insulin safety net program account is established in the special revenue fund in the state treasury. Money in the account is appropriated each fiscal year to:

(1) the MNsure board in an amount sufficient to carry out assigned duties under section 151.74, subdivision 7; and

(2) the Board of Pharmacy in an amount sufficient to cover costs incurred by the board in assessing and collecting the registration fee under this section and in administering the insulin safety net program under section 151.74.

Subd. 5. **Insulin repayment account; annual transfer from health care access fund.** (a) The insulin repayment account is established in the special revenue fund in the state treasury. Money in the account is appropriated each fiscal year to the commissioner of administration in an amount sufficient for the commissioner to reimburse manufacturers for insulin dispensed under the insulin safety net program in section 151.74, in accordance with section 151.74, subdivisions 3, paragraph (h), and 6, paragraph (h), and to cover costs incurred by the commissioner in providing these reimbursement payments.

(b) The commissioner of management and budget shall transfer from the health care access fund to the insulin repayment account, beginning July 1, 2025, and each July 1 thereafter, an amount sufficient for the commissioner of administration to implement paragraph (a).

Subd. 6. **Contingent transfer by commissioner.** If subdivisions 2 and 3, or the application of subdivisions 2 and 3 to any person or circumstance, are held invalid for any reason in a court of competent jurisdiction, the validity of subdivisions 2 and 3 does not affect other provisions of this act, and the commissioner of management and budget shall annually transfer from the health care access fund to the insulin safety net program account an amount sufficient to implement subdivision 4.

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

Sec. 19. Minnesota Statutes 2023 Supplement, section 270A.03, subdivision 2, is amended to read:

Subd. 2. **Claimant agency.** "Claimant agency" means any state agency, as defined by section 14.02, subdivision 2, the regents of the University of Minnesota, any district court of the state, any county, any statutory or home rule charter city, including a city that is presenting a claim for ~~a municipal hospital or~~ a public library ~~or a municipal ambulance service, a hospital district, any ambulance service licensed under chapter 144E~~, any public

agency responsible for child support enforcement, any public agency responsible for the collection of court-ordered restitution, and any public agency established by general or special law that is responsible for the administration of a low-income housing program.

Sec. 20. **[332.371] MEDICAL DEBT CREDIT REPORTING PROHIBITED.**

(a) 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, or medicines; or (ii) procedures to maintain, diagnose, or treat a person's physical or mental health.

(b) 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.

Sec. 21. **[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 for any account, bill, or other indebtedness, except as hereinafter provided.

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 necessary medical care and related 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. **Person.** "Person" means any individual, partnership, association, or corporation.

Sec. 22. **[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 their 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 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 chat bots, 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 call back 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 maintaining 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. 23. **[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 a reasonable attorney fee, incurred in defending against the collecting party's claim for debt payment.

Sec. 24. **[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 a reasonable attorney fee 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 then publish the revised Consumer Price Index under paragraph (c) in the State Register no later than September 1 each even-numbered year.

(g) An action brought under this section benefits the public.

Sec. 25. Minnesota Statutes 2022, section 334.01, is amended by adding a subdivision to read:

Subd. 4. **Contracts for medical care.** Interest for any debt owed to a health care provider incurred in exchange for care, treatment, services, devices, medicines, or procedures to maintain, diagnose, or treat a person's physical or mental health shall be at a rate of $4 upon $100 for a year.

Sec. 26. 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~~ Spouses 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~~. 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. 27. Laws 2020, chapter 73, section 8, is amended to read:

Sec. 8. **APPROPRIATIONS.**

(a) $297,000 is appropriated in fiscal year 2020 from the health care access fund to the Board of Directors of MNsure ~~to train navigators to assist individuals and provide compensation as required~~ for the insulin safety net program under Minnesota Statutes, section 151.74~~, subdivision 7~~. ~~Of this appropriation, $108,000 is for implementing the training requirements for navigators and $189,000 is for application assistance bonus payments.~~ This is a onetime appropriation and is available until ~~December 31, 2024~~ June 30, 2027.

(b) $250,000 is appropriated in fiscal year 2020 from the health care access fund to the Board of Directors of MNsure for a public awareness campaign for the insulin safety net program established under Minnesota Statutes, section 151.74. This is a onetime appropriation and is available until December 31, 2024.

(c) $76,000 is appropriated in fiscal year 2021 from the health care access fund to the Board of Pharmacy to implement Minnesota Statutes, section 151.74. The base for this appropriation is $76,000 in fiscal year 2022; $76,000 in fiscal year 2023; $76,000 in fiscal year 2024; $38,000 in fiscal year 2025; and $0 in fiscal year 2026.

(d) $136,000 in fiscal year 2021 is appropriated from the health care access fund to the commissioner of health to implement the survey to assess program satisfaction in Minnesota Statutes, section 151.74, subdivision 12. The base for this appropriation is $80,000 in fiscal year 2022 and $0 in fiscal year 2023. This is a onetime appropriation.

Sec. 28. **REPEALER; SUNSET FOR THE LONG-TERM SAFETY NET INSULIN PROGRAM.**

Minnesota Statutes 2022, section 151.74, subdivision 16, is repealed.

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

ARTICLE 4
HEALTH INSURANCE

Section 1. Minnesota Statutes 2022, section 62A.28, subdivision 2, is amended to read:

Subd. 2. **Required coverage.** (a) Every policy, plan, certificate, or contract referred to in subdivision 1 ~~issued or renewed after August 1, 1987,~~ must provide coverage for scalp hair prostheses, including all equipment and accessories necessary of regular use of scalp hair prostheses, worn for hair loss suffered as a result of a health condition, including, but not limited to, alopecia areata or the treatment for cancer, unless there is a clinical basis for limitation.

(b) The coverage required by this section is subject to the co-payment, coinsurance, deductible, and other enrollee cost-sharing requirements that apply to similar types of items under the policy, plan, certificate, or contract and may be limited to one prosthesis per benefit year.

(c) The coverage required by this section for scalp hair prostheses is limited to $1,000 per benefit year.

(d) A scalp hair prostheses must be prescribed by a doctor to be covered under this section.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to all policies, plans, certificates, and contracts offered, issued, or renewed on or after that date.

Sec. 2. **[62A.3098] RAPID WHOLE GENOME SEQUENCING; COVERAGE.**

Subdivision 1. **Definition.** For purposes of this section, "rapid whole genome sequencing" or "rWGS" means an investigation of the entire human genome, including coding and noncoding regions and mitochondrial deoxyribonucleic acid, to identify disease-causing genetic changes that returns the final results in 14 days. Rapid whole genome sequencing includes patient-only whole genome sequencing and duo and trio whole genome sequencing of the patient and the patient's biological parent or parents.

Subd. 2. **Required coverage.** A health plan that provides coverage to Minnesota residents must cover rWGS testing if the enrollee:

(1) is 21 years of age or younger;

(2) has a complex or acute illness of unknown etiology that is not confirmed to have been caused by an environmental exposure, toxic ingestion, an infection with a normal response to therapy, or trauma; and

(3) is receiving inpatient hospital services in an intensive care unit or a neonatal or high acuity pediatric care unit.

Subd. 3. **Coverage criteria.** Coverage may be based on the following medical necessity criteria:

(1) the enrollee has symptoms that suggest a broad differential diagnosis that would require an evaluation by multiple genetic tests if rWGS testing is not performed;

(2) timely identification of a molecular diagnosis is necessary in order to guide clinical decision making, and the rWGS testing may aid in guiding the treatment or management of the enrollee's condition; and

(3) the enrollee's complex or acute illness of unknown etiology includes at least one of the following conditions:

(i) congenital anomalies involving at least two organ systems, or complex or multiple congenital anomalies in one organ system;

(ii) specific organ malformations that are highly suggestive of a genetic etiology;

(iii) abnormal laboratory tests or abnormal chemistry profiles suggesting the presence of a genetic disease, complex metabolic disorder, or inborn error of metabolism;

(iv) refractory or severe hypoglycemia or hyperglycemia;

(v) abnormal response to therapy related to an underlying medical condition affecting vital organs or bodily systems;

(vi) severe muscle weakness, rigidity, or spasticity;

(vii) refractory seizures;

(viii) a high-risk stratification on evaluation for a brief resolved unexplained event with any of the following features:

(A) a recurrent event without respiratory infection;

(B) a recurrent seizure-like event; or

(C) a recurrent cardiopulmonary resuscitation;

(ix) abnormal cardiac diagnostic testing results that are suggestive of possible channelopathies, arrhythmias, cardiomyopathies, myocarditis, or structural heart disease;

(x) abnormal diagnostic imaging studies that are suggestive of underlying genetic condition;

(xi) abnormal physiologic function studies that are suggestive of an underlying genetic etiology; or

(xii) family genetic history related to the patient's condition.

Subd. 4. **Cost sharing.** Coverage provided in this section is subject to the enrollee's health plan cost-sharing requirements, including any deductibles, co-payments, or coinsurance requirements that apply to diagnostic testing services.

Subd. 5. **Payment for services provided.** If the enrollee's health plan uses a capitated or bundled payment arrangement to reimburse a provider for services provided in an inpatient setting, reimbursement for services covered under this section must be paid separately and in addition to any reimbursement otherwise payable to the provider under the capitated or bundled payment arrangement, unless the health carrier and the provider have negotiated an increased capitated or bundled payment rate that includes the services covered under this section.

Subd. 6. **Genetic data.** Genetic data generated as a result of performing rWGS and covered under this section: (1) must be used for the primary purpose of assisting the ordering provider and treating care team to diagnose and treat the patient; (2) is protected health information as set forth under the Health Insurance Portability and Accountability Act (HIPAA), the Health Information Technology for Economic and Clinical Health Act, and any promulgated regulations, including but not limited to Code of Federal Regulations, title 45, parts 160 and 164, subparts A and E; and (3) is a protected health record under sections 144.291 to 144.298.

Subd. 7. **Reimbursement.** The commissioner of commerce must reimburse health carriers for coverage under this section. Reimbursement is available only for coverage that would not have been provided by the health carrier without the requirements of this section. Each fiscal year, an amount necessary to make payments to health carriers to defray the cost of providing coverage under this section is appropriated to the commissioner of commerce. Health carriers must report to the commissioner quantified costs attributable to the additional benefit under this section in a format developed by the commissioner. The commissioner must evaluate submissions and make payments to health carriers as provided in Code of Federal Regulations, title 45, section 155.170.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to a health plan offered, issued, or sold on or after that date.

Sec. 3. **[62A.59] COVERAGE OF SERVICE; PRIOR AUTHORIZATION.**

Subdivision 1. **Service for which prior authorization not required.** A health carrier must not retrospectively deny or limit coverage of a health care service for which prior authorization was not required by the health carrier, unless there is evidence that the health care service was provided based on fraud or misinformation.

Subd. 2. **Service for which prior authorization required but not obtained.** A health carrier must not deny or limit coverage of a health care service which the enrollee has already received solely on the basis of lack of prior authorization if the service would otherwise have been covered had the prior authorization been obtained.

EFFECTIVE DATE. This section is effective January 1, 2026, and applies to health plans offered, sold, issued, or renewed on or after that date.

Sec. 4. **[62C.045] APPLICATION OF OTHER LAW.**

Sections 145D.30 to 145D.37 apply to service plan corporations operating under this chapter.

Sec. 5. Minnesota Statutes 2022, section 62D.02, subdivision 4, is amended to read:

Subd. 4. **Health maintenance organization.** "Health maintenance organization" means a ~~foreign or domestic~~ nonprofit corporation organized under chapter 317A, or a local governmental unit as defined in subdivision 11, controlled and operated as provided in sections 62D.01 to 62D.30, which provides, either directly or through arrangements with providers or other persons, comprehensive health maintenance services, or arranges for the provision of these services, to enrollees on the basis of a fixed prepaid sum without regard to the frequency or extent of services furnished to any particular enrollee.

Sec. 6. Minnesota Statutes 2022, section 62D.02, subdivision 7, is amended to read:

Subd. 7. **Comprehensive health maintenance services.** "Comprehensive health maintenance services" means a set of comprehensive health services which the enrollees might reasonably require to be maintained in good health including as a minimum, but not limited to, emergency care, emergency ground ambulance transportation services, inpatient hospital and physician care, outpatient health services and preventive health services. ~~Elective, induced abortion, except as medically necessary to prevent the death of the mother, whether performed in a hospital, other abortion facility or the office of a physician, shall not be mandatory for any health maintenance organization.~~

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. 7. Minnesota Statutes 2022, section 62D.03, subdivision 1, is amended to read:

Subdivision 1. **Certificate of authority required.** Notwithstanding any law of this state to the contrary, any ~~foreign or domestic~~ nonprofit corporation organized to do so or a local governmental unit may apply to the commissioner of health for a certificate of authority to establish and operate a health maintenance organization in compliance with sections 62D.01 to 62D.30. No person shall establish or operate a health maintenance organization in this state, nor sell or offer to sell, or solicit offers to purchase or receive advance or periodic consideration in conjunction with a health maintenance organization or health maintenance contract unless the organization has a certificate of authority under sections 62D.01 to 62D.30.

Sec. 8. Minnesota Statutes 2022, section 62D.05, subdivision 1, is amended to read:

Subdivision 1. **Authority granted.** Any nonprofit corporation or local governmental unit may, upon obtaining a certificate of authority as required in sections 62D.01 to 62D.30, operate as a health maintenance organization.

Sec. 9. Minnesota Statutes 2022, section 62D.06, subdivision 1, is amended to read:

Subdivision 1. **Governing body composition; enrollee advisory body.** The governing body of any health maintenance organization which is a nonprofit corporation may include enrollees, providers, or other individuals; provided, however, that after a health maintenance organization which is a nonprofit corporation has been authorized under sections 62D.01 to 62D.30 for one year, at least 40 percent of the governing body shall be composed of enrollees and members elected by the enrollees and members from among the enrollees and members. For purposes of this section, "member" means a consumer who receives health care services through a self-insured contract that is administered by the health maintenance organization or its related third-party administrator. The number of members elected to the governing body shall not exceed the number of enrollees elected to the governing body. An enrollee or member elected to the governing board may not be a person:

(1) whose occupation involves, or before retirement involved, the administration of health activities or the provision of health services;

(2) who is or was employed by a health care facility as a licensed health professional; or

(3) who has or had a direct substantial financial or managerial interest in the rendering of a health service, other than the payment of a reasonable expense reimbursement or compensation as a member of the board of a health maintenance organization.

After a health maintenance organization which is a local governmental unit has been authorized under sections 62D.01 to 62D.30 for one year, an enrollee advisory body shall be established. The enrollees who make up this advisory body shall be elected by the enrollees from among the enrollees.

Sec. 10. Minnesota Statutes 2022, section 62D.12, subdivision 19, is amended to read:

Subd. 19. **Coverage of service.** A health maintenance organization may not deny or limit coverage of a service which the enrollee has already received solely on the basis of lack of prior authorization or second opinion, to the extent that the service would otherwise have been covered under the member's contract by the health maintenance organization had prior authorization or second opinion been obtained. This subdivision expires December 31, 2025, for health plans offered, sold, issued, or renewed on or after that date.

Sec. 11. Minnesota Statutes 2022, section 62D.19, is amended to read:

62D.19 UNREASONABLE EXPENSES.

No health maintenance organization shall incur or pay for any expense of any nature which is unreasonably high in relation to the value of the service or goods provided. The commissioner of health shall implement and enforce this section by rules adopted under this section.

In an effort to achieve the stated purposes of sections 62D.01 to 62D.30, in order to safeguard the underlying nonprofit status of health maintenance organizations, and in order to ensure that the payment of health maintenance organization money to major participating entities results in a corresponding benefit to the health maintenance organization and its enrollees, when determining whether an organization has incurred an unreasonable expense in relation to a major participating entity, due consideration shall be given to, in addition to any other appropriate

factors, whether the officers and trustees of the health maintenance organization have acted with good faith and in the best interests of the health maintenance organization in entering into, and performing under, a contract under which the health maintenance organization has incurred an expense. The commissioner has standing to sue, on behalf of a health maintenance organization, officers or trustees of the health maintenance organization who have breached their fiduciary duty in entering into and performing such contracts.

Sec. 12. Minnesota Statutes 2022, section 62D.20, subdivision 1, is amended to read:

Subdivision 1. **Rulemaking.** The commissioner of health may, pursuant to chapter 14, promulgate such reasonable rules as are necessary or proper to carry out the provisions of sections 62D.01 to 62D.30. Included among such rules shall be those which provide minimum requirements for the provision of comprehensive health maintenance services, as defined in section 62D.02, subdivision 7, and reasonable exclusions therefrom. ~~Nothing in such rules shall force or require a health maintenance organization to provide elective, induced abortions, except as medically necessary to prevent the death of the mother, whether performed in a hospital, other abortion facility, or the office of a physician; the rules shall provide every health maintenance organization the option of excluding or including elective, induced abortions, except as medically necessary to prevent the death of the mother, as part of its comprehensive health maintenance services.~~

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. 13. Minnesota Statutes 2022, section 62D.22, subdivision 5, is amended to read:

Subd. 5. **Other state law.** Except as otherwise provided in sections 62A.01 to 62A.42 and 62D.01 to 62D.30, ~~and except as they eliminate elective, induced abortions, wherever performed, from health or maternity benefits,~~ provisions of the insurance laws and provisions of nonprofit health service plan corporation laws shall not be applicable to any health maintenance organization granted a certificate of authority under sections 62D.01 to 62D.30.

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. 14. Minnesota Statutes 2022, section 62D.22, is amended by adding a subdivision to read:

Subd. 5a. **Application of other law.** Sections 145D.30 to 145D.37 apply to nonprofit health maintenance organizations operating under this chapter.

Sec. 15. **[62D.221] OVERSIGHT OF TRANSACTIONS.**

Subdivision 1. **Insurance provisions applicable to health maintenance organizations.** (a) Health maintenance organizations are subject to sections 60A.135, 60A.136, 60A.137, 60A.16, 60A.161, 60D.17, 60D.18, and 60D.20 and must comply with the provisions of these sections applicable to insurers. In applying these sections to health maintenance organizations, "the commissioner" means the commissioner of health. Health maintenance organizations are subject to Minnesota Rules, chapter 2720, as applicable to sections 60D.17, 60D.18, and 60D.20, and must comply with those provisions of the chapter applicable to insurers unless the commissioner of health adopts rules to implement this subdivision.

(b) In addition to the conditions in section 60D.17, subdivision 1, subjecting a health maintenance organization to filing requirements, no person other than the issuer shall acquire all or substantially all of the assets of a domestic nonprofit health maintenance organization through any means unless at the time the offer, request, or invitation is made or the agreement is entered into the person has filed with the commissioner and has sent to the health

maintenance organization a statement containing the information required in section 60D.17 and the offer, request, invitation, agreement, or acquisition has been approved by the commissioner of health in the manner prescribed in section 60D.17.

Subd. 2. **Conversion transactions.** If a health maintenance organization must notify or report a transaction to the commissioner under subdivision 1, the health maintenance organization must include information regarding the plan for a conversion benefit entity, in the form and manner determined by the commissioner, if the reportable transaction qualifies as a conversion transaction as defined in section 145D.30, subdivision 5. The commissioner may consider information regarding the conversion transaction and the conversion benefit entity plan in any actions taken under subdivision 1, including in decisions to approve or disapprove transactions, and may extend time frames to a total of 90 days, with notice to the parties to the transaction.

Sec. 16. Minnesota Statutes 2022, section 62E.02, subdivision 3, is amended to read:

Subd. 3. **Health maintenance organization.** "Health maintenance organization" means a nonprofit corporation licensed and operated as provided in chapter 62D.

Sec. 17. Minnesota Statutes 2022, section 62M.01, subdivision 3, is amended to read:

Subd. 3. **Scope.** (a) Nothing in this chapter applies to review of claims after submission to determine eligibility for benefits under a health benefit plan. The appeal procedure described in section 62M.06 applies to any complaint as defined under section 62Q.68, subdivision 2, that requires a medical determination in its resolution.

(b) Effective January 1, 2026, this chapter ~~does not apply~~ applies to managed care plans or county-based purchasing plans when the plan is providing coverage to state public health care program enrollees under chapter 256B or 256L.

(c) Effective January 1, 2026, the following sections of this chapter apply to services delivered through fee-for-service under chapters 256B and 256L: 62M.02, subdivisions 1 to 5, 7 to 12, 13, 14 to 18, and 21; 62M.04; 62M.05, subdivisions 1 to 4; 62M.06, subdivisions 1 to 3; 62M.07; 62M.072; 62M.09; 62M.10; 62M.12; and 62M.17, subdivision 2.

Sec. 18. Minnesota Statutes 2022, section 62M.02, subdivision 1a, is amended to read:

Subd. 1a. **Adverse determination.** "Adverse determination" means a decision by a utilization review organization relating to an admission, extension of stay, or health care service that is partially or wholly adverse to the enrollee, including:

(1) a decision to deny an admission, extension of stay, or health care service on the basis that it is not medically necessary; or

(2) an authorization for a health care service that is less intensive than the health care service specified in the original request for authorization.

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

Sec. 19. Minnesota Statutes 2022, section 62M.02, subdivision 5, is amended to read:

Subd. 5. **Authorization.** "Authorization" means a determination by a utilization review organization that an admission, extension of stay, or other health care service has been reviewed and that, based on the information provided, it satisfies the utilization review requirements of the applicable health benefit plan and the health plan company or commissioner will then pay for the covered benefit, provided the preexisting limitation provisions, the general exclusion provisions, and any deductible, co-payment, coinsurance, or other policy requirements have been met.

Sec. 20. Minnesota Statutes 2022, section 62M.02, is amended by adding a subdivision to read:

Subd. 8a. **Commissioner.** "Commissioner" means, effective January 1, 2026, for the sections specified in section 62M.01, subdivision 3, paragraph (c), the commissioner of human services, unless otherwise specified.

Sec. 21. Minnesota Statutes 2022, section 62M.02, subdivision 11, is amended to read:

Subd. 11. **Enrollee.** "Enrollee" means:

(1) an individual covered by a health benefit plan and includes an insured policyholder, subscriber, contract holder, member, covered person, or certificate holder; or

(2) effective January 1, 2026, for the sections specified in section 62M.01, subdivision 3, paragraph (c), a recipient receiving coverage through fee-for-service under chapters 256B and 256L.

Sec. 22. Minnesota Statutes 2022, section 62M.02, subdivision 12, is amended to read:

Subd. 12. **Health benefit plan.** (a) "Health benefit plan" means:

(1) a policy, contract, or certificate issued by a health plan company for the coverage of medical, dental, or hospital benefits; or

(2) effective January 1, 2026, for the sections specified in section 62M.01, subdivision 3, paragraph (c), coverage of medical, dental, or hospital benefits through fee-for-service under chapters 256B and 256L, as specified by the commissioner on the agency's public website or through other forms of recipient and provider guidance.

(b) A health benefit plan does not include coverage that is:

(1) limited to disability or income protection coverage;

(2) automobile medical payment coverage;

(3) supplemental to liability insurance;

(4) designed solely to provide payments on a per diem, fixed indemnity, or nonexpense incurred basis;

(5) credit accident and health insurance issued under chapter 62B;

(6) blanket accident and sickness insurance as defined in section 62A.11;

(7) accident only coverage issued by a licensed and tested insurance agent; or

(8) workers' compensation.

Sec. 23. Minnesota Statutes 2022, section 62M.02, subdivision 21, is amended to read:

Subd. 21. **Utilization review organization.** "Utilization review organization" means an entity including but not limited to an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01; a prepaid limited health service organization issued a certificate of authority and operating under sections 62A.451 to 62A.4528; a health service plan licensed under chapter 62C; a health maintenance organization licensed under chapter 62D; a community integrated service network licensed under

chapter 62N; an accountable provider network operating under chapter 62T; a fraternal benefit society operating under chapter 64B; a joint self-insurance employee health plan operating under chapter 62H; a multiple employer welfare arrangement, as defined in section 3 of the Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1103, as amended; a third-party administrator licensed under section 60A.23, subdivision 8, which conducts utilization review and authorizes or makes adverse determinations regarding an admission, extension of stay, or other health care services for a Minnesota resident; effective January 1, 2026, for the sections specified in section 62M.01, subdivision 3, paragraph (c), the commissioner of human services for purposes of delivering services through fee-for-service under chapters 256B and 256L; any other entity that provides, offers, or administers hospital, outpatient, medical, prescription drug, or other health benefits to individuals treated by a health professional under a policy, plan, or contract; or any entity performing utilization review that is affiliated with, under contract with, or conducting utilization review on behalf of, a business entity in this state. Utilization review organization does not include a clinic or health care system acting pursuant to a written delegation agreement with an otherwise regulated utilization review organization that contracts with the clinic or health care system. The regulated utilization review organization is accountable for the delegated utilization review activities of the clinic or health care system.

Sec. 24. Minnesota Statutes 2022, section 62M.04, subdivision 1, is amended to read:

Subdivision 1. **Responsibility for obtaining authorization.** A health benefit plan that includes utilization review requirements must specify the process for notifying the utilization review organization in a timely manner and obtaining authorization for health care services. Each health plan company must provide a clear and concise description of this process to an enrollee as part of the policy, subscriber contract, or certificate of coverage. Effective January 1, 2026, the commissioner must provide a clear and concise description of this process to fee-for-service recipients receiving services under chapters 256B and 256L, through the agency's public website or through other forms of recipient guidance. In addition to the enrollee, the utilization review organization must allow any provider or provider's designee, or responsible patient representative, including a family member, to fulfill the obligations under the health benefit plan.

A claims administrator that contracts directly with providers for the provision of health care services to enrollees may, through contract, require the provider to notify the review organization in a timely manner and obtain authorization for health care services.

Sec. 25. Minnesota Statutes 2022, section 62M.05, subdivision 3a, is amended to read:

Subd. 3a. **Standard review determination.** (a) ~~Notwithstanding subdivision 3b, a standard review determination on all requests for utilization review must be communicated to the provider and enrollee in accordance with this subdivision within five business days after receiving the request if the request is received electronically, or within six business days if received through nonelectronic means, provided that all information reasonably necessary to make a determination on the request has been made available to the utilization review organization. Effective January 1, 2022,~~ A standard review determination on all requests for utilization review must be communicated to the provider and enrollee in accordance with this subdivision within five business days after receiving the request, regardless of how the request was received, provided that all information reasonably necessary to make a determination on the request has been made available to the utilization review organization.

(b) When a determination is made to authorize, notification must be provided promptly by telephone to the provider. The utilization review organization shall send written notification to the provider or shall maintain an audit trail of the determination and telephone notification. For purposes of this subdivision, "audit trail" includes documentation of the telephone notification, including the date; the name of the person spoken to; the enrollee; the service, procedure, or admission authorized; and the date of the service, procedure, or admission. If the utilization review organization indicates authorization by use of a number, the number must be called the "authorization number." For purposes of this subdivision, notification may also be made by facsimile to a verified number or by electronic mail to a secure electronic mailbox. These electronic forms of notification satisfy the "audit trail" requirement of this paragraph.

(c) When an adverse determination is made, notification must be provided within the time periods specified in paragraph (a) by telephone, by facsimile to a verified number, or by electronic mail to a secure electronic mailbox to the attending health care professional and hospital or physician office as applicable. Written notification must also be sent to the hospital or physician office as applicable and attending health care professional if notification occurred by telephone. For purposes of this subdivision, notification may be made by facsimile to a verified number or by electronic mail to a secure electronic mailbox. Written notification must be sent to the enrollee and may be sent by United States mail, facsimile to a verified number, or by electronic mail to a secure mailbox. The written notification must include all reasons relied on by the utilization review organization for the determination and the process for initiating an appeal of the determination. Upon request, the utilization review organization shall provide the provider or enrollee with the criteria used to determine the necessity, appropriateness, and efficacy of the health care service and identify the database, professional treatment parameter, or other basis for the criteria. Reasons for an adverse determination may include, among other things, the lack of adequate information to authorize after a reasonable attempt has been made to contact the provider or enrollee.

(d) When an adverse determination is made, the written notification must inform the enrollee and the attending health care professional of the right to submit an appeal to the internal appeal process described in section 62M.06 and the procedure for initiating the internal appeal. The written notice shall be provided in a culturally and linguistically appropriate manner consistent with the provisions of the Affordable Care Act as defined under section 62A.011, subdivision 1a.

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

Sec. 26. Minnesota Statutes 2022, section 62M.07, subdivision 2, is amended to read:

Subd. 2. **Prior authorization of ~~emergency~~ certain services prohibited.** No utilization review organization, health plan company, or claims administrator may conduct or require prior authorization of:

(1) emergency confinement or an emergency service. The enrollee or the enrollee's authorized representative may be required to notify the health plan company, claims administrator, or utilization review organization as soon as reasonably possible after the beginning of the emergency confinement or emergency service~~.~~;

(2) oral buprenorphine to treat a substance use disorder;

(3) outpatient mental health treatment or outpatient substance use disorder treatment, except for treatment which is: (i) a medication; and (ii) not otherwise listed in this subdivision. Prior authorizations required for medications used for outpatient mental health treatment or outpatient substance use disorder treatment, and not otherwise listed in this subdivision, must be processed according to section 62M.05, subdivision 3b, for initial determinations, and according to section 62M.06, subdivision 2, for appeals;

(4) antineoplastic cancer treatment that is consistent with guidelines of the National Comprehensive Cancer Network, except for treatment which is: (i) a medication; and (ii) not otherwise listed in this subdivision. Prior authorizations required for medications used for antineoplastic cancer treatment, and not otherwise listed in this subdivision, must be processed according to section 62M.05, subdivision 3b, for initial determinations, and according to section 62M.06, subdivision 2, for appeals;

(5) services that currently have a rating of A or B from the United States Preventive Services Task Force, immunizations recommended by the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention, or preventive services and screenings provided to women as described in Code of Federal Regulations, title 45, section 147.130;

(6) pediatric hospice services provided by a hospice provider licensed under sections 144A.75 to 144A.755; and

(7) treatment delivered through a neonatal abstinence program operated by pediatric pain or palliative care subspecialists.

Clauses (2) to (7) are effective January 1, 2026, and apply to health benefit plans offered, sold, issued, or renewed on or after that date.

Sec. 27. Minnesota Statutes 2022, section 62M.07, subdivision 4, is amended to read:

Subd. 4. **Submission of prior authorization requests.** (a) If prior authorization for a health care service is required, the utilization review organization, health plan company, or claim administrator must allow providers to submit requests for prior authorization of the health care services without unreasonable delay by telephone, facsimile, or voice mail or through an electronic mechanism 24 hours a day, seven days a week. This subdivision does not apply to dental service covered under MinnesotaCare or medical assistance.

(b) Effective January 1, 2027, for health benefit plans offered, sold, issued, or renewed on or after that date, utilization review organizations, health plan companies, and claims administrators must have and maintain a prior authorization application programming interface (API) that automates the prior authorization process for health care services, excluding prescription drugs and medications. The API must allow providers to determine whether a prior authorization is required for health care services, identify prior authorization information and documentation requirements, and facilitate the exchange of prior authorization requests and determinations from provider electronic health records or practice management systems. The API must use the Health Level Seven (HL7) Fast Healthcare Interoperability Resources (FHIR) standard in accordance with Code of Federal Regulations, title 45, section 170.215(a)(1), and the most recent standards and guidance adopted by the United States Department of Health and Human Services to implement that section. Prior authorization submission requests for prescription drugs and medications must comply with the requirements of section 62J.497.

Sec. 28. Minnesota Statutes 2022, section 62M.07, is amended by adding a subdivision to read:

Subd. 5. **Treatment of a chronic condition.** This subdivision is effective January 1, 2026, and applies to health benefit plans offered, sold, issued, or renewed on or after that date. An authorization for treatment of a chronic health condition does not expire unless the standard of treatment for that health condition changes. A chronic health condition is a condition that is expected to last one year or more and:

(1) requires ongoing medical attention to effectively manage the condition or prevent an adverse health event; or

(2) limits one or more activities of daily living.

Sec. 29. Minnesota Statutes 2022, section 62M.10, subdivision 7, is amended to read:

Subd. 7. **Availability of criteria.** (a) For utilization review determinations other than prior authorization, a utilization review organization shall, upon request, provide to an enrollee, a provider, and the commissioner of commerce the criteria used to determine the medical necessity, appropriateness, and efficacy of a procedure or service and identify the database, professional treatment guideline, or other basis for the criteria.

(b) For prior authorization determinations, a utilization review organization must submit the organization's current prior authorization requirements and restrictions, including written, evidence-based, clinical criteria used to make an authorization or adverse determination, to all health plan companies for which the organization performs utilization review. A health plan company must post on its public website the prior authorization requirements and restrictions of any utilization review organization that performs utilization review for the health plan company. These prior authorization requirements and restrictions must be detailed and written in language that is easily understandable to providers. This paragraph does not apply to the commissioner of human services when delivering services through fee-for-service under chapters 256B and 256L.

(c) Effective January 1, 2026, the commissioner of human services must post on the department's public website the prior authorization requirements and restrictions, including written, evidence-based, clinical criteria used to make an authorization or adverse determination, that apply to prior authorization determinations for fee-for-service under chapters 256B and 256L. These prior authorization requirements and restrictions must be detailed and written in language that is easily understandable to providers.

Sec. 30. Minnesota Statutes 2022, section 62M.10, subdivision 8, is amended to read:

Subd. 8. **Notice; new prior authorization requirements or restrictions; change to existing requirement or restriction.** (a) Before a utilization review organization may implement a new prior authorization requirement or restriction or amend an existing prior authorization requirement or restriction, the utilization review organization must submit the new or amended requirement or restriction to all health plan companies for which the organization performs utilization review. A health plan company must post on its website the new or amended requirement or restriction. This paragraph does not apply to the commissioner of human services when delivering services through fee-for-service under chapters 256B and 256L.

(b) At least 45 days before a new prior authorization requirement or restriction or an amended existing prior authorization requirement or restriction is implemented, the utilization review organization, health plan company, or claims administrator must provide written or electronic notice of the new or amended requirement or restriction to all Minnesota-based, in-network attending health care professionals who are subject to the prior authorization requirements and restrictions. This paragraph does not apply to the commissioner of human services when delivering services through fee-for-service under chapters 256B and 256L.

(c) Effective January 1, 2026, before the commissioner of human services may implement a new prior authorization requirement or restriction or amend an existing prior authorization requirement or restriction, the commissioner, at least 45 days before the new or amended requirement or restriction takes effect, must provide written or electronic notice of the new or amended requirement or restriction, to all health care professionals participating as fee-for-service providers under chapters 256B and 256L who are subject to the prior authorization requirements and restrictions.

Sec. 31. Minnesota Statutes 2022, section 62M.17, subdivision 2, is amended to read:

Subd. 2. **Effect of change in prior authorization clinical criteria.** (a) If, during a plan year, a utilization review organization changes coverage terms for a health care service or the clinical criteria used to conduct prior authorizations for a health care service, the change in coverage terms or change in clinical criteria shall not apply until the next plan year for any enrollee who received prior authorization for a health care service using the coverage terms or clinical criteria in effect before the effective date of the change.

(b) Paragraph (a) does not apply if a utilization review organization changes coverage terms for a drug or device that has been deemed unsafe by the United States Food and Drug Administration (FDA); that has been withdrawn by either the FDA or the product manufacturer; or when an independent source of research, clinical guidelines, or evidence-based standards has issued drug- or device-specific warnings or recommended changes in drug or device usage.

(c) Paragraph (a) does not apply if a utilization review organization changes coverage terms for a service or the clinical criteria used to conduct prior authorizations for a service when an independent source of research, clinical guidelines, or evidence-based standards has recommended changes in usage of the service for reasons related to patient harm. This paragraph expires December 31, 2025, for health benefit plans offered, sold, issued, or renewed on or after that date.

(d) Effective January 1, 2026, and applicable to health benefit plans offered, sold, issued, or renewed on or after that date, paragraph (a) does not apply if a utilization review organization changes coverage terms for a service or the clinical criteria used to conduct prior authorizations for a service when an independent source of research, clinical guidelines, or evidence-based standards has recommended changes in usage of the service for reasons related to previously unknown and imminent patient harm.

~~(d)~~ (e) Paragraph (a) does not apply if a utilization review organization removes a brand name drug from its formulary or places a brand name drug in a benefit category that increases the enrollee's cost, provided the utilization review organization (1) adds to its formulary a generic or multisource brand name drug rated as therapeutically equivalent according to the FDA Orange Book, or a biologic drug rated as interchangeable according to the FDA Purple Book, at a lower cost to the enrollee, and (2) provides at least a 60-day notice to prescribers, pharmacists, and affected enrollees.

Sec. 32. **[62M.19] ANNUAL REPORT TO COMMISSIONER OF HEALTH; PRIOR AUTHORIZATIONS.**

On or before September 1 each year, each utilization review organization must report to the commissioner of health, in a form and manner specified by the commissioner, information on prior authorization requests for the previous calendar year. The report submitted under this subdivision must include the following data:

(1) the total number of prior authorization requests received;

(2) the number of prior authorization requests for which an authorization was issued;

(3) the number of prior authorization requests for which an adverse determination was issued;

(4) the number of adverse determinations reversed on appeal;

(5) the 25 codes with the highest number of prior authorization requests and the percentage of authorizations for each of these codes;

(6) the 25 codes with the highest percentage of prior authorization requests for which an authorization was issued and the total number of the requests;

(7) the 25 codes with the highest percentage of prior authorization requests for which an adverse determination was issued but which was reversed on appeal and the total number of the requests;

(8) the 25 codes with the highest percentage of prior authorization requests for which an adverse determination was issued and the total number of the requests; and

(9) the reasons an adverse determination to a prior authorization request was issued, expressed as a percentage of all adverse determinations. The reasons listed may include but are not limited to:

(i) the patient did not meet prior authorization criteria;

(ii) incomplete information was submitted by the provider to the utilization review organization;

(iii) the treatment program changed; and

(iv) the patient is no longer covered by the health benefit plan.

Sec. 33. Minnesota Statutes 2022, section 62Q.14, is amended to read:

62Q.14 RESTRICTIONS ON ENROLLEE SERVICES.

No health plan company may restrict the choice of an enrollee as to where the enrollee receives services related to:

(1) the voluntary planning of the conception and bearing of children~~, provided that this clause does not refer to abortion services~~;

(2) the diagnosis of infertility;

(3) the testing and treatment of a sexually transmitted disease; and

(4) the testing for AIDS or other HIV-related conditions.

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. 34. Minnesota Statutes 2022, section 62Q.1841, subdivision 2, is amended to read:

Subd. 2. **Prohibition on use of prior authorization or step therapy protocols.** A health plan that provides coverage for the treatment of stage four advanced metastatic cancer or associated conditions must not limit or exclude coverage for a drug approved by the United States Food and Drug Administration ~~that is on the health plan's prescription drug formulary~~ by mandating that an enrollee with stage four advanced metastatic cancer or associated conditions obtain a prior authorization or follow a step therapy protocol if the use of the approved drug is consistent with:

(1) a United States Food and Drug Administration-approved indication; and

(2) a clinical practice guideline published by the National Comprehensive Care Network.

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. 35. Minnesota Statutes 2022, section 62Q.19, subdivision 3, is amended to read:

Subd. 3. **Health plan company affiliation.** A health plan company must offer a provider contract to ~~any~~ all designated essential community ~~provider~~ providers located within the area served by the health plan company. A health plan company must include all essential community providers that have accepted a contract in each of the company's provider networks. A health plan company shall not restrict enrollee access to services designated to be provided by the essential community provider for the population that the essential community provider is certified to serve. A health plan company may also make other providers available for these services. A health plan company may require an essential community provider to meet all data requirements, utilization review, and quality assurance requirements on the same basis as other health plan providers.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to health plans offered, issued, or renewed on or after that date.

Sec. 36. Minnesota Statutes 2022, section 62Q.19, is amended by adding a subdivision to read:

Subd. 4a. **Contract payment rates; private.** An essential community provider and a health plan company may negotiate the payment rate for covered services provided by the essential community provider. This rate must be at least the same rate per unit of service as is paid by the health plan company to the essential community provider under the provider contract between the two with the highest number of enrollees receiving health care services from the provider or, if there is no provider contract between the health plan company and the essential community provider, the rate must be at least the same rate per unit of service as is paid to other plan providers for the same or similar services. The provider contract used to set the rate under this subdivision must be in relation to an individual, small group, or large group health plan. This subdivision applies only to provider contracts in relation to individual, small employer, and large group health plans.

Sec. 37. Minnesota Statutes 2022, section 62Q.19, subdivision 5, is amended to read:

Subd. 5. **Contract payment rates; public.** An essential community provider and a health plan company may negotiate the payment rate for covered services provided by the essential community provider. This rate must be at least the same rate per unit of service as is paid to other health plan providers for the same or similar services. This subdivision applies only to provider contracts in relation to health plans offered through the State Employee Group Insurance Program, medical assistance, and MinnesotaCare.

Sec. 38. 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.~~

~~(c)~~ (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 of after that date.

Sec. 39. 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.

Sec. 40. **[62Q.524] COVERAGE OF ABORTIONS AND ABORTION-RELATED SERVICES.**

Subdivision 1. **Definition.** For purposes of this section, "abortion" means any medical treatment intended to induce the termination of a pregnancy with a purpose other than producing a live birth.

Subd. 2. **Required coverage; cost-sharing.** (a) A health plan must provide coverage for abortions and abortion-related services, including preabortion services and follow-up services.

(b) A health plan must not impose on the coverage under this section any co-payment, coinsurance, deductible, or other enrollee cost-sharing that is greater than the cost-sharing that applies to similar services covered under the health plan.

(c) A health plan must not impose any limitation on the coverage under this section, including but not limited to any utilization review, prior authorization, referral requirements, restrictions, or delays, that is not generally applicable to other coverages under the plan.

Subd. 3. **Exclusion.** This section does not apply to managed care organizations or county-based purchasing plans when the plan provides coverage to public health care program enrollees under chapter 256B or 256L.

Subd. 4. **Reimbursement.** The commissioner of commerce must reimburse health plan companies for coverage under this section. Reimbursement is available only for coverage that would not have been provided by the health plan company without the requirements of this section. Each fiscal year, an amount necessary to make payments to health plan companies to defray the cost of providing coverage under this section is appropriated to the commissioner of commerce. Health plan companies must report to the commissioner quantified costs attributable to the additional benefit under this section in a format developed by the commissioner. The commissioner must evaluate submissions and make payments to health plan companies as provided in Code of Federal Regulations, title 45, section 155.170.

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. 41. **[62Q.531] AMINO ACID-BASED FORMULA COVERAGE.**

Subdivision 1. **Definition.** (a) For purposes of this section, the following term has the meaning given.

(b) "Formula" means an amino acid-based elemental formula.

Subd. 2. **Required coverage.** A health plan company must provide coverage for formula when formula is medically necessary.

Subd. 3. **Covered conditions.** Conditions for which formula is medically necessary include but are not limited to:

(1) cystic fibrosis;

(2) amino acid, organic acid, and fatty acid metabolic and malabsorption disorders;

(3) IgE mediated allergies to food proteins;

(4) food protein-induced enterocolitis syndrome;

(5) eosinophilic esophagitis;

(6) eosinophilic gastroenteritis;

(7) eosinophilic colitis; and

(8) mast cell activation syndrome.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to health plans offered, issued, or sold on or after that date.

Sec. 42. **[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. 43. **[62Q.665] COVERAGE FOR ORTHOTIC AND PROSTHETIC DEVICES.**

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

(b) "Accredited facility" means any entity that is accredited to provide comprehensive orthotic or prosthetic devices or services by a Centers for Medicare and Medicaid Services approved accrediting agency.

(c) "Orthosis" means:

(1) an external medical device that is:

(i) custom-fabricated or custom-fitted to a specific patient based on the patient's unique physical condition;

(ii) applied to a part of the body to correct a deformity, provide support and protection, restrict motion, improve function, or relieve symptoms of a disease, syndrome, injury, or postoperative condition; and

(iii) deemed medically necessary by a prescribing physician or licensed health care provider who has authority in Minnesota to prescribe orthotic and prosthetic devices, supplies, and services; and

(2) any provision, repair, or replacement of a device that is furnished or performed by:

(i) an accredited facility in comprehensive orthotic services; or

(ii) a health care provider licensed in Minnesota and operating within the provider's scope of practice which allows the provider to provide orthotic or prosthetic devices, supplies, or services.

(d) "Orthotics" means:

(1) the science and practice of evaluating, measuring, designing, fabricating, assembling, fitting, adjusting, or servicing and providing the initial training necessary to accomplish the fitting of an orthotic device for the support, correction, or alleviation of a neuromuscular or musculoskeletal dysfunction, disease, injury, or deformity;

(2) evaluation, treatment, and consultation related to an orthotic device;

(3) basic observation of gait and postural analysis;

(4) assessing and designing orthosis to maximize function and provide support and alignment necessary to prevent or correct a deformity or to improve the safety and efficiency of mobility and locomotion;

(5) continuing patient care to assess the effect of an orthotic device on the patient's tissues; and

(6) proper fit and function of the orthotic device by periodic evaluation.

(e) "Prosthesis" means:

(1) an external medical device that is:

(i) used to replace or restore a missing limb, appendage, or other external human body part; and

(ii) deemed medically necessary by a prescribing physician or licensed health care provider who has authority in Minnesota to prescribe orthotic and prosthetic devices, supplies, and services; and

(2) any provision, repair, or replacement of a device that is furnished or performed by:

(i) an accredited facility in comprehensive prosthetic services; or

(ii) a health care provider licensed in Minnesota and operating within the provider's scope of practice which allows the provider to provide orthotic or prosthetic devices, supplies, or services.

(f) "Prosthetics" means:

(1) the science and practice of evaluating, measuring, designing, fabricating, assembling, fitting, aligning, adjusting, or servicing, as well as providing the initial training necessary to accomplish the fitting of, a prosthesis through the replacement of external parts of a human body lost due to amputation or congenital deformities or absences;

(2) the generation of an image, form, or mold that replicates the patient's body segment and that requires rectification of dimensions, contours, and volumes for use in the design and fabrication of a socket to accept a residual anatomic limb to, in turn, create an artificial appendage that is designed either to support body weight or to improve or restore function or anatomical appearance, or both;

(3) observational gait analysis and clinical assessment of the requirements necessary to refine and mechanically fix the relative position of various parts of the prosthesis to maximize function, stability, and safety of the patient;

(4) providing and continuing patient care in order to assess the prosthetic device's effect on the patient's tissues; and

(5) assuring proper fit and function of the prosthetic device by periodic evaluation.

Subd. 2. **Coverage.** (a) A health plan must provide coverage for orthotic and prosthetic devices, supplies, and services, including repair and replacement, at least equal to the coverage provided under federal law for health insurance for the aged and disabled under sections 1832, 1833, and 1834 of the Social Security Act, United States Code, title 42, sections 1395k, 1395l, and 1395m, but only to the extent consistent with this section.

(b) A health plan must not subject orthotic and prosthetic benefits to separate financial requirements that apply only with respect to those benefits. A health plan may impose co-payment and coinsurance amounts on those benefits, except that any financial requirements that apply to such benefits must not be more restrictive than the financial requirements that apply to the health plan's medical and surgical benefits, including those for internal restorative devices.

(c) A health plan may limit the benefits for, or alter the financial requirements for, out-of-network coverage of prosthetic and orthotic devices, except that the restrictions and requirements that apply to those benefits must not be more restrictive than the financial requirements that apply to the out-of-network coverage for the health plan's medical and surgical benefits.

(d) A health plan must cover orthoses and prostheses when furnished under an order by a prescribing physician or licensed health care prescriber who has authority in Minnesota to prescribe orthoses and prostheses, and that coverage for orthotic and prosthetic devices, supplies, accessories, and services must include those devices or device systems, supplies, accessories, and services that are customized to the covered individual's needs.

(e) A health plan must cover orthoses and prostheses determined by the enrollee's provider to be the most appropriate model that meets the medical needs of the enrollee for purposes of performing physical activities, as applicable, including but not limited to running, biking, and swimming, and maximizing the enrollee's limb function.

(f) A health plan must cover orthoses and prostheses for showering or bathing.

Subd. 3. **Prior authorization.** A health plan may require prior authorization for orthotic and prosthetic devices, supplies, and services in the same manner and to the same extent as prior authorization is required for any other covered benefit.

Subd. 4. **Reimbursement.** The commissioner of commerce must reimburse health plan companies for coverage under this section. Reimbursement is available only for coverage that would not have been provided by the health plan company without the requirements of this section. Each fiscal year, an amount necessary to make payments to health plan companies to defray the cost of providing coverage under this section is appropriated to the commissioner of commerce. Health plan companies must report to the commissioner quantified costs attributable to the additional benefit under this section in a format developed by the commissioner. The commissioner must evaluate submissions and make payments to health plan companies as provided in Code of Federal Regulations, title 45, section 155.170.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to all health plans offered, issued, or renewed on or after that date.

Sec. 44. **[62Q.666] MEDICAL NECESSITY AND NONDISCRIMINATION STANDARDS FOR COVERAGE OF PROSTHETICS OR ORTHOTICS.**

(a) When performing a utilization review for a request for coverage of prosthetic or orthotic benefits, a health plan company shall apply the most recent version of evidence-based treatment and fit criteria as recognized by relevant clinical specialists.

(b) A health plan company shall render utilization review determinations in a nondiscriminatory manner and shall not deny coverage for habilitative or rehabilitative benefits, including prosthetics or orthotics, solely on the basis of an enrollee's actual or perceived disability.

(c) A health plan company shall not deny a prosthetic or orthotic benefit for an individual with limb loss or absence that would otherwise be covered for a nondisabled person seeking medical or surgical intervention to restore or maintain the ability to perform the same physical activity.

(d) A health plan offered, issued, or renewed in Minnesota that offers coverage for prosthetics and custom orthotic devices shall include language describing an enrollee's rights pursuant to paragraphs (b) and (c) in its evidence of coverage and any benefit denial letters.

(e) A health plan that provides coverage for prosthetic or orthotic services shall ensure access to medically necessary clinical care and to prosthetic and custom orthotic devices and technology from not less than two distinct prosthetic and custom orthotic providers in the plan's provider network located in Minnesota. In the event that medically necessary covered orthotics and prosthetics are not available from an in-network provider, the health plan company shall provide processes to refer a member to an out-of-network provider and shall fully reimburse the out-of-network provider at a mutually agreed upon rate less member cost sharing determined on an in-network basis.

(f) If coverage for prosthetic or custom orthotic devices is provided, payment shall be made for the replacement of a prosthetic or custom orthotic device or for the replacement of any part of the devices, without regard to continuous use or useful lifetime restrictions, if an ordering health care provider determines that the provision of a replacement device, or a replacement part of a device, is necessary because:

(1) of a change in the physiological condition of the patient;

(2) of an irreparable change in the condition of the device or in a part of the device; or

(3) the condition of the device, or the part of the device, requires repairs and the cost of the repairs would be more than 60 percent of the cost of a replacement device or of the part being replaced.

(g) Confirmation from a prescribing health care provider may be required if the prosthetic or custom orthotic device or part being replaced is less than three years old.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to all health plans offered, issued, or renewed on or after that date.

Sec. 45. **[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, 62Q.524, 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, 62Q.524, 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, 62Q.524, 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, 62Q.524, 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, 62Q.524, 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, 62Q.524, 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, 62Q.524, 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, 62Q.524, 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, 62Q.524, 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.

Sec. 46. Minnesota Statutes 2022, section 62Q.73, subdivision 2, is amended to read:

Subd. 2. **Exception.** (a) This section does not apply to governmental programs except as permitted under paragraph (b). For purposes of this subdivision, "governmental programs" means the prepaid medical assistance program~~,~~; effective January 1, 2026, the medical assistance fee-for-service program; the MinnesotaCare program~~,~~; the demonstration project for people with disabilities~~,~~; and the federal Medicare program.

(b) In the course of a recipient's appeal of a medical determination to the commissioner of human services under section 256.045, the recipient may request an expert medical opinion be arranged by the external review entity under contract to provide independent external reviews under this section. If such a request is made, the cost of the review shall be paid by the commissioner of human services. Any medical opinion obtained under this paragraph shall only be used by a state human services judge as evidence in the recipient's appeal to the commissioner of human services under section 256.045.

(c) Nothing in this subdivision shall be construed to limit or restrict the appeal rights provided in section 256.045 for governmental program recipients.

Sec. 47. Minnesota Statutes 2022, section 62V.05, subdivision 12, is amended to read:

Subd. 12. **Reports on interagency agreements and intra-agency transfers.** The MNsure Board shall provide ~~quarterly reports to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance on:~~ legislative reports on interagency agreements and intra-agency transfers according to section 15.0395.

~~(1) interagency agreements or service-level agreements and any renewals or extensions of existing interagency or service-level agreements with a state department under section 15.01, state agency under section 15.012, or the Department of Information Technology Services, with a value of more than $100,000, or related agreements with the same department or agency with a cumulative value of more than $100,000; and~~

~~(2) transfers of appropriations of more than $100,000 between accounts within or between agencies.~~

~~The report must include the statutory citation authorizing the agreement, transfer or dollar amount, purpose, and effective date of the agreement, the duration of the agreement, and a copy of the agreement.~~

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

Sec. 48. Minnesota Statutes 2022, section 62V.08, is amended to read:

62V.08 REPORTS.

(a) MNsure shall submit a report to the legislature by ~~January 15, 2015~~ March 31, 2025, and each ~~January 15~~ March 31 thereafter, on: (1) the performance of MNsure operations; (2) meeting MNsure responsibilities; (3) an accounting of MNsure budget activities; (4) practices and procedures that have been implemented to ensure compliance with data practices laws, and a description of any violations of data practices laws or procedures; and (5) the effectiveness of the outreach and implementation activities of MNsure in reducing the rate of uninsurance.

(b) MNsure must publish its administrative and operational costs on a website to educate consumers on those costs. The information published must include: (1) the amount of premiums and federal premium subsidies collected; (2) the amount and source of revenue received under section 62V.05, subdivision 1, paragraph (b), clause (3); (3) the amount and source of any other fees collected for purposes of supporting operations; and (4) any misuse of funds as identified in accordance with section 3.975. The website must be updated at least annually.

Sec. 49. Minnesota Statutes 2022, section 62V.11, subdivision 4, is amended to read:

Subd. 4. **Review of costs.** The board shall submit for review the annual budget of MNsure for the next fiscal year by March ~~15~~ 31 of each year, beginning March ~~15, 2014~~ 31, 2025.

Sec. 50. Minnesota Statutes 2023 Supplement, section 145D.01, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this ~~chapter~~ section and section 145D.02, the following terms have the meanings given.

(b) "Captive professional entity" means a professional corporation, limited liability company, or other entity formed to render professional services in which a beneficial owner is a health care provider employed by, controlled by, or subject to the direction of a hospital or hospital system.

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

(d) "Control," including the terms "controlling," "controlled by," and "under common control with," means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a health care entity, whether through the ownership of voting securities, membership in an entity formed under chapter 317A, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with, corporate office held by, or court appointment of, the person. Control is presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to

vote, or holds proxies representing 40 percent or more of the voting securities of any other person, or if any person, directly or indirectly, constitutes 40 percent or more of the membership of an entity formed under chapter 317A. The attorney general may determine that control exists in fact, notwithstanding the absence of a presumption to that effect.

(e) "Health care entity" means:

(1) a hospital;

(2) a hospital system;

(3) a captive professional entity;

(4) a medical foundation;

(5) a health care provider group practice;

(6) an entity organized or controlled by an entity listed in clauses (1) to (5); or

(7) an entity that owns or exercises control over an entity listed in clauses (1) to (5).

(f) "Health care provider" means a physician licensed under chapter 147, a physician assistant licensed under chapter 147A, or an advanced practice registered nurse as defined in section 148.171, subdivision 3, who provides health care services, including but not limited to medical care, consultation, diagnosis, or treatment.

(g) "Health care provider group practice" means two or more health care providers legally organized in a partnership, professional corporation, limited liability company, medical foundation, nonprofit corporation, faculty practice plan, or other similar entity:

(1) in which each health care provider who is a member of the group provides services that a health care provider routinely provides, including but not limited to medical care, consultation, diagnosis, and treatment, through the joint use of shared office space, facilities, equipment, or personnel;

(2) for which substantially all services of the health care providers who are group members are provided through the group and are billed in the name of the group practice and amounts so received are treated as receipts of the group; or

(3) in which the overhead expenses of, and the income from, the group are distributed in accordance with methods previously determined by members of the group.

An entity that otherwise meets the definition of health care provider group practice in this paragraph shall be considered a health care provider group practice even if its shareholders, partners, members, or owners include a professional corporation, limited liability company, or other entity in which any beneficial owner is a health care provider and that is formed to render professional services.

(h) "Hospital" means a health care facility licensed as a hospital under sections 144.50 to 144.56.

(i) "Medical foundation" means a nonprofit legal entity through which health care providers perform research or provide medical services.

(j) "Transaction" means a single action, or a series of actions within a five-year period, which occurs in part within the state of Minnesota or involves a health care entity formed or licensed in Minnesota, that constitutes:

(1) a merger or exchange of a health care entity with another entity;

(2) the sale, lease, or transfer of 40 percent or more of the assets of a health care entity to another entity;

(3) the granting of a security interest of 40 percent or more of the property and assets of a health care entity to another entity;

(4) the transfer of 40 percent or more of the shares or other ownership of a health care entity to another entity;

(5) an addition, removal, withdrawal, substitution, or other modification of one or more members of the health care entity's governing body that transfers control, responsibility for, or governance of the health care entity to another entity;

(6) the creation of a new health care entity;

(7) an agreement or series of agreements that results in the sharing of 40 percent or more of the health care entity's revenues with another entity, including affiliates of such other entity;

(8) an addition, removal, withdrawal, substitution, or other modification of the members of a health care entity formed under chapter 317A that results in a change of 40 percent or more of the membership of the health care entity; or

(9) any other transfer of control of a health care entity to, or acquisition of control of a health care entity by, another entity.

(k) A transaction as defined in paragraph (j) does not include:

(1) an action or series of actions that meets one or more of the criteria set forth in paragraph (j), clauses (1) to (9), if, immediately prior to all such actions, the health care entity directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, all other parties to the action or series of actions;

(2) a mortgage or other secured loan for business improvement purposes entered into by a health care entity that does not directly affect delivery of health care or governance of the health care entity;

(3) a clinical affiliation of health care entities formed solely for the purpose of collaborating on clinical trials or providing graduate medical education;

(4) the mere offer of employment to, or hiring of, a health care provider by a health care entity;

(5) contracts between a health care entity and a health care provider primarily for clinical services; or

(6) a single action or series of actions within a five-year period involving only entities that operate solely as a nursing home licensed under chapter 144A; a boarding care home licensed under sections 144.50 to 144.56; a supervised living facility licensed under sections 144.50 to 144.56; an assisted living facility licensed under chapter 144G; a foster care setting licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, for a physical location that is not the primary residence of the license holder; a community residential setting as defined in section 245D.02, subdivision 4a; or a home care provider licensed under sections 144A.471 to 144A.483.

Sec. 51. **[145D.30] DEFINITIONS.**

Subdivision 1. **Application.** For purposes of sections 145D.30 to 145D.37, the following terms have the meanings given unless the context clearly indicates otherwise.

Subd. 2. **Commissioner**"Commissioner" means the commissioner of commerce for a nonprofit health coverage entity that is a nonprofit health service plan corporation operating under chapter 62C or the commissioner of health for a nonprofit health coverage entity that is a nonprofit health maintenance organization operating under chapter 62D.

Subd. 3. **Control.** "Control," including the terms "controlling," "controlled by," and "under common control with," means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a nonprofit health coverage entity, whether through the ownership of voting securities, through membership in an entity formed under chapter 317A, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with, corporate office held by, or court appointment of the person. Control is presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing 40 percent or more of the voting securities of any other person or if any person, directly or indirectly, constitutes 40 percent or more of the membership of an entity formed under chapter 317A. The attorney general may determine that control exists in fact, notwithstanding the absence of a presumption to that effect.

Subd. 4. **Conversion benefit entity.** "Conversion benefit entity" means a foundation, corporation, limited liability company, trust, partnership, or other entity that receives, in connection with a conversion transaction, the value of any public benefit asset in accordance with section 145D.32, subdivision 5.

Subd. 5. **Conversion transaction.** "Conversion transaction" means a transaction otherwise permitted under applicable law in which a nonprofit health coverage entity:

(1) merges, consolidates, converts, or transfers all or substantially all of its assets to any entity except a corporation that is exempt under United States Code, title 26, section 501(c)(3);

(2) makes a series of separate transfers within a 60-month period that in the aggregate constitute a transfer of all or substantially all of the nonprofit health coverage entity's assets to any entity except a corporation that is exempt under United States Code, title 26, section 501(c)(3); or

(3) adds or substitutes one or more directors or officers that effectively transfer the control of, responsibility for, or governance of the nonprofit health coverage entity to any entity except a corporation that is exempt under United States Code, title 26, section 501(c)(3).

Subd. 6. **Corporation.** "Corporation" has the meaning given in section 317A.011, subdivision 6, and also includes a nonprofit limited liability company organized under section 322C.1101.

Subd. 7. **Director.** "Director" has the meaning given in section 317A.011, subdivision 7.

Subd. 8. **Family member.** "Family member" means a spouse, parent, child, spouse of a child, brother, sister, or spouse of a brother or sister.

Subd. 9. **Full and fair value.** "Full and fair value" means at least the amount that the public benefit assets of the nonprofit health coverage entity would be worth if the assets were equal to stock in the nonprofit health coverage entity, if the nonprofit health coverage entity was a for-profit corporation and if the nonprofit health coverage entity had 100 percent of its stock authorized by the corporation and available for purchase without transfer restrictions. The valuation shall consider market value, investment or earning value, net asset value, goodwill, amount of donations received, and control premium, if any.

Subd. 10. **Key employee.** "Key employee" means an individual, regardless of title, who:

(1) has responsibilities, power, or influence over an organization similar to those of an officer or director;

(2) manages a discrete segment or activity of the organization that represents ten percent or more of the activities, assets, income, or expenses of the organization, as compared to the organization as a whole; or

(3) has or shares authority to control or determine ten percent or more of the organization's capital expenditures, operating budget, or compensation for employees.

Subd. 11. **Nonprofit health coverage entity.** "Nonprofit health coverage entity" means a nonprofit health service plan corporation operating under chapter 62C or a nonprofit health maintenance organization operating under chapter 62D.

Subd. 12. **Officer.** "Officer" has the meaning given in section 317A.011, subdivision 15.

Subd. 13. **Public benefit assets.** "Public benefit assets" means the entirety of a nonprofit health coverage entity's assets, whether tangible or intangible, including but not limited to its goodwill and anticipated future revenue.

Subd. 14. **Related organization.** "Related organization" has the meaning given in section 317A.011, subdivision 18.

Sec. 52. **[145D.31] CERTAIN CONVERSION TRANSACTIONS PROHIBITED.**

A nonprofit health coverage entity must not enter into a conversion transaction if:

(1) doing so would result in less than the full and fair market value of all public benefit assets remaining dedicated to the public benefit; or

(2) an individual who has been an officer, director, or other executive of the nonprofit health coverage entity or of a related organization, or a family member of such an individual:

(i) has held or will hold, whether guaranteed or contingent, an ownership stake, stock, securities, investment, or other financial interest in an entity to which the nonprofit health coverage entity transfers public benefit assets in connection with the conversion transaction;

(ii) has received or will receive any type of compensation or other financial benefit from an entity to which the nonprofit health coverage entity transfers public benefit assets in connection with the conversion transaction;

(iii) has held or will hold, whether guaranteed or contingent, an ownership stake, stock, securities, investment, or other financial interest in an entity that has or will have a business relationship with an entity to which the nonprofit health coverage entity transfers public benefit assets in connection with the conversion transaction; or

(iv) has received or will receive any type of compensation or other financial benefit from an entity that has or will have a business relationship with an entity to which the nonprofit health coverage entity transfers public benefit assets in connection with the conversion transaction.

Sec. 53. **[145D.32] REQUIREMENTS FOR NONPROFIT HEALTH COVERAGE ENTITY CONVERSION TRANSACTIONS.**

Subdivision 1. **Notice.** (a) Before entering into a conversion transaction, a nonprofit health coverage entity must notify the attorney general according to section 317A.811. In addition to the elements listed in section 317A.811, subdivision 1, the notice required by this subdivision must also include: (1) an itemization of the nonprofit health coverage entity's public benefit assets and an independent third-party valuation of the nonprofit health coverage entity's public benefit assets; (2) a proposed plan to distribute the value of those public benefit assets to a conversion benefit entity that meets the requirements of section 145D.33; and (3) other information contained in forms provided by the attorney general.

(b) When the nonprofit health coverage entity provides the attorney general with the notice and other information required under paragraph (a), the nonprofit health coverage entity must also provide a copy of this notice and other information to the applicable commissioner.

Subd. 2. **Nonprofit health coverage entity requirements.** Before entering into a conversion transaction, a nonprofit health coverage entity must ensure that:

(1) the proposed conversion transaction complies with chapters 317A and 501B and other applicable laws;

(2) the proposed conversion transaction does not involve or constitute a breach of charitable trust;

(3) the nonprofit health coverage entity shall receive full and fair value for its public benefit assets;

(4) the value of the public benefit assets to be transferred has not been manipulated in a manner that causes or caused the value of the assets to decrease;

(5) the proceeds of the proposed conversion transaction shall be used in a manner consistent with the public benefit for which the assets are held by the nonprofit health coverage entity;

(6) the proposed conversion transaction shall not result in a breach of fiduciary duty; and

(7) the conversion benefit entity that receives the value of the nonprofit health coverage entity's public benefit assets meets the requirements in section 145D.33.

Subd. 3. **Listening sessions and public comment.** The attorney general or the commissioner may hold public listening sessions or forums and may solicit public comments regarding the proposed conversion transaction, including on the formation of a conversion benefit entity under section 145D.33.

Subd. 4. **Waiting period.** (a) Subject to paragraphs (b) and (c), a nonprofit health coverage entity must not enter into a conversion transaction until 90 days after the nonprofit health coverage entity has given written notice as required in subdivision 1.

(b) The attorney general may waive all or part of the waiting period or may extend the waiting period for an additional 90 days by notifying the nonprofit health coverage entity of the extension in writing.

(c) The time periods specified in this subdivision shall be suspended while an investigation into the conversion transaction is pending or while a request from the attorney general for additional information is outstanding.

Subd. 5. **Transfer of value of assets required.** As part of a conversion transaction for which notice is provided under subdivision 1, the nonprofit health coverage entity must transfer the entirety of the full and fair value of its public benefit assets to one or more conversion benefit entities that meet the requirements in section 145D.33.

Subd. 6. **Funds restricted for a particular purpose.** Nothing in this section relieves a nonprofit health coverage entity from complying with requirements for funds that are restricted for a particular purpose. Funds restricted for a particular purpose must continue to be used in accordance with the purpose for which they were restricted under sections 317A.671 and 501B.31. A nonprofit health coverage entity may not convert assets that would conflict with their restricted purpose.

Sec. 54. **[145D.33] CONVERSION BENEFIT ENTITY REQUIREMENTS.**

Subdivision 1. **Requirements.** In order to receive the value of a nonprofit health coverage entity's public benefit assets as part of a conversion transaction, a conversion benefit entity must:

(1) be: (i) an existing or new domestic, nonprofit corporation operating under chapter 317A, a nonprofit limited liability company operating under chapter 322C, or a wholly owned subsidiary thereof; and (ii) exempt under United States Code, title 26, section 501(c)(3);

(2) have in place procedures and policies to prohibit conflicts of interest, including but not limited to conflicts of interest relating to any grant-making activities that may benefit:

(i) the officers, directors, or key employees of the conversion benefit entity;

(ii) any entity to which the nonprofit health coverage entity transfers public benefit assets in connection with a conversion transaction; or

(iii) any officers, directors, or key employees of an entity to which the nonprofit health coverage entity transfers public benefit assets in connection with a conversion transaction;

(3) operate to benefit the health of the people in this state;

(4) have in place procedures and policies that prohibit:

(i) an officer, director, or key employee of the nonprofit health coverage entity from serving as an officer, director, or key employee of the conversion benefit entity for the five-year period following the conversion transaction;

(ii) an officer, director, or key employee of the nonprofit health coverage entity or of the conversion benefit entity from directly or indirectly benefiting from the conversion transaction; and

(iii) elected or appointed public officials from serving as an officer, director, or key employee of the conversion benefit entity;

(5) not make grants or payments or otherwise provide financial benefit to an entity to which a nonprofit health coverage entity transfers public benefit assets as part of a conversion transaction or to a related organization of the entity to which the nonprofit health coverage entity transfers public benefit assets as part of a conversion transaction; and

(6) not have as an officer director, or key employee any individual who has been an officer, director, or key employee of an entity that receives public benefit assets as part of a conversion transaction.

Subd. 2. **Review and approval.** The commissioner must review and approve a conversion benefit entity before the conversion benefit entity receives the value of public benefit assets from a nonprofit health coverage entity. In order to be approved under this subdivision, the conversion benefit entity's governance must be broadly based in the community served by the nonprofit health coverage entity and must be independent of the entity to which the nonprofit health coverage entity transfers public benefit assets as part of the conversion transaction. As part of the review of the conversion benefit entity's governance, the commissioner may hold a public hearing. The public hearing, if held by the commissioner of health, may be held concurrently with the hearing authorized under section 62D.31. If the commissioner finds it necessary, a portion of the value of the public benefit assets must be used to develop a community-based plan for use by the conversion benefit entity.

Subd. 3. **Community advisory committee.** The commissioner must establish a community advisory committee for a conversion benefit entity receiving the value of public benefit assets. The members of the community advisory committee must be selected to represent the diversity of the community previously served by the nonprofit health coverage entity. The community advisory committee must:

(1) provide a slate of three nominees for each vacancy on the governing board of the conversion benefit entity, from which the remaining board members must select new members to the board;

(2) provide the conversion benefit entity's governing board with guidance on the health needs of the community previously served by the nonprofit health coverage entity; and

(3) promote dialogue and information sharing between the conversion benefit entity and the community previously served by the nonprofit health coverage entity.

Sec. 55. **[145D.34] ENFORCEMENT AND REMEDIES.**

Subdivision 1. **Investigation.** The attorney general has the powers in section 8.31. Nothing in this subdivision limits the powers, remedies, or responsibilities of the attorney general under this chapter; chapter 8, 309, 317A, or 501B; or any other chapter. For purposes of this section, an approval by the commissioner for regulatory purposes does not impair or inform the attorney general's authority.

Subd. 2. **Enforcement and penalties.** (a) The attorney general may bring an action in district court to enjoin or unwind a conversion transaction or seek other equitable relief necessary to protect the public interest if:

(1) a nonprofit health coverage entity or conversion transaction violates sections 145D.30 to 145D.33; or

(2) the conversion transaction is contrary to the public interest.

In seeking injunctive relief, the attorney general must not be required to establish irreparable harm but must instead establish that a violation of sections 145D.30 to 145D.33 occurred or that the requested order promotes the public interest.

(b) Factors informing whether a conversion transaction is contrary to the public interest include but are not limited to whether:

(1) the conversion transaction shall result in increased health care costs for patients; and

(2) the conversion transaction shall adversely impact provider cost trends and containment of total health care spending.

(c) The attorney general may enforce sections 145D.30 to 145D.33 under section 8.31.

(d) Failure of the entities involved in a conversion transaction to provide timely information as required by the attorney general or the commissioner shall be an independent and sufficient ground for a court to enjoin or unwind the transaction or provide other equitable relief, provided the attorney general notifies the entities of the inadequacy of the information provided and provides the entities with a reasonable opportunity to remedy the inadequacy.

(e) An officer, director, or other executive found to have violated sections 145D.30 to 145D.33 shall be subject to a civil penalty of up to $100,000 for each violation. A corporation or other entity which is a party to or materially participated in a conversion transaction found to have violated sections 145D.30 to 145D.33 shall be subject to a civil penalty of up to $1,000,000. A court may also award reasonable attorney fees and costs of investigation and litigation.

Subd. 3. **Commissioner of health; data and research.** The commissioner of health must provide the attorney general, upon request, with data and research on broader market trends, impacts on prices and outcomes, public health and population health considerations, and health care access, for the attorney general to use when evaluating whether a conversion transaction is contrary to public interest. The commissioner may share with the attorney general, according to section 13.05, subdivision 9, any not public data, as defined in section 13.02, subdivision 8a, held by the commissioner to aid in the investigation and review of the conversion transaction, and the attorney general must maintain this data with the same classification according to section 13.03, subdivision 4, paragraph (c).

Subd. 4. **Failure to take action.** Failure by the attorney general to take action with respect to a conversion transaction under this section does not constitute approval of the conversion transaction or waiver, nor shall failure prevent the attorney general from taking action in the same, similar, or subsequent circumstances.

Sec. 56. **[145D.35] DATA PRACTICES.**

Section 13.65 applies to data provided by a nonprofit health coverage entity or the commissioner to the attorney general under sections 145D.30 to 145D.33. Section 13.39 applies to data provided by a nonprofit health coverage entity to the commissioner under sections 145D.30 to 145D.33. The attorney general or the commissioner may make any data classified as confidential or protected nonpublic under this section accessible to any civil or criminal law enforcement agency if the attorney general or commissioner determines that the access aids the law enforcement process.

Sec. 57. **[145D.36] COMMISSIONER OF HEALTH; REPORTS AND ANALYSIS.**

Notwithstanding any law to the contrary, the commissioner of health may use data or information submitted under sections 60A.135 to 60A.137, 60A.17, 60D.18, 60D.20, 62D.221, and 145D.32 to conduct analyses of the aggregate impact of transactions within nonprofit health coverage entities and organizations which include nonprofit health coverage entities or their affiliates on access to or the cost of health care services, health care market consolidation, and health care quality. The commissioner of health must issue periodic public reports on the number and types of conversion transactions subject to sections 145D.30 to 145D.35 and on the aggregate impact of conversion transactions on health care costs, quality, and competition in Minnesota.

Sec. 58. **[145D.37] RELATION TO OTHER LAW.**

(a) Sections 145D.30 to 145D.36 are in addition to and do not affect or limit any power, remedy, or responsibility of a health maintenance organization, a service plan corporation, a conversion benefit entity, the attorney general, the commissioner of health, or the commissioner of commerce under this chapter; chapter 8, 62C, 62D, 309, 317A, or 501B; or other law.

(b) Nothing in sections 145D.03 to 145D.36 authorizes a nonprofit health coverage entity to enter into a conversion transaction not otherwise permitted under chapter 317A or 501B or other law.

Sec. 59. Minnesota Statutes 2022, section 256B.0625, subdivision 12, is amended to read:

Subd. 12. **Eyeglasses~~, dentures, and prosthetic and orthotic devices~~.** ~~(a)~~ Medical assistance covers eyeglasses~~, dentures, and prosthetic and orthotic devices~~ if prescribed by a licensed practitioner.

~~(b) For purposes of prescribing prosthetic and orthotic devices, "licensed practitioner" includes a physician, an advanced practice registered nurse, a physician assistant, or a podiatrist.~~

EFFECTIVE DATE. This section is effective January 1, 2025, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 60. Minnesota Statutes 2023 Supplement, section 256B.0625, subdivision 16, is amended to read:

Subd. 16. **Abortion services.** Medical assistance covers ~~abortion services determined to be medically necessary by the treating provider and delivered in accordance with all applicable Minnesota laws~~ abortions and abortion-related services, including preabortion services and follow-up services.

EFFECTIVE DATE. This section is effective January 1, 2025, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 61. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision to read:

Subd. 25c. **Applicability of utilization review provisions.** Effective January 1, 2026, the following provisions of chapter 62M apply to the commissioner when delivering services through fee-for-service under chapters 256B and 256L: 62M.02, subdivisions 1 to 5, 7 to 12, 13, 14 to 18, and 21; 62M.04; 62M.05, subdivisions 1 to 4; 62M.06, subdivisions 1 to 3; 62M.07; 62M.072; 62M.09; 62M.10; 62M.12; and 62M.17, subdivision 2.

Sec. 62. Minnesota Statutes 2022, section 256B.0625, subdivision 32, is amended to read:

Subd. 32. **Nutritional products.** Medical assistance covers nutritional products needed for nutritional supplementation because solid food or nutrients thereof cannot be properly absorbed by the body or needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow's milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product. Medical assistance covers amino acid-based elemental formulas in the same manner as is required under section 62Q.531. Nutritional products needed for the treatment of a combined allergy to human milk, cow's milk, and soy formula require prior authorization. Separate payment shall not be made for nutritional products for residents of long-term care facilities. Payment for dietary requirements is a component of the per diem rate paid to these facilities.

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

Sec. 63. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision to read:

Subd. 72. **Orthotic and prosthetic devices.** Medical assistance covers orthotic and prosthetic devices, supplies, and services according to section 256B.066.

EFFECTIVE DATE. This section is effective January 1, 2025, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 64. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision to read:

Subd. 73. **Rapid whole genome sequencing.** Medical assistance covers rapid whole genome sequencing (rWGS) testing. Coverage and eligibility for rWGS testing, and the use of genetic data, must meet the requirements specified in section 62A.3098, subdivisions 1 to 3 and 6.

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

Sec. 65. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision to read:

Subd. 74. **Scalp hair prostheses.** Medical assistance covers scalp hair prostheses prescribed for hair loss suffered as a result of treatment for cancer. Medical assistance must meet the requirements that would otherwise apply to a health plan under section 62A.28, except for the limitation on coverage required per benefit year set forth in section 62A.28, subdivision 2, paragraph (c).

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

Sec. 66. **[256B.066] ORTHOTIC AND PROSTHETIC DEVICES, SUPPLIES, AND SERVICES.**

Subdivision 1. **Definitions.** All terms used in this section have the meanings given them in section 62Q.665, subdivision 1.

Subd. 2. **Coverage requirements.** (a) Medical assistance covers orthotic and prosthetic devices, supplies, and services:

(1) furnished under an order by a prescribing physician or licensed health care prescriber who has authority in Minnesota to prescribe orthoses and prostheses. Coverage for orthotic and prosthetic devices, supplies, accessories, and services under this clause includes those devices or device systems, supplies, accessories, and services that are customized to the enrollee's needs;

(2) determined by the enrollee's provider to be the most appropriate model that meets the medical needs of the enrollee for purposes of performing physical activities, as applicable, including but not limited to running, biking, and swimming, and maximizing the enrollee's limb function; or

(3) for showering or bathing.

(b) The coverage set forth in paragraph (a) includes the repair and replacement of those orthotic and prosthetic devices, supplies, and services described therein.

(c) Coverage of a prosthetic or orthotic benefit must not be denied for an individual with limb loss or absence that would otherwise be covered for a nondisabled person seeking medical or surgical intervention to restore or maintain the ability to perform the same physical activity.

(d) If coverage for prosthetic or custom orthotic devices is provided, payment must be made for the replacement of a prosthetic or custom orthotic device or for the replacement of any part of the devices, without regard to useful lifetime restrictions, if an ordering health care provider determines that the provision of a replacement device, or a replacement part of a device, is necessary because:

(1) of a change in the physiological condition of the enrollee;

(2) of an irreparable change in the condition of the device or in a part of the device; or

(3) the condition of the device, or the part of the device, requires repairs and the cost of the repairs would be more than 60 percent of the cost of a replacement device or of the part being replaced.

Subd. 3. **Restrictions on coverage.** (a) Prior authorization may be required for orthotic and prosthetic devices, supplies, and services.

(b) A utilization review for a request for coverage of prosthetic or orthotic benefits must apply the most recent version of evidence-based treatment and fit criteria as recognized by relevant clinical specialists.

(c) Utilization review determinations must be rendered in a nondiscriminatory manner and must not deny coverage for habilitative or rehabilitative benefits, including prosthetics or orthotics, solely on the basis of an enrollee's actual or perceived disability.

(d) Evidence of coverage and any benefit denial letters must include language describing an enrollee's rights pursuant to paragraphs (b) and (c).

(e) Confirmation from a prescribing health care provider may be required if the prosthetic or custom orthotic device or part being replaced is less than three years old.

Subd. 4. **Managed care plan access to care.** (a) Managed care plans and county-based purchasing plans subject to this section must ensure access to medically necessary clinical care and to prosthetic and custom orthotic devices and technology from at least two distinct prosthetic and custom orthotic providers in the plan's provider network located in Minnesota.

(b) In the event that medically necessary covered orthotics and prosthetics are not available from an in-network provider, the plan must provide processes to refer an enrollee to an out-of-network provider and must fully reimburse the out-of-network provider at a mutually agreed upon rate less enrollee cost sharing determined on an in-network basis.

EFFECTIVE DATE. This section is effective January 1, 2025, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 67. Minnesota Statutes 2022, section 317A.811, subdivision 1, is amended to read:

Subdivision 1. **When required.** (a) Except as provided in subdivision 6, the following corporations shall notify the attorney general of their intent to dissolve, merge, consolidate, or convert, or to transfer all or substantially all of their assets:

(1) a corporation that holds assets for a charitable purpose as defined in section 501B.35, subdivision 2; ~~or~~

(2) a corporation that is exempt under section 501(c)(3) of the Internal Revenue Code of 1986, or any successor section~~.~~; or

(3) a nonprofit health coverage entity as defined in section 145D.30.

(b) The notice must include:

(1) the purpose of the corporation that is giving the notice;

(2) a list of assets owned or held by the corporation for charitable purposes;

(3) a description of restricted assets and purposes for which the assets were received;

(4) a description of debts, obligations, and liabilities of the corporation;

(5) a description of tangible assets being converted to cash and the manner in which they will be sold;

(6) anticipated expenses of the transaction, including attorney fees;

(7) a list of persons to whom assets will be transferred, if known, or the name of the converted organization;

(8) the purposes of persons receiving the assets or of the converted organization; and

(9) the terms, conditions, or restrictions, if any, to be imposed on the transferred or converted assets.

The notice must be signed on behalf of the corporation by an authorized person.

Sec. 68. **COMMISSIONER OF HEALTH; ANALYSIS AND REPORT TO THE LEGISLATURE.**

(a) The commissioner of health must use the data submitted by utilization review organizations under Minnesota Statutes, section 62M.19, and other data available to the commissioner to analyze the use of utilization management tools, including prior authorization, in health care. The analysis must evaluate the effect utilization management tools have on patient access to care, the administrative burden the use of utilization management tools places on health care providers, and system costs. The commissioner must also develop recommendations on how to simplify health insurance prior authorization standards and processes to improve health care access, reduce delays in care, reduce the administrative burden on health care providers, and maximize quality of care, including recommendations for a prior authorization exemption process for providers and group practices that have an authorization rate for all submitted requests for authorization at or above a level determined by the commissioner as qualifying for the exemption. When conducting the analysis and developing recommendations, the commissioner must consult, as appropriate, with physicians, other providers, health plan companies, consumers, and other health care experts.

(b) The commissioner must issue a report to the legislature by December 15, 2026, containing the commissioner's analysis and recommendations under paragraph (a).

Sec. 69. **INITIAL REPORTS TO COMMISSIONER OF HEALTH; UTILIZATION MANAGEMENT TOOLS.**

Utilization review organizations must submit initial reports to the commissioner of health under Minnesota Statutes, section 62M.19, by September 1, 2025.

Sec. 70. **TRANSITION.**

(a) A health maintenance organization that has a certificate of authority under Minnesota Statutes, chapter 62D, but that is not a nonprofit corporation organized under Minnesota Statutes, chapter 317A, or a local governmental unit, as defined in Minnesota Statutes, section 62D.02, subdivision 11:

(1) must not offer, sell, issue, or renew any health maintenance contracts on or after August 1, 2024;

(2) may otherwise continue to operate as a health maintenance organization until December 31, 2025; and

(3) must provide notice to the health maintenance organization's enrollees as of August 1, 2024, of the date the health maintenance organization will cease to operate in this state and any plans to transition enrollee coverage to another insurer. This notice must be provided by October 1, 2024.

(b) The commissioner of health must not issue or renew a certificate of authority to operate as a health maintenance organization on or after August 1, 2024, unless the entity seeking the certificate of authority meets the requirements for a health maintenance organization under Minnesota Statutes, chapter 62D, in effect on or after August 1, 2024.

Sec. 71. **REPEALER.**

(a) Minnesota Statutes 2022, section 62A.041, subdivision 3, is repealed.

(b) Minnesota Statutes 2023 Supplement, section 62Q.522, subdivisions 3 and 4, are repealed.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to health plans offered, sold, issued, or renewed on or after that date.

ARTICLE 5
DEPARTMENT OF HEALTH FINANCE

Section 1. Minnesota Statutes 2022, section 62D.14, subdivision 1, is amended to read:

Subdivision 1. **Examination authority.** The commissioner of health may make an examination of the affairs of any health maintenance organization and its contracts, agreements, or other arrangements with any participating entity as often as the commissioner of health deems necessary for the protection of the interests of the people of this state, but not less frequently than once every ~~three~~ five years. Examinations of participating entities pursuant to this subdivision shall be limited to their dealings with the health maintenance organization and its enrollees, except that examinations of major participating entities may include inspection of the entity's financial statements kept in the ordinary course of business. The commissioner may require major participating entities to submit the financial statements directly to the commissioner. Financial statements of major participating entities are subject to the provisions of section 13.37, subdivision 1, clause (b), upon request of the major participating entity or the health maintenance organization with which it contracts.

Sec. 2. Minnesota Statutes 2022, section 103I.621, subdivision 1, is amended to read:

Subdivision 1. **Permit.** (a) Notwithstanding any department or agency rule to the contrary, the commissioner shall issue, on request by the owner of the property and payment of the permit fee, permits for the reinjection of water by a properly constructed well into the same aquifer from which the water was drawn for the operation of a groundwater thermal exchange device.

(b) As a condition of the permit, an applicant must agree to allow inspection by the commissioner during regular working hours for department inspectors.

(c) Not more than 200 permits may be issued for small systems having maximum capacities of 20 gallons per minute or less and that are compliant with the natural resource water-use requirements under subdivision 2. ~~The small systems are subject to inspection twice a year.~~

(d) Not more than ~~ten~~ 100 permits may be issued for larger systems having maximum capacities ~~from~~ over 20 ~~to~~ ~~50~~ gallons per minute and are compliant with the natural resource water-use requirements under subdivision 2. ~~The larger systems are subject to inspection four times a year.~~

(e) A person issued a permit must comply with this section and permit conditions deemed necessary to protect public health and safety of groundwater f~~or the permit to be valid~~. The permit conditions may include but are not limited to requirements for:

(1) notification to the commissioner at intervals specified in the permit conditions;

(2) system operation and maintenance;

(3) system location and construction;

(4) well location and construction;

(5) signage;

(6) reports of system construction, performance, operation, and maintenance;

(7) removal of the system upon termination of its use or system failure;

(8) disclosure of the system at the time of property transfer;

(9) obtaining approval from the commissioner prior to deviation from the approval plan and conditions;

(10) groundwater level monitoring; or

(11) groundwater quality monitoring.

(f) The property owner or the property owner's agent must submit to the commissioner a permit application on a form provided by the commissioner, or in a format approved by the commissioner, that provides any information necessary to protect public health and safety of groundwater.

(g) A permit granted under this section is not valid if a water-use permit is required for the project and is not approved by the commissioner of natural resources.

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

Sec. 3. Minnesota Statutes 2022, section 103I.621, subdivision 2, is amended to read:

Subd. 2. **Water-use requirements apply.** Water-use permit requirements and penalties under chapter ~~103F~~ 103G and related rules adopted and enforced by the commissioner of natural resources apply to groundwater thermal exchange permit recipients. A person who violates a provision of this section is subject to enforcement or penalties for the noncomplying activity that are available to the commissioner and the Pollution Control Agency.

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

Sec. 4. Minnesota Statutes 2022, section 144.05, subdivision 6, is amended to read:

Subd. 6. **Reports on interagency agreements and intra-agency transfers.** The commissioner of health shall provide ~~quarterly reports to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance on:~~ the interagency agreements and intra-agency transfers report per section 15.0395.

~~(1) interagency agreements or service-level agreements and any renewals or extensions of existing interagency or service-level agreements with a state department under section 15.01, state agency under section 15.012, or the Department of Information Technology Services, with a value of more than $100,000, or related agreements with the same department or agency with a cumulative value of more than $100,000; and~~

~~(2) transfers of appropriations of more than $100,000 between accounts within or between agencies.~~

~~The report must include the statutory citation authorizing the agreement, transfer or dollar amount, purpose, and effective date of the agreement, duration of the agreement, and a copy of the agreement.~~

Sec. 5. Minnesota Statutes 2023 Supplement, section 144.1501, subdivision 2, is amended to read:

Subd. 2. **~~Creation of account~~ Availability.** (a) ~~A health professional education loan forgiveness program account is established.~~ The commissioner of health shall use money ~~from the account to establish a~~ appropriated for health professional education loan forgiveness ~~program~~ in this section:

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

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

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

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

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

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

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

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

Sec. 6. Minnesota Statutes 2022, section 144.1501, subdivision 5, is amended to read:

Subd. 5. **Penalty for nonfulfillment.** If a participant does not fulfill the required minimum commitment of service according to subdivision 3, the commissioner of health shall collect from the participant the total amount paid to the participant under the loan forgiveness program plus interest at a rate established according to section 270C.40. The commissioner shall deposit the money collected in ~~the health care access fund to be credited to~~ a dedicated account in the special revenue fund. The balance of the account is appropriated annually to the commissioner for the health professional education loan forgiveness program ~~account~~ established in subdivision 2. The commissioner shall allow waivers of all or part of the money owed the commissioner as a result of a nonfulfillment penalty if emergency circumstances prevented fulfillment of the minimum service commitment.

Sec. 7. Minnesota Statutes 2023 Supplement, section 144.1505, subdivision 2, is amended to read:

Subd. 2. **Programs.** (a) For advanced practice provider clinical training expansion grants, the commissioner of health shall award health professional training site grants to eligible physician assistant, advanced practice registered nurse, pharmacy, dental therapy, and mental health professional programs to plan and implement expanded clinical training. A planning grant shall not exceed $75,000, and a three-year training grant shall not exceed ~~$150,000 for the first year, $100,000 for the second year, and $50,000 for the third year~~ $300,000 per ~~program~~ project. The commissioner may provide a one-year, no-cost extension for grants.

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

(c) Funds may be used for:

(1) establishing or expanding rotations and clinical training;

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

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

(4) travel and lodging for students;

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

(6) development and implementation of cultural competency training;

(7) evaluations;

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

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

Sec. 8. Minnesota Statutes 2022, section 144.555, subdivision 1a, is amended to read:

Subd. 1a. **Notice of closing, curtailing operations, relocating services, or ceasing to offer certain services; hospitals.** (a) The controlling persons of a hospital licensed under sections 144.50 to 144.56 or a hospital campus must notify the commissioner of health ~~and~~, the public, and others at least ~~120~~ 182 days before the hospital or hospital campus voluntarily plans to implement one of the following scheduled actions:

(1) cease operations;

(2) curtail operations to the extent that patients must be relocated;

(3) relocate the provision of health services to another hospital or another hospital campus; or

(4) cease offering maternity care and newborn care services, intensive care unit services, inpatient mental health services, or inpatient substance use disorder treatment services.

(b) A notice required under this subdivision must comply with the requirements in subdivision 1d.

~~(b)~~ (c) The commissioner shall cooperate with the controlling persons and advise them about relocating the patients.

Sec. 9. Minnesota Statutes 2022, section 144.555, subdivision 1b, is amended to read:

Subd. 1b. **Public hearing.** Within ~~45~~ 30 days after receiving notice under subdivision 1a, the commissioner shall conduct a public hearing on the scheduled cessation of operations, curtailment of operations, relocation of health services, or cessation in offering health services. The commissioner must provide adequate public notice of the hearing in a time and manner determined by the commissioner. The controlling persons of the hospital or hospital campus must participate in the public hearing. The public hearing must be held at a location that is within 30 miles of the hospital or hospital campus and that is provided or arranged by the hospital or hospital campus. A hospital or hospital campus is encouraged to hold the public hearing at a location that is within ten miles of the hospital or hospital campus. Video conferencing technology must be used to allow members of the public to view and participate in the hearing. The public hearing must include:

(1) an explanation by the controlling persons of the reasons for ceasing or curtailing operations, relocating health services, or ceasing to offer any of the listed health services;

(2) a description of the actions that controlling persons will take to ensure that residents in the hospital's or campus's service area have continued access to the health services being eliminated, curtailed, or relocated;

(3) an opportunity for public testimony on the scheduled cessation or curtailment of operations, relocation of health services, or cessation in offering any of the listed health services, and on the hospital's or campus's plan to ensure continued access to those health services being eliminated, curtailed, or relocated; and

(4) an opportunity for the controlling persons to respond to questions from interested persons.

Sec. 10. Minnesota Statutes 2022, section 144.555, is amended by adding a subdivision to read:

Subd. 1d. **Methods of providing notice; content of notice.** (a) A notice required under subdivision 1a must be provided to patients, hospital personnel, the public, local units of government, and the commissioner of health using at least the following methods:

(1) posting a notice of the proposed cessation of operations, curtailment, relocation of health services, or cessation in offering health services at the main public entrance of the hospital or hospital campus;

(2) providing written notice to the commissioner of health, to the city council in the city where the hospital or hospital campus is located, and to the county board in the county where the hospital or hospital campus is located;

(3) providing written notice to the local health department as defined in section 145A.02, subdivision 8b, for the community where the hospital or hospital campus is located;

(4) providing notice to the public through a written public announcement which must be distributed to local media outlets;

(5) providing written notice to existing patients of the hospital or hospital campus; and

(6) notifying all personnel currently employed in the unit, hospital, or hospital campus impacted by the proposed cessation, curtailment, or relocation.

(b) A notice required under subdivision 1a must include:

(1) a description of the proposed cessation of operations, curtailment, relocation of health services, or cessation in offering health services. The description must include:

(i) the number of beds, if any, that will be eliminated, repurposed, reassigned, or otherwise reconfigured to serve populations or patients other than those currently served;

(ii) the current number of beds in the impacted unit, hospital, or hospital campus, and the number of beds in the impacted unit, hospital, or hospital campus after the proposed cessation, curtailment, or relocation takes place;

(iii) the number of existing patients who will be impacted by the proposed cessation, curtailment, or relocation;

(iv) any decrease in personnel, or relocation of personnel to a different unit, hospital, or hospital campus, caused by the proposed cessation, curtailment, or relocation;

(v) a description of the health services provided by the unit, hospital, or hospital campus impacted by the proposed cessation, curtailment, or relocation; and

(vi) identification of the three nearest available health care facilities where patients may obtain the health services provided by the unit, hospital, or hospital campus impacted by the proposed cessation, curtailment, or relocation, and any potential barriers to seamlessly transition patients to receive services at one of these facilities. If the unit, hospital, or hospital campus impacted by the proposed cessation, curtailment, or relocation serves medical assistance or Medicare enrollees, the information required under this item must specify whether any of the three nearest available facilities serves medical assistance or Medicare enrollees; and

(2) a telephone number, email address, and address for each of the following, to which interested parties may offer comments on the proposed cessation, curtailment, or relocation:

(i) the hospital or hospital campus; and

(ii) the parent entity, if any, or the entity under contract, if any, that acts as the corporate administrator of the hospital or hospital campus.

Sec. 11. Minnesota Statutes 2022, section 144.555, subdivision 2, is amended to read:

Subd. 2. **Penalty; facilities other than hospitals.** Failure to notify the commissioner under subdivision 1~~, 1a, or 1c or failure to participate in a public hearing under subdivision 1b~~ may result in issuance of a correction order under section 144.653, subdivision 5.

Sec. 12. Minnesota Statutes 2022, section 144.555, is amended by adding a subdivision to read:

Subd. 3. **Penalties; hospitals.** (a) Failure to participate in a public hearing under subdivision 1b or failure to notify the commissioner under subdivision 1c may result in issuance of a correction order under section 144.653, subdivision 5.

(b) Notwithstanding any law to the contrary, the commissioner must impose on the controlling persons of a hospital or hospital campus a fine of $20,000 for each failure to provide notice to an individual or entity or at a location required under subdivision 1d, paragraph (a), with the total fine amount imposed not to exceed $60,000 for failures to comply with the notice requirements for a single scheduled action. The commissioner is not required to issue a correction order before imposing a fine under this paragraph. Section 144.653, subdivision 8, applies to fines imposed under this paragraph.

Sec. 13. **[144.556] RIGHT OF FIRST REFUSAL; SALE OF HOSPITAL OR HOSPITAL CAMPUS.**

(a) The controlling persons of a hospital licensed under sections 144.50 to 144.56 or a hospital campus must not sell or convey the hospital or hospital campus, offer to sell or convey the hospital or hospital campus to a person other than a local unit of government listed in this paragraph, or voluntarily cease operations of the hospital or hospital campus unless the controlling persons have first made a good faith offer to sell or convey the hospital or hospital campus to the home rule charter or statutory city, county, town, or hospital district in which the hospital or hospital campus is located.

(b) The offer to sell or convey the hospital or hospital campus to a local unit of government under paragraph (a) must be at a price that does not exceed the current fair market value of the hospital or hospital campus. A party to whom an offer is made under paragraph (a) must accept or decline the offer within 60 days of receipt. If the party to whom the offer is made fails to respond within 60 days of receipt, the offer is deemed declined.

Sec. 14. Minnesota Statutes 2022, section 144A.70, subdivision 3, is amended to read:

Subd. 3. **Controlling person.** "Controlling person" means a business entity or entities, officer, program administrator, or director, whose responsibilities include ~~the direction of the management or policies of a supplemental nursing services agency~~ the management and decision-making authority to establish or control business policy and all other policies of a supplemental nursing services agency. Controlling person also means an individual who, directly or indirectly, beneficially owns an interest in a corporation, partnership, or other business association that is a controlling person.

Sec. 15. Minnesota Statutes 2022, section 144A.70, subdivision 5, is amended to read:

Subd. 5. **Person.** "Person" includes an individual, ~~firm,~~ corporation, partnership, limited liability company, or association.

Sec. 16. Minnesota Statutes 2022, section 144A.70, subdivision 6, is amended to read:

Subd. 6. **Supplemental nursing services agency.** "Supplemental nursing services agency" means a person, ~~firm,~~ corporation, partnership, limited liability company, or association engaged for hire in the business of providing or procuring temporary employment in health care facilities for nurses, nursing assistants, nurse aides, and orderlies.

Supplemental nursing services agency does not include an individual who only engages in providing the individual's services on a temporary basis to health care facilities. Supplemental nursing services agency does not include a professional home care agency licensed under section 144A.471 that only provides staff to other home care providers.

Sec. 17. Minnesota Statutes 2022, section 144A.70, subdivision 7, is amended to read:

Subd. 7. **Oversight.** The commissioner is responsible for the oversight of supplemental nursing services agencies through ~~annual~~ semiannual unannounced surveys and follow-up surveys, complaint investigations under sections 144A.51 to 144A.53, and other actions necessary to ensure compliance with sections 144A.70 to 144A.74.

Sec. 18. Minnesota Statutes 2022, section 144A.71, subdivision 2, is amended to read:

Subd. 2. **Application information and fee.** The commissioner shall establish forms and procedures for processing each supplemental nursing services agency registration application. An application for a supplemental nursing services agency registration must include at least the following:

(1) the names and addresses of ~~the owner or owners~~ all owners and controlling persons of the supplemental nursing services agency;

(2) if the owner is a corporation, copies of its articles of incorporation and current bylaws, together with the names and addresses of its officers and directors;

(3) ~~satisfactory proof of compliance with section 144A.72, subdivision 1, clauses (5) to (7)~~ if the owner is a limited liability company, copies of its articles of organization and operating agreement, together with the names and addresses of its officers and directors;

(4) documentation that the supplemental nursing services agency has medical malpractice insurance to insure against the loss, damage, or expense of a claim arising out of the death or injury of any person as the result of negligence or malpractice in the provision of health care services by the supplemental nursing services agency or by any employee of the agency;

(5) documentation that the supplemental nursing services agency has an employee dishonesty bond in the amount of $10,000;

(6) documentation that the supplemental nursing services agency has insurance coverage for workers' compensation for all nurses, nursing assistants, nurse aides, and orderlies provided or procured by the agency;

(7) documentation that the supplemental nursing services agency filed with the commissioner of revenue: (i) the name and address of the bank, savings bank, or savings association in which the supplemental nursing services agency deposits all employee income tax withholdings; and (ii) the name and address of any nurse, nursing assistant, nurse aide, or orderly whose income is derived from placement by the agency, if the agency purports the income is not subject to withholding;

~~(4)~~ (8) any other relevant information that the commissioner determines is necessary to properly evaluate an application for registration;

~~(5)~~ (9) a policy and procedure that describes how the supplemental nursing services agency's records will be immediately available at all times to the commissioner and facility; and

~~(6)~~ (10) a nonrefundable registration fee of $2,035.

If a supplemental nursing services agency fails to provide the items in this subdivision to the department, the commissioner shall immediately suspend or refuse to issue the supplemental nursing services agency registration. The supplemental nursing services agency may appeal the commissioner's findings according to section 144A.475, subdivisions 3a and 7, except that the hearing must be conducted by an administrative law judge within 60 calendar days of the request for hearing assignment.

Sec. 19. Minnesota Statutes 2022, section 144A.71, is amended by adding a subdivision to read:

Subd. 2a. **Renewal applications.** An applicant for registration renewal must complete the registration application form supplied by the department. An application must be submitted at least 60 days before the expiration of the current registration.

Sec. 20. **[144A.715] PENALTIES.**

Subdivision 1. **Authority.** The fines imposed under this section are in accordance with section 144.653, subdivision 6.

Subd. 2. **Fines.** Each violation of sections 144A.70 to 144A.74, not corrected at the time of a follow-up survey, is subject to a fine. A fine must be assessed according to the schedules established in the sections violated.

Subd. 3. **Failure to correct.** If, upon a subsequent follow-up survey after a fine has been imposed under subdivision 2, a violation is still not corrected, another fine shall be assessed. The fine shall be double the amount of the previous fine.

Subd. 4. **Payment of fines.** Payment of fines is due 15 business days from the registrant's receipt of notice of the fine from the department.

Sec. 21. Minnesota Statutes 2022, section 144A.72, subdivision 1, is amended to read:

Subdivision 1. **Minimum criteria.** (a) The commissioner shall require that, as a condition of registration:

(1) all owners and controlling persons must complete a background study under section 144.057 and receive a clearance or set aside of any disqualification;

~~(1)~~ (2) the supplemental nursing services agency shall document that each temporary employee provided to health care facilities currently meets the minimum licensing, training, and continuing education standards for the position in which the employee will be working and verifies competency for the position. A violation of this provision may be subject to a fine of $3,000;

~~(2)~~ (3) the supplemental nursing services agency shall comply with all pertinent requirements relating to the health and other qualifications of personnel employed in health care facilities;

~~(3)~~ (4) the supplemental nursing services agency must not restrict in any manner the employment opportunities of its employees~~;~~. A violation of this provision may be subject to a fine of $3,000;

~~(4) the supplemental nursing services agency shall carry medical malpractice insurance to insure against the loss, damage, or expense incident to a claim arising out of the death or injury of any person as the result of negligence or malpractice in the provision of health care services by the supplemental nursing services agency or by any employee of the agency;~~

~~(5) the supplemental nursing services agency shall carry an employee dishonesty bond in the amount of $10,000;~~

~~(6) the supplemental nursing services agency shall maintain insurance coverage for workers' compensation for all nurses, nursing assistants, nurse aides, and orderlies provided or procured by the agency;~~

~~(7) the supplemental nursing services agency shall file with the commissioner of revenue: (i) the name and address of the bank, savings bank, or savings association in which the supplemental nursing services agency deposits all employee income tax withholdings; and (ii) the name and address of any nurse, nursing assistant, nurse aide, or orderly whose income is derived from placement by the agency, if the agency purports the income is not subject to withholding;~~

~~(8)~~ (5) the supplemental nursing services agency must not, in any contract with any employee or health care facility, require the payment of liquidated damages, employment fees, or other compensation should the employee be hired as a permanent employee of a health care facility~~;~~. A violation of this provision may be subject to a fine of $3,000;

~~(9)~~ (6) the supplemental nursing services agency shall document that each temporary employee provided to health care facilities is an employee of the agency and is not an independent contractor; and

~~(10)~~ (7) the supplemental nursing services agency shall retain all records for five calendar years. All records of the supplemental nursing services agency must be immediately available to the department.

(b) In order to retain registration, the supplemental nursing services agency must provide services to a health care facility ~~during the year~~ in Minnesota within the past 12 months preceding the supplemental nursing services agency's registration renewal date.

Sec. 22. Minnesota Statutes 2022, section 144A.73, is amended to read:

144A.73 COMPLAINT SYSTEM.

The commissioner shall establish a system for reporting complaints against a supplemental nursing services agency or its employees. Complaints may be made by any member of the public. Complaints against a supplemental nursing services agency shall be investigated by the ~~Office of Health Facility Complaints~~ commissioner of health under sections 144A.51 to 144A.53.

Sec. 23. Minnesota Statutes 2023 Supplement, section 145.561, subdivision 4, is amended to read:

Subd. 4. **988 telecommunications fee.** (a) In compliance with the National Suicide Hotline Designation Act of 2020, ~~the commissioner shall impose a monthly statewide fee on~~ each subscriber of a wireline, wireless, or IP-enabled voice service ~~at a rate that provides~~ must pay a monthly fee to provide for the robust creation, operation, and maintenance of a statewide 988 suicide prevention and crisis system.

~~(b) The commissioner shall annually recommend to the Public Utilities Commission an adequate and appropriate fee to implement this section. The amount of the fee must comply with the limits in paragraph (c). The commissioner shall provide telecommunication service providers and carriers a minimum of 45 days' notice of each fee change.~~

~~(c)~~ (b) The amount of the 988 telecommunications fee ~~must not be more than 25~~ is 12 cents per month ~~on or after January 1, 2024,~~ for each consumer access line, including trunk equivalents as designated by the ~~commission~~ Public Utilities Commission pursuant to section 403.11, subdivision 1. The 988 telecommunications fee must be the same for all subscribers.

~~(d)~~ (c) Each wireline, wireless, and IP-enabled voice telecommunication service provider shall collect the 988 telecommunications fee and transfer the amounts collected to the commissioner of public safety in the same manner as provided in section 403.11, subdivision 1, paragraph (d).

~~(e)~~ (d) The commissioner of public safety shall deposit the money collected from the 988 telecommunications fee to the 988 special revenue account established in subdivision 3.

~~(f)~~ (e) All 988 telecommunications fee revenue must be used to supplement, and not supplant, federal, state, and local funding for suicide prevention.

~~(g)~~ (f) The 988 telecommunications fee amount shall be adjusted as needed to provide for continuous operation of the lifeline centers and 988 hotline, volume increases, and maintenance.

~~(h)~~ (g) The commissioner shall annually report to the Federal Communications Commission on revenue generated by the 988 telecommunications fee.

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

Sec. 24. Minnesota Statutes 2022, section 149A.02, subdivision 3, is amended to read:

Subd. 3. **Arrangements for disposition.** "Arrangements for disposition" means any action normally taken by a funeral provider in anticipation of or preparation for the entombment, burial in a cemetery, alkaline hydrolysis, ~~or~~ cremation, or, effective July 1, 2025, natural organic reduction of a dead human body.

Sec. 25. Minnesota Statutes 2022, section 149A.02, subdivision 16, is amended to read:

Subd. 16. **Final disposition.** "Final disposition" means the acts leading to and the entombment, burial in a cemetery, alkaline hydrolysis, ~~or~~ cremation, or, effective July 1, 2025, natural organic reduction of a dead human body.

Sec. 26. Minnesota Statutes 2022, section 149A.02, subdivision 26a, is amended to read:

Subd. 26a. **Inurnment.** "Inurnment" means placing hydrolyzed or cremated remains in a hydrolyzed or cremated remains container suitable for placement, burial, or shipment. Effective July 1, 2025, inurnment also includes placing naturally reduced remains in a naturally reduced remains container suitable for placement, burial, or shipment.

Sec. 27. Minnesota Statutes 2022, section 149A.02, subdivision 27, is amended to read:

Subd. 27. **Licensee.** "Licensee" means any person or entity that has been issued a license to practice mortuary science, to operate a funeral establishment, to operate an alkaline hydrolysis facility, ~~or~~ to operate a crematory, or, effective July 1, 2025, to operate a natural organic reduction facility by the Minnesota commissioner of health.

Sec. 28. Minnesota Statutes 2022, section 149A.02, is amended by adding a subdivision to read:

Subd. 30b. **Natural organic reduction or naturally reduce.** "Natural organic reduction" or "naturally reduce" means the contained, accelerated conversion of a dead human body to soil. This subdivision is effective July 1, 2025.

Sec. 29. Minnesota Statutes 2022, section 149A.02, is amended by adding a subdivision to read:

Subd. 30c. **Natural organic reduction facility.** "Natural organic reduction facility" means a structure, room, or other space in a building or real property where natural organic reduction of a dead human body occurs. This subdivision is effective July 1, 2025.

Sec. 30. Minnesota Statutes 2022, section 149A.02, is amended by adding a subdivision to read:

Subd. 30d. **Natural organic reduction vessel.** "Natural organic reduction vessel" means the enclosed container in which natural organic reduction takes place. This subdivision is effective July 1, 2025.

Sec. 31. Minnesota Statutes 2022, section 149A.02, is amended by adding a subdivision to read:

Subd. 30e. **Naturally reduced remains.** "Naturally reduced remains" means the soil remains following the natural organic reduction of a dead human body and the accompanying plant material. This subdivision is effective July 1, 2025.

Sec. 32. Minnesota Statutes 2022, section 149A.02, is amended by adding a subdivision to read:

Subd. 30f. **Naturally reduced remains container.** "Naturally reduced remains container" means a receptacle in which naturally reduced remains are placed. This subdivision is effective July 1, 2025.

Sec. 33. Minnesota Statutes 2022, section 149A.02, subdivision 35, is amended to read:

Subd. 35. **Processing.** "Processing" means the removal of foreign objects, drying or cooling, and the reduction of the hydrolyzed ~~or~~ remains, cremated remains, or, effective July 1, 2025, naturally reduced remains by mechanical means including, but not limited to, grinding, crushing, or pulverizing, to a granulated appearance appropriate for final disposition.

Sec. 34. Minnesota Statutes 2022, section 149A.02, subdivision 37c, is amended to read:

Subd. 37c. **Scattering.** "Scattering" means the authorized dispersal of hydrolyzed ~~or~~ remains, cremated remains, or, effective July 1, 2025, naturally reduced remains in a defined area of a dedicated cemetery or in areas where no local prohibition exists provided that the hydrolyzed ~~or,~~ cremated, or naturally reduced remains are not distinguishable to the public, are not in a container, and that the person who has control over disposition of the hydrolyzed ~~or,~~ cremated, or naturally reduced remains has obtained written permission of the property owner or governing agency to scatter on the property.

Sec. 35. Minnesota Statutes 2022, section 149A.03, is amended to read:

149A.03 DUTIES OF COMMISSIONER.

The commissioner shall:

(1) enforce all laws and adopt and enforce rules relating to the:

(i) removal, preparation, transportation, arrangements for disposition, and final disposition of dead human bodies;

(ii) licensure and professional conduct of funeral directors, morticians, interns, practicum students, and clinical students;

(iii) licensing and operation of a funeral establishment;

(iv) licensing and operation of an alkaline hydrolysis facility; ~~and~~

(v) licensing and operation of a crematory; and

(vi) effective July 1, 2025, licensing and operation of a natural organic reduction facility;

(2) provide copies of the requirements for licensure and permits to all applicants;

(3) administer examinations and issue licenses and permits to qualified persons and other legal entities;

(4) maintain a record of the name and location of all current licensees and interns;

(5) perform periodic compliance reviews and premise inspections of licensees;

(6) accept and investigate complaints relating to conduct governed by this chapter;

(7) maintain a record of all current preneed arrangement trust accounts;

(8) maintain a schedule of application, examination, permit, and licensure fees, initial and renewal, sufficient to cover all necessary operating expenses;

(9) educate the public about the existence and content of the laws and rules for mortuary science licensing and the removal, preparation, transportation, arrangements for disposition, and final disposition of dead human bodies to enable consumers to file complaints against licensees and others who may have violated those laws or rules;

(10) evaluate the laws, rules, and procedures regulating the practice of mortuary science in order to refine the standards for licensing and to improve the regulatory and enforcement methods used; and

(11) initiate proceedings to address and remedy deficiencies and inconsistencies in the laws, rules, or procedures governing the practice of mortuary science and the removal, preparation, transportation, arrangements for disposition, and final disposition of dead human bodies.

Sec. 36. **[149A.56] LICENSE TO OPERATE A NATURAL ORGANIC REDUCTION FACILITY.**

Subdivision 1. **License requirement.** This section is effective July 1, 2025. Except as provided in section 149A.01, subdivision 3, no person shall maintain, manage, or operate a place or premises devoted to or used in the holding and natural organic reduction of a dead human body without possessing a valid license to operate a natural organic reduction facility issued by the commissioner of health.

Subd. 2. **Requirements for natural organic reduction facility.** (a) A natural organic reduction facility licensed under this section must consist of:

(1) a building or structure that complies with applicable local and state building codes, zoning laws and ordinances, and environmental standards, and that contains one or more natural organic reduction vessels for the natural organic reduction of dead human bodies;

(2) a motorized mechanical device for processing naturally reduced remains; and

(3) an appropriate refrigerated holding facility for dead human bodies awaiting natural organic reduction.

(b) A natural organic reduction facility licensed under this section may also contain a display room for funeral goods.

Subd. 3. **Application procedure; documentation; initial inspection.** (a) An applicant for a license to operate a natural organic reduction facility shall submit a completed application to the commissioner. A completed application includes:

(1) a completed application form, as provided by the commissioner;

(2) proof of business form and ownership; and

(3) proof of liability insurance coverage or other financial documentation, as determined by the commissioner, that demonstrates the applicant's ability to respond in damages for liability arising from the ownership, maintenance, management, or operation of a natural organic reduction facility.

(b) Upon receipt of the application and appropriate fee, the commissioner shall review and verify all information. Upon completion of the verification process and resolution of any deficiencies in the application information, the commissioner shall conduct an initial inspection of the premises to be licensed. After the inspection and resolution of any deficiencies found and any reinspections as may be necessary, the commissioner shall make a determination, based on all the information available, to grant or deny licensure. If the commissioner's determination is to grant the license, the applicant shall be notified and the license shall issue and remain valid for a period prescribed on the license, but not to exceed one calendar year from the date of issuance of the license. If the commissioner's determination is to deny the license, the commissioner must notify the applicant, in writing, of the denial and provide the specific reason for denial.

Subd. 4. **Nontransferability of license.** A license to operate a natural organic reduction facility is not assignable or transferable and shall not be valid for any entity other than the one named. Each license issued to operate a natural organic reduction facility is valid only for the location identified on the license. A 50 percent or more change in ownership or location of the natural organic reduction facility automatically terminates the license. Separate licenses shall be required of two or more persons or other legal entities operating from the same location.

Subd. 5. **Display of license.** Each license to operate a natural organic reduction facility must be conspicuously displayed in the natural organic reduction facility at all times. Conspicuous display means in a location where a member of the general public within the natural organic reduction facility is able to observe and read the license.

Subd. 6. **Period of licensure.** All licenses to operate a natural organic reduction facility issued by the commissioner are valid for a period of one calendar year beginning on July 1 and ending on June 30, regardless of the date of issuance.

Subd. 7. **Reporting changes in license information.** Any change of license information must be reported to the commissioner, on forms provided by the commissioner, no later than 30 calendar days after the change occurs. Failure to report changes is grounds for disciplinary action.

Subd. 8. **Licensing information.** Section 13.41 applies to data collected and maintained by the commissioner pursuant to this section.

Sec. 37. **[149A.57] RENEWAL OF LICENSE TO OPERATE A NATURAL ORGANIC REDUCTION FACILITY.**

Subdivision 1. **Renewal required.** This section is effective July 1, 2025. All licenses to operate a natural organic reduction facility issued by the commissioner expire on June 30 following the date of issuance of the license and must be renewed to remain valid.

Subd. 2. **Renewal procedure and documentation.** (a) Licensees who wish to renew their licenses must submit to the commissioner a completed renewal application no later than June 30 following the date the license was issued. A completed renewal application includes:

(1) a completed renewal application form, as provided by the commissioner; and

(2) proof of liability insurance coverage or other financial documentation, as determined by the commissioner, that demonstrates the applicant's ability to respond in damages for liability arising from the ownership, maintenance, management, or operation of a natural organic reduction facility.

(b) Upon receipt of the completed renewal application, the commissioner shall review and verify the information. Upon completion of the verification process and resolution of any deficiencies in the renewal application information, the commissioner shall make a determination, based on all the information available, to reissue or refuse to reissue the license. If the commissioner's determination is to reissue the license, the applicant shall be notified and the license shall issue and remain valid for a period prescribed on the license, but not to exceed one calendar year from the date of issuance of the license. If the commissioner's determination is to refuse to reissue the license, section 149A.09, subdivision 2, applies.

Subd. 3. **Penalty for late filing.** Renewal applications received after the expiration date of a license will result in the assessment of a late filing penalty. The late filing penalty must be paid before the reissuance of the license and received by the commissioner no later than 31 calendar days after the expiration date of the license.

Subd. 4. **Lapse of license.** A license to operate a natural organic reduction facility shall automatically lapse when a completed renewal application is not received by the commissioner within 31 calendar days after the expiration date of a license, or a late filing penalty assessed under subdivision 3 is not received by the commissioner within 31 calendar days after the expiration of a license.

Subd. 5. **Effect of lapse of license.** Upon the lapse of a license, the person to whom the license was issued is no longer licensed to operate a natural organic reduction facility in Minnesota. The commissioner shall issue a cease and desist order to prevent the lapsed license holder from operating a natural organic reduction facility in Minnesota and may pursue any additional lawful remedies as justified by the case.

Subd. 6. **Restoration of lapsed license.** The commissioner may restore a lapsed license upon receipt and review of a completed renewal application, receipt of the late filing penalty, and reinspection of the premises, provided that the receipt is made within one calendar year from the expiration date of the lapsed license and the cease and desist order issued by the commissioner has not been violated. If a lapsed license is not restored within one calendar year from the expiration date of the lapsed license, the holder of the lapsed license cannot be relicensed until the requirements in section 149A.56 are met.

Subd. 7. **Reporting changes in license information.** Any change of license information must be reported to the commissioner, on forms provided by the commissioner, no later than 30 calendar days after the change occurs. Failure to report changes is grounds for disciplinary action.

Subd. 8. **Licensing information.** Section 13.41 applies to data collected and maintained by the commissioner pursuant to this section.

Sec. 38. Minnesota Statutes 2022, section 149A.65, is amended by adding a subdivision to read:

Subd. 6a. **Natural organic reduction facilities.** This subdivision is effective July 1, 2025. The initial and renewal fee for a natural organic reduction facility is $425. The late fee charge for a license renewal is $100.

Sec. 39. Minnesota Statutes 2022, section 149A.70, subdivision 1, is amended to read:

Subdivision 1. **Use of titles.** Only a person holding a valid license to practice mortuary science issued by the commissioner may use the title of mortician, funeral director, or any other title implying that the licensee is engaged in the business or practice of mortuary science. Only the holder of a valid license to operate an alkaline hydrolysis facility issued by the commissioner may use the title of alkaline hydrolysis facility, water cremation, water-reduction, biocremation, green-cremation, resomation, dissolution, or any other title, word, or term implying that the licensee operates an alkaline hydrolysis facility. Only the holder of a valid license to operate a funeral establishment issued by the commissioner may use the title of funeral home, funeral chapel, funeral service, or any other title, word, or term implying that the licensee is engaged in the business or practice of mortuary science. Only the holder of a valid license to operate a crematory issued by the commissioner may use the title of crematory, crematorium, green-cremation, or any other title, word, or term implying that the licensee operates a crematory or crematorium. Effective July 1, 2025, only the holder of a valid license to operate a natural organic reduction facility issued by the commissioner may use the title of natural organic reduction facility, human composting, or any other title, word, or term implying that the licensee operates a natural organic reduction facility.

Sec. 40. Minnesota Statutes 2022, section 149A.70, subdivision 2, is amended to read:

Subd. 2. **Business location.** A funeral establishment, alkaline hydrolysis facility, ~~or~~ crematory, or, effective July 1, 2025, natural organic reduction facility shall not do business in a location that is not licensed as a funeral establishment, alkaline hydrolysis facility, ~~or~~ crematory, or natural organic reduction facility and shall not advertise a service that is available from an unlicensed location.

Sec. 41. Minnesota Statutes 2022, section 149A.70, subdivision 3, is amended to read:

Subd. 3. **Advertising.** No licensee, clinical student, practicum student, or intern shall publish or disseminate false, misleading, or deceptive advertising. False, misleading, or deceptive advertising includes, but is not limited to:

(1) identifying, by using the names or pictures of, persons who are not licensed to practice mortuary science in a way that leads the public to believe that those persons will provide mortuary science services;

(2) using any name other than the names under which the funeral establishment, alkaline hydrolysis facility, ~~or~~ crematory, or, effective July 1, 2025, natural organic reduction facility is known to or licensed by the commissioner;

(3) using a surname not directly, actively, or presently associated with a licensed funeral establishment, alkaline hydrolysis facility, ~~or~~ crematory, or, effective July 1, 2025, natural organic reduction facility, unless the surname had been previously and continuously used by the licensed funeral establishment, alkaline hydrolysis facility, ~~or~~ crematory, or natural organic reduction facility; and

(4) using a founding or establishing date or total years of service not directly or continuously related to a name under which the funeral establishment, alkaline hydrolysis facility, ~~or~~ crematory, or, effective July 1, 2025, natural organic reduction facility is currently or was previously licensed.

Any advertising or other printed material that contains the names or pictures of persons affiliated with a funeral establishment, alkaline hydrolysis facility, ~~or~~ crematory, or, effective July 1, 2025, natural organic reduction facility shall state the position held by the persons and shall identify each person who is licensed or unlicensed under this chapter.

Sec. 42. Minnesota Statutes 2022, section 149A.70, subdivision 5, is amended to read:

Subd. 5. **Reimbursement prohibited.** No licensee, clinical student, practicum student, or intern shall offer, solicit, or accept a commission, fee, bonus, rebate, or other reimbursement in consideration for recommending or causing a dead human body to be disposed of by a specific body donation program, funeral establishment, alkaline hydrolysis facility, crematory, mausoleum, ~~or~~ cemetery, or, effective July 1, 2025, natural organic reduction facility.

Sec. 43. Minnesota Statutes 2022, section 149A.71, subdivision 2, is amended to read:

Subd. 2. **Preventive requirements.** (a) To prevent unfair or deceptive acts or practices, the requirements of this subdivision must be met. This subdivision applies to natural organic reduction and naturally reduced remains goods and services effective July 1, 2025.

(b) Funeral providers must tell persons who ask by telephone about the funeral provider's offerings or prices any accurate information from the price lists described in paragraphs (c) to (e) and any other readily available information that reasonably answers the questions asked.

(c) Funeral providers must make available for viewing to people who inquire in person about the offerings or prices of funeral goods or burial site goods, separate printed or typewritten price lists using a ten-point font or larger. Each funeral provider must have a separate price list for each of the following types of goods that are sold or offered for sale:

(1) caskets;

(2) alternative containers;

(3) outer burial containers;

(4) alkaline hydrolysis containers;

(5) cremation containers;

(6) hydrolyzed remains containers;

(7) cremated remains containers;

(8) markers; ~~and~~

(9) headstones~~.~~; and

(10) naturally reduced remains containers.

(d) Each separate price list must contain the name of the funeral provider's place of business, address, and telephone number and a caption describing the list as a price list for one of the types of funeral goods or burial site goods described in paragraph (c), clauses (1) to ~~(9)~~ (10). The funeral provider must offer the list upon beginning discussion of, but in any event before showing, the specific funeral goods or burial site goods and must provide a photocopy of the price list, for retention, if so asked by the consumer. The list must contain, at least, the retail prices of all the specific funeral goods and burial site goods offered which do not require special ordering, enough information to identify each, and the effective date for the price list. However, funeral providers are not required to make a specific price list available if the funeral providers place the information required by this paragraph on the general price list described in paragraph (e).

(e) Funeral providers must give a printed price list, for retention, to persons who inquire in person about the funeral goods, funeral services, burial site goods, or burial site services or prices offered by the funeral provider. The funeral provider must give the list upon beginning discussion of either the prices of or the overall type of funeral service or disposition or specific funeral goods, funeral services, burial site goods, or burial site services offered by the provider. This requirement applies whether the discussion takes place in the funeral establishment or elsewhere. However, when the deceased is removed for transportation to the funeral establishment, an in-person request for authorization to embalm does not, by itself, trigger the requirement to offer the general price list. If the provider, in making an in-person request for authorization to embalm, discloses that embalming is not required by law except in certain special cases, the provider is not required to offer the general price list. Any other discussion during that time about prices or the selection of funeral goods, funeral services, burial site goods, or burial site services triggers the requirement to give the consumer a general price list. The general price list must contain the following information:

(1) the name, address, and telephone number of the funeral provider's place of business;

(2) a caption describing the list as a "general price list";

(3) the effective date for the price list;

(4) the retail prices, in any order, expressed either as a flat fee or as the prices per hour, mile, or other unit of computation, and other information described as follows:

(i) forwarding of remains to another funeral establishment, together with a list of the services provided for any quoted price;

(ii) receiving remains from another funeral establishment, together with a list of the services provided for any quoted price;

(iii) separate prices for each alkaline hydrolysis, natural organic reduction, or cremation offered by the funeral provider, with the price including an alternative container or shroud or alkaline hydrolysis facility or cremation container~~,~~; any alkaline hydrolysis, natural organic reduction facility, or crematory charges~~,~~; and a description of the services and container included in the price, where applicable, and the price of alkaline hydrolysis or cremation where the purchaser provides the container;

(iv) separate prices for each immediate burial offered by the funeral provider, including a casket or alternative container, and a description of the services and container included in that price, and the price of immediate burial where the purchaser provides the casket or alternative container;

(v) transfer of remains to the funeral establishment or other location;

(vi) embalming;

(vii) other preparation of the body;

(viii) use of facilities, equipment, or staff for viewing;

(ix) use of facilities, equipment, or staff for funeral ceremony;

(x) use of facilities, equipment, or staff for memorial service;

(xi) use of equipment or staff for graveside service;

(xii) hearse or funeral coach;

(xiii) limousine; and

(xiv) separate prices for all cemetery-specific goods and services, including all goods and services associated with interment and burial site goods and services and excluding markers and headstones;

(5) the price range for the caskets offered by the funeral provider, together with the statement "A complete price list will be provided at the funeral establishment or casket sale location." or the prices of individual caskets, as disclosed in the manner described in paragraphs (c) and (d);

(6) the price range for the alternative containers or shrouds offered by the funeral provider, together with the statement "A complete price list will be provided at the funeral establishment or alternative container sale location." or the prices of individual alternative containers, as disclosed in the manner described in paragraphs (c) and (d);

(7) the price range for the outer burial containers offered by the funeral provider, together with the statement "A complete price list will be provided at the funeral establishment or outer burial container sale location." or the prices of individual outer burial containers, as disclosed in the manner described in paragraphs (c) and (d);

(8) the price range for the alkaline hydrolysis container offered by the funeral provider, together with the statement "A complete price list will be provided at the funeral establishment or alkaline hydrolysis container sale location." or the prices of individual alkaline hydrolysis containers, as disclosed in the manner described in paragraphs (c) and (d);

(9) the price range for the hydrolyzed remains container offered by the funeral provider, together with the statement "A complete price list will be provided at the funeral establishment or hydrolyzed remains container sale location." or the prices of individual hydrolyzed remains container, as disclosed in the manner described in paragraphs (c) and (d);

(10) the price range for the cremation containers offered by the funeral provider, together with the statement "A complete price list will be provided at the funeral establishment or cremation container sale location." or the prices of individual cremation containers, as disclosed in the manner described in paragraphs (c) and (d);

(11) the price range for the cremated remains containers offered by the funeral provider, together with the statement, "A complete price list will be provided at the funeral establishment or cremated remains container sale location," or the prices of individual cremation containers as disclosed in the manner described in paragraphs (c) and (d);

(12) the price range for the naturally reduced remains containers offered by the funeral provider, together with the statement, "A complete price list will be provided at the funeral establishment or naturally reduced remains container sale location," or the prices of individual naturally reduced remains containers as disclosed in the manner described in paragraphs (c) and (d);

~~(12)~~ (13) the price for the basic services of funeral provider and staff, together with a list of the principal basic services provided for any quoted price and, if the charge cannot be declined by the purchaser, the statement "This fee for our basic services will be added to the total cost of the funeral arrangements you select. (This fee is already included in our charges for alkaline hydrolysis, natural organic reduction, direct cremations, immediate burials, and forwarding or receiving remains.)" If the charge cannot be declined by the purchaser, the quoted price shall include all charges for the recovery of unallocated funeral provider overhead, and funeral providers may include in the required disclosure the phrase "and overhead" after the word "services." This services fee is the only funeral provider fee for services, facilities, or unallocated overhead permitted by this subdivision to be nondeclinable, unless otherwise required by law;

~~(13)~~ (14) the price range for the markers and headstones offered by the funeral provider, together with the statement "A complete price list will be provided at the funeral establishment or marker or headstone sale location." or the prices of individual markers and headstones, as disclosed in the manner described in paragraphs (c) and (d); and

~~(14)~~ (15) any package priced funerals offered must be listed in addition to and following the information required in paragraph (e) and must clearly state the funeral goods and services being offered, the price being charged for those goods and services, and the discounted savings.

(f) Funeral providers must give an itemized written statement, for retention, to each consumer who arranges an at-need funeral or other disposition of human remains at the conclusion of the discussion of the arrangements. The itemized written statement must be signed by the consumer selecting the goods and services as required in section 149A.80. If the statement is provided by a funeral establishment, the statement must be signed by the licensed funeral director or mortician planning the arrangements. If the statement is provided by any other funeral provider, the statement must be signed by an authorized agent of the funeral provider. The statement must list the funeral goods, funeral services, burial site goods, or burial site services selected by that consumer and the prices to be paid for each item, specifically itemized cash advance items (these prices must be given to the extent then known or reasonably ascertainable if the prices are not known or reasonably ascertainable, a good faith estimate shall be given and a written statement of the actual charges shall be provided before the final bill is paid), and the total cost of goods and services selected. At the conclusion of an at-need arrangement, the funeral provider is required to give the consumer a copy of the signed itemized written contract that must contain the information required in this paragraph.

(g) Upon receiving actual notice of the death of an individual with whom a funeral provider has entered a preneed funeral agreement, the funeral provider must provide a copy of all preneed funeral agreement documents to the person who controls final disposition of the human remains or to the designee of the person controlling disposition. The person controlling final disposition shall be provided with these documents at the time of the person's first in-person contact with the funeral provider, if the first contact occurs in person at a funeral establishment, alkaline hydrolysis facility, crematory, natural organic reduction facility, or other place of business of the funeral provider. If the contact occurs by other means or at another location, the documents must be provided within 24 hours of the first contact.

Sec. 44. Minnesota Statutes 2022, section 149A.71, subdivision 4, is amended to read:

Subd. 4. **Casket, alternate container, alkaline hydrolysis container, naturally reduced remains container, and cremation container sales; records; required disclosures.** Any funeral provider who sells or offers to sell a casket, alternate container, alkaline hydrolysis container, hydrolyzed remains container, cremation container, ~~or~~ cremated remains container, or, effective July 1, 2025, naturally reduced remains container to the public must maintain a record of each sale that includes the name of the purchaser, the purchaser's mailing address, the name of the decedent, the date of the decedent's death, and the place of death. These records shall be open to inspection by the regulatory agency. Any funeral provider selling a casket, alternate container, or cremation container to the public, and not having charge of the final disposition of the dead human body, shall provide a copy of the statutes and rules controlling the removal, preparation, transportation, arrangements for disposition, and final disposition of a dead human body. This subdivision does not apply to morticians, funeral directors, funeral establishments, crematories, or wholesale distributors of caskets, alternate containers, alkaline hydrolysis containers, or cremation containers.

Sec. 45. Minnesota Statutes 2022, section 149A.72, subdivision 3, is amended to read:

Subd. 3. **Casket for alkaline hydrolysis, natural organic reduction, or cremation provisions; deceptive acts or practices.** In selling or offering to sell funeral goods or funeral services to the public, it is a deceptive act or practice for a funeral provider to represent that a casket is required for alkaline hydrolysis ~~or,~~ cremations, or, effective July 1, 2025, natural organic reduction by state or local law or otherwise.

Sec. 46. Minnesota Statutes 2022, section 149A.72, subdivision 9, is amended to read:

Subd. 9. **Deceptive acts or practices.** In selling or offering to sell funeral goods, funeral services, burial site goods, or burial site services to the public, it is a deceptive act or practice for a funeral provider to represent that federal, state, or local laws, or particular cemeteries, alkaline hydrolysis facilities, ~~or~~ crematories, or, effective July 1, 2025, natural organic reduction facilities require the purchase of any funeral goods, funeral services, burial site goods, or burial site services when that is not the case.

Sec. 47. Minnesota Statutes 2022, section 149A.73, subdivision 1, is amended to read:

Subdivision 1. **Casket for alkaline hydrolysis, natural organic reduction, or cremation provisions; deceptive acts or practices.** In selling or offering to sell funeral goods, funeral services, burial site goods, or burial site services to the public, it is a deceptive act or practice for a funeral provider to require that a casket be purchased for alkaline hydrolysis ~~or,~~ cremation, or, effective July 1, 2025, natural organic reduction.

Sec. 48. Minnesota Statutes 2022, section 149A.74, subdivision 1, is amended to read:

Subdivision 1. **Services provided without prior approval; deceptive acts or practices.** In selling or offering to sell funeral goods or funeral services to the public, it is a deceptive act or practice for any funeral provider to embalm a dead human body unless state or local law or regulation requires embalming in the particular circumstances regardless of any funeral choice which might be made, or prior approval for embalming has been obtained from an individual legally authorized to make such a decision. In seeking approval to embalm, the funeral provider must disclose that embalming is not required by law except in certain circumstances; that a fee will be charged if a funeral is selected which requires embalming, such as a funeral with viewing; and that no embalming fee will be charged if the family selects a service which does not require embalming, such as direct alkaline hydrolysis, direct cremation, ~~or~~ immediate burial, or, effective July 1, 2025, natural organic reduction.

Sec. 49. Minnesota Statutes 2022, section 149A.93, subdivision 3, is amended to read:

Subd. 3. **Disposition permit.** A disposition permit is required before a body can be buried, entombed, alkaline hydrolyzed, ~~or~~ cremated, or, effective July 1, 2025, naturally reduced. No disposition permit shall be issued until a fact of death record has been completed and filed with the state registrar of vital records.

Sec. 50. Minnesota Statutes 2022, section 149A.94, subdivision 1, is amended to read:

Subdivision 1. **Generally.** Every dead human body lying within the state, except unclaimed bodies delivered for dissection by the medical examiner, those delivered for anatomical study pursuant to section 149A.81, subdivision 2, or lawfully carried through the state for the purpose of disposition elsewhere; and the remains of any dead human body after dissection or anatomical study, shall be decently buried or entombed in a public or private cemetery, alkaline hydrolyzed, ~~or~~ cremated, or, effective July 1, 2025, naturally reduced within a reasonable time after death. Where final disposition of a body will not be accomplished, or, effective July 1, 2025, when natural organic reduction will not be initiated, within 72 hours following death or release of the body by a competent authority with jurisdiction over the body, the body must be properly embalmed, refrigerated, or packed with dry ice. A body may not be kept in refrigeration for a period exceeding six calendar days, or packed in dry ice for a period that exceeds four calendar days, from the time of death or release of the body from the coroner or medical examiner.

Sec. 51. Minnesota Statutes 2022, section 149A.94, subdivision 3, is amended to read:

Subd. 3. **Permit required.** No dead human body shall be buried, entombed, ~~or~~ cremated, alkaline hydrolyzed, or, effective July 1, 2025, naturally reduced without a disposition permit. The disposition permit must be filed with the person in charge of the place of final disposition. Where a dead human body will be transported out of this state for final disposition, the body must be accompanied by a certificate of removal.

Sec. 52. Minnesota Statutes 2022, section 149A.94, subdivision 4, is amended to read:

Subd. 4. **Alkaline hydrolysis ~~or,~~ cremation, or natural organic reduction.** Inurnment of alkaline hydrolyzed ~~or~~ remains, cremated remains, or, effective July 1, 2025, naturally reduced remains and release to an appropriate party is considered final disposition and no further permits or authorizations are required for transportation, interment, entombment, or placement of the ~~cremated~~ remains, except as provided in section 149A.95, subdivision 16.

Sec. 53. **[149A.955] NATURAL ORGANIC REDUCTION FACILITIES AND NATURAL ORGANIC REDUCTION.**

Subdivision 1. **License required.** This section is effective July 1, 2025. A dead human body may only undergo natural organic reduction in this state at a natural organic reduction facility licensed by the commissioner of health.

Subd. 2. **General requirements.** Any building to be used as a natural organic reduction facility must comply with all applicable local and state building codes, zoning laws and ordinances, and environmental standards. A natural organic reduction facility must have, on site, a natural organic reduction system approved by the commissioner and a motorized mechanical device for processing naturally reduced remains and must have, in the building, a refrigerated holding facility for the retention of dead human bodies awaiting natural organic reduction. The holding facility must be secure from access by anyone except the authorized personnel of the natural organic reduction facility, preserve the dignity of the remains, and protect the health and safety of the natural organic reduction facility personnel.

Subd. 3. **Aerobic reduction vessel.** A natural organic reduction facility must use as a natural organic reduction vessel, a contained reduction vessel that is designed to promote aerobic reduction and that minimizes odors.

Subd. 4. **Unlicensed personnel.** A licensed natural organic reduction facility may employ unlicensed personnel, provided that all applicable provisions of this chapter are followed. It is the duty of the licensed natural organic reduction facility to provide proper training for all unlicensed personnel, and the licensed natural organic reduction facility shall be strictly accountable for compliance with this chapter and other applicable state and federal regulations regarding occupational and workplace health and safety.

Subd. 5. **Authorization to naturally reduce.** No natural organic reduction facility shall naturally reduce or cause to be naturally reduced any dead human body or identifiable body part without receiving written authorization to do so from the person or persons who have the legal right to control disposition as described in section 149A.80 or the person's legal designee. The written authorization must include:

(1) the name of the deceased and the date of death of the deceased;

(2) a statement authorizing the natural organic reduction facility to naturally reduce the body;

(3) the name, address, phone number, relationship to the deceased, and signature of the person or persons with the legal right to control final disposition or a legal designee;

(4) directions for the disposition of any non-naturally reduced materials or items recovered from the natural organic reduction vessel;

(5) acknowledgment that some of the naturally reduced remains will be mechanically reduced to a granulated appearance and included in the appropriate containers with the naturally reduced remains; and

(6) directions for the ultimate disposition of the naturally reduced remains.

Subd. 6. **Limitation of liability.** The limitations in section 149A.95, subdivision 5, apply to natural organic reduction facilities.

Subd. 7. **Acceptance of delivery of body.** (a) No dead human body shall be accepted for final disposition by natural organic reduction unless:

(1) a licensed mortician is present;

(2) the body is wrapped in a container, such as a pouch or shroud, that is impermeable or leak-resistant;

(3) the body is accompanied by a disposition permit issued pursuant to section 149A.93, subdivision 3, including a photocopy of the complete death record or a signed release authorizing natural organic reduction received from a coroner or medical examiner; and

(4) the body is accompanied by a natural organic reduction authorization that complies with subdivision 5.

(b) A natural organic reduction facility shall refuse to accept delivery of the dead human body:

(1) where there is a known dispute concerning natural organic reduction of the body delivered;

(2) where there is a reasonable basis for questioning any of the representations made on the written authorization to naturally reduce; or

(3) for any other lawful reason.

(c) When a container, pouch, or shroud containing a dead human body shows evidence of leaking bodily fluid, the container, pouch, or shroud and the body must be returned to the contracting funeral establishment, or the body must be transferred to a new container, pouch, or shroud by a licensed mortician.

(d) If a dead human body is delivered to a natural organic reduction facility in a container, pouch, or shroud that is not suitable for placement in a natural organic reduction vessel, the transfer of the body to the vessel must be performed by a licensed mortician.

Subd. 8. **Bodies awaiting natural organic reduction.** A dead human body must be placed in the natural organic reduction vessel to initiate the natural reduction process within 24 hours after the natural organic reduction facility accepts legal and physical custody of the body.

Subd. 9. **Handling of dead human bodies.** All natural organic reduction facility employees handling the containers, pouches, or shrouds for dead human bodies shall use universal precautions and otherwise exercise all reasonable precautions to minimize the risk of transmitting any communicable disease from the body. No dead human body shall be removed from the container, pouch, or shroud in which it is delivered to the natural organic reduction facility without express written authorization of the person or persons with legal right to control the disposition and only by a licensed mortician. The remains shall be considered a dead human body until after the processing and curing of the remains are completed.

Subd. 10. **Identification of the body.** All licensed natural organic reduction facilities shall develop, implement, and maintain an identification procedure whereby dead human bodies can be identified from the time the natural organic reduction facility accepts delivery of the body until the naturally reduced remains are released to an authorized party. After natural organic reduction, an identifying disk, tab, or other permanent label shall be placed within the naturally reduced remains container or containers before the remains are released from the natural organic reduction facility. Each identification disk, tab, or label shall have a number that shall be recorded on all paperwork regarding the decedent. This procedure shall be designed to reasonably ensure that the proper body is naturally reduced and that the remains are returned to the appropriate party. Loss of all or part of the remains or the inability to individually identify the remains is a violation of this subdivision.

Subd. 11. **Natural organic reduction vessel for human remains.** A licensed natural organic reduction facility shall knowingly naturally reduce only dead human bodies or human remains in a natural organic reduction vessel.

Subd. 12. **Natural organic reduction procedures; privacy.** The final disposition of dead human bodies by natural organic reduction shall be done in privacy. Unless there is written authorization from the person with the legal right to control the final disposition, only authorized natural organic reduction facility personnel shall be permitted in the natural organic reduction area while any human body is awaiting placement in a natural organic reduction vessel, being removed from the vessel, or being processed for placement in a naturally reduced remains container. This does not prohibit an in-person laying-in ceremony to honor the deceased and the transition prior to the placement.

Subd. 13. **Natural organic reduction procedures; commingling of bodies prohibited.** Except with the express written permission of the person with the legal right to control the final disposition, no natural organic reduction facility shall naturally reduce more than one dead human body at the same time and in the same natural organic reduction vessel or introduce a second dead human body into same natural organic reduction vessel until reasonable efforts have been employed to remove all fragments of remains from the preceding natural organic reduction. This subdivision does not apply where commingling of human remains during natural organic reduction is otherwise provided by law. The fact that there is incidental and unavoidable residue in the natural organic reduction vessel used in a prior natural organic reduction is not a violation of this subdivision.

Subd. 14. **Natural organic reduction procedures; removal from natural organic reduction vessel.** Upon completion of the natural organic reduction process, reasonable efforts shall be made to remove from the natural organic reduction vessel all the recoverable naturally reduced remains. The naturally reduced remains shall be transported to the processing area, and any non-naturally reducible materials or items shall be separated from the naturally reduced remains and disposed of, in any lawful manner, by the natural organic reduction facility.

Subd. 15. **Natural organic reduction procedures; processing naturally reduced remains.** The remaining intact naturally reduced remains shall be reduced by a motorized mechanical processor to a granulated appearance. The granulated remains and the rest of the naturally reduced remains shall be returned to a natural organic reduction vessel for final reduction.

Subd. 16. **Natural organic reduction procedures; commingling of naturally reduced remains prohibited.** Except with the express written permission of the person with the legal right to control the final deposition or as otherwise provided by law, no natural organic reduction facility shall mechanically process the naturally reduced remains of more than one body at a time in the same mechanical processor, or introduce the naturally reduced remains of a second body into a mechanical processor until reasonable efforts have been employed to remove all fragments of naturally reduced remains already in the processor. The presence of incidental and unavoidable residue in the mechanical processor does not violate this subdivision.

Subd. 17. **Natural organic reduction procedures; testing naturally reduced remains.** A natural organic reduction facility must:

(1) ensure that the material in the natural organic reduction vessel naturally reaches and maintains a minimum temperature of 131 degrees Fahrenheit for a minimum of 72 consecutive hours during the process of natural organic reduction;

(2) analyze each instance of the naturally reduced remains for physical contaminants, including but are not limited to intact bone, dental fillings, and medical implants, and ensure naturally reduced remains have less than 0.01 mg/kg dry weight of any physical contaminants;

(3) collect material samples for analysis that are representative of each instance of natural organic reduction, using a sampling method such as that described in the U.S. Composting Council 2002 Test Methods for the Examination of Composting and Compost, method 02.01-A through E;

(4) develop and use a natural organic reduction process in which the naturally reduced remains from the process do not exceed the following limits:

Metals and other testing parameters	**Limit (mg/kg dry weight), unless otherwise specified**
Fecal coliform	Less than 1,000 most probable number per gram of total solids (dry weight)
Salmonella	Less than 3 most probable number per 4 grams of total solids (dry weight)
Arsenic	Less than or equal to 11 ppm
Cadmium	Less than or equal to 7.1 ppm
Lead	Less than or equal to 150 ppm
Mercury	Less than or equal to 8 ppm
Selenium	Less than or equal to 18 ppm;

(5) analyze, using a third-party laboratory, the natural organic reduction facility's material samples of naturally reduced remains according to the following schedule:

(i) the natural organic reduction facility must analyze each of the first 20 instances of naturally reduced remains for the parameters in clause (4);

(ii) if any of the first 20 instances of naturally reduced remains yield results exceeding the limits in clause (4), the natural organic reduction facility must conduct appropriate processes to correct the levels of the substances in clause (4) and have the resultant remains tested to ensure they fall within the identified limits;

(iii) if any of the first 20 instances of naturally reduced remains yield results exceeding the limits in clause (4), the natural organic reduction facility must analyze each additional instance of naturally reduced remains for the parameters in clause (4) until a total of 20 samples, not including those from remains that were reprocessed as required in item (ii), have yielded results within the limits in clause (4) on initial testing;

(iv) after 20 material samples of naturally reduced remains have met the limits in clause (4), the natural organic reduction facility must analyze at least 25 percent of the natural organic reduction facility's monthly instances of naturally reduced remains for the parameters in clause (4) until 80 total material samples of naturally reduced remains are found to meet the limits in clause (4), not including any samples that required reprocessing to meet those limits; and

(v) after 80 material samples of naturally reduced remains are found to meet the limits in clause (4), the natural organic reduction facility must analyze at least one instance of naturally reduced remains each month for the parameters in clause (4);

(6) comply with any testing requirements established by the commissioner for content parameters in addition to those specified in clause (4);

(7) not release any naturally reduced remains that exceed the limits in clause (4); and

(8) prepare, maintain, and provide to the commissioner upon request, a report for each calendar year detailing the natural organic reduction facility's activities during the previous calendar year. The report must include the following information:

(i) the name and address of the natural organic reduction facility;

(ii) the calendar year covered by the report;

(iii) the annual quantity of naturally reduced remains;

(iv) the results of any laboratory analyses of naturally reduced remains; and

(v) any additional information required by the commissioner.

Subd. 18. **Natural organic reduction procedures; use of more than one naturally reduced remains container.** If the naturally reduced remains are to be separated into two or more naturally reduced remains containers according to the directives provided in the written authorization for natural organic reduction, all of the containers shall contain duplicate identification disks, tabs, or permanent labels and all paperwork regarding the given body shall include a notation of the number of and disposition of each container, as provided in the written authorization.

Subd. 19. **Natural organic reduction procedures; disposition of accumulated residue.** Every natural organic reduction facility shall provide for the removal and disposition of any accumulated residue from any natural organic reduction vessel, mechanical processor, or other equipment used in natural organic reduction. Disposition of accumulated residue shall be by any lawful manner deemed appropriate.

Subd. 20. **Natural organic reduction procedures; release of naturally reduced remains.** Following completion of the natural organic reduction process, the inurned naturally reduced remains shall be released according to the instructions given on the written authorization for natural organic reduction. If the remains are to be shipped, they must be securely packaged and transported by a method which has an internal tracing system available and which provides a receipt signed by the person accepting delivery. Where there is a dispute over release or disposition of the naturally reduced remains, a natural organic reduction facility may deposit the naturally reduced remains in accordance with the directives of a court of competent jurisdiction pending resolution of the dispute or retain the naturally reduced remains until the person with the legal right to control disposition presents satisfactory indication that the dispute is resolved. A natural organic reduction facility must not sell naturally reduced remains and must make every effort to not release naturally reduced remains for sale or for use for commercial purposes.

Subd. 21. **Unclaimed naturally reduced remains.** If, after 30 calendar days following the inurnment, the naturally reduced remains are not claimed or disposed of according to the written authorization for natural organic reduction, the natural organic reduction facility shall give written notice, by certified mail, to the person with the legal right to control the final disposition or a legal designee, that the naturally reduced remains are unclaimed and

requesting further release directions. Should the naturally reduced remains be unclaimed 120 calendar days following the mailing of the written notification, the natural organic reduction facility may return the remains to the earth respectfully in any lawful manner deemed appropriate.

Subd. 22. **Required records.** Every natural organic reduction facility shall create and maintain on its premises or other business location in Minnesota an accurate record of every natural organic reduction provided. The record shall include all of the following information for each natural organic reduction:

(1) the name of the person or funeral establishment delivering the body for natural organic reduction;

(2) the name of the deceased and the identification number assigned to the body;

(3) the date of acceptance of delivery;

(4) the names of the operator of the natural organic reduction process and mechanical processor operator;

(5) the times and dates that the body was placed in and removed from the natural organic reduction vessel;

(6) the time and date that processing and inurnment of the naturally reduced remains was completed;

(7) the time, date, and manner of release of the naturally reduced remains;

(8) the name and address of the person who signed the authorization for natural organic reduction;

(9) all supporting documentation, including any transit or disposition permits, a photocopy of the death record, and the authorization for natural organic reduction; and

(10) the type of natural organic reduction vessel.

Subd. 23. **Retention of records.** Records required under subdivision 22 shall be maintained for a period of three calendar years after the release of the naturally reduced remains. Following this period and subject to any other laws requiring retention of records, the natural organic reduction facility may then place the records in storage or reduce them to microfilm, a digital format, or any other method that can produce an accurate reproduction of the original record, for retention for a period of ten calendar years from the date of release of the naturally reduced remains. At the end of this period and subject to any other laws requiring retention of records, the natural organic reduction facility may destroy the records by shredding, incineration, or any other manner that protects the privacy of the individuals identified.

Sec. 54. **REQUEST FOR INFORMATION; EVALUATION OF STATEWIDE HEALTH CARE NEEDS AND CAPACITY AND PROJECTIONS OF FUTURE HEALTH CARE NEEDS.**

(a) By November 1, 2024, the commissioner of health must publish a request for information to assist the commissioner in a future comprehensive evaluation of current health care needs and capacity in the state and projections of future health care needs in the state based on population and provider characteristics. The request for information:

(1) must provide guidance on defining the scope of the study and assist in answering methodological questions that will inform the development of a request for proposals to contract for performance of the study; and

(2) may address topics that include but are not limited to how to define health care capacity, expectations for capacity by geography or service type, how to consider health centers that have areas of particular expertise or services that generally have a higher margin, how hospital-based services should be considered as compared with evolving nonhospital-based services, the role of technology in service delivery, health care workforce supply issues, and other issues related to data or methods.

(b) By February 1, 2025, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over health care, with the results of the request for information and recommendations regarding conducting a comprehensive evaluation of current health care needs and capacity in the state and projections of future health care needs in the state.

Sec. 55. **REPEALER.**

Minnesota Statutes 2023 Supplement, section 144.0528, subdivision 5, is repealed.

ARTICLE 6
DEPARTMENT OF HEALTH POLICY

Section 1. **[62J.461] 340B COVERED ENTITY REPORT.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions apply.

(b) "340B covered entity" or "covered entity" means a covered entity as defined in United States Code, title 42, section 256b(a)(4), with a service address in Minnesota as of January 1 of the reporting year. 340B covered entity includes all entity types and grantees. All facilities that are identified as child sites or grantee associated sites under the federal 340B Drug Pricing Program are considered part of the 340B covered entity.

(c) "340B Drug Pricing Program" or "340B program" means the drug discount program established under United States Code, title 42, section 256b.

(d) "340B entity type" is the designation of the 340B covered entity according to the entity types specified in United States Code, title 42, section 256b(a)(4).

(e) "340B ID" is the unique identification number provided by the Health Resources and Services Administration to identify a 340B-eligible entity in the 340B Office of Pharmacy Affairs Information System.

(f) "Contract pharmacy" means a pharmacy with which a 340B covered entity has an arrangement to dispense drugs purchased under the 340B Drug Pricing Program.

(g) "Pricing unit" means the smallest dispensable amount of a prescription drug product that can be dispensed or administered.

Subd. 2. **Current registration.** Beginning April 1, 2024, each 340B covered entity must maintain a current registration with the commissioner in a form and manner prescribed by the commissioner. The registration must include the following information:

(1) the name of the 340B covered entity;

(2) the 340B ID of the 340B covered entity;

(3) the servicing address of the 340B covered entity; and

(4) the 340B entity type of the 340B covered entity.

Subd. 3. **Reporting by covered entities to the commissioner.** (a) Each 340B covered entity shall report to the commissioner by April 1, 2024, and by April 1 of each year thereafter, the following information for transactions conducted by the 340B covered entity or on its behalf, and related to its participation in the federal 340B program for the previous calendar year:

(1) the aggregated acquisition cost for prescription drugs obtained under the 340B program;

(2) the aggregated payment amount received for drugs obtained under the 340B program and dispensed or administered to patients;

(3) the number of pricing units dispensed or administered for prescription drugs described in clause (2); and

(4) the aggregated payments made:

(i) to contract pharmacies to dispense drugs obtained under the 340B program;

(ii) to any other entity that is not the covered entity and is not a contract pharmacy for managing any aspect of the covered entity's 340B program; and

(iii) for all other expenses related to administering the 340B program.

The information under clauses (2) and (3) must be reported by payer type, including but not limited to commercial insurance, medical assistance, MinnesotaCare, and Medicare, in the form and manner prescribed by the commissioner.

(b) For covered entities that are hospitals, the information required under paragraph (a), clauses (1) to (3), must also be reported at the national drug code level for the 50 most frequently dispensed or administered drugs by the facility under the 340B program.

(c) Data submitted to the commissioner under paragraphs (a) and (b) are classified as nonpublic data, as defined in section 13.02, subdivision 9.

Subd. 4. **Enforcement and exceptions.** (a) Any health care entity subject to reporting under this section that fails to provide data in the form and manner prescribed by the commissioner is subject to a fine paid to the commissioner of up to $500 for each day the data are past due. Any fine levied against the entity under this subdivision is subject to the contested case and judicial review provisions of sections 14.57 and 14.69.

(b) The commissioner may grant an entity an extension of or exemption from the reporting obligations under this subdivision, upon a showing of good cause by the entity.

Subd. 5. **Reports to the legislature.** By November 15, 2024, and by November 15 of each year thereafter, the commissioner shall submit to the chairs and ranking minority members of the legislative committees with jurisdiction over health care finance and policy, a report that aggregates the data submitted under subdivision 3, paragraphs (a) and (b). The following information must be included in the report for all 340B entities whose net 340B revenue constitutes a significant share, as determined by the commissioner, of all net 340B revenue across all 340B covered entities in Minnesota:

(1) the information submitted under subdivision 2; and

(2) for each 340B entity identified in subdivision 2, that entity's 340B net revenue as calculated using the data submitted under subdivision 3, paragraph (a), with net revenue being subdivision 3, paragraph (a), clause (2), less the sum of subdivision 3, paragraph (a), clauses (1) and (4).

For all other entities, the data in the report must be aggregated to the entity type or groupings of entity types in a manner that prevents the identification of an individual entity and any entity's specific data value reported for an individual data element.

Sec. 2. Minnesota Statutes 2022, section 62J.61, subdivision 5, is amended to read:

Subd. 5. ~~**Biennial review of rulemaking procedures and rules**~~ **Opportunity for comment.** The commissioner shall ~~biennially seek comments from affected parties~~ maintain an email address for submission of comments from interested parties to provide input about the effectiveness of and continued need for the rulemaking procedures set out in subdivision 2 and about the quality and effectiveness of rules adopted using these procedures. The commissioner ~~shall seek comments by holding a meeting and by publishing a notice in the State Register that contains the date, time, and location of the meeting and a statement that invites oral or written comments. The notice must be published at least 30 days before the meeting date. The commissioner shall write a report summarizing the comments and shall submit the report to the Minnesota Health Data Institute and to the Minnesota Administrative Uniformity Committee by January 15 of every even-numbered year~~ may seek additional input and provide additional opportunities for input as needed.

Sec. 3. Minnesota Statutes 2022, section 144.05, subdivision 7, is amended to read:

Subd. 7. **Expiration of report mandates.** (a) If the submission of a report by the commissioner of health to the legislature is mandated by statute and the enabling legislation does not include a date for the submission of a final report, the mandate to submit the report shall expire in accordance with this section.

(b) If the mandate requires the submission of an annual report and the mandate was enacted before January 1, 2021, the mandate shall expire on January 1, 2023. If the mandate requires the submission of a biennial or less frequent report and the mandate was enacted before January 1, 2021, the mandate shall expire on January 1, 2024.

(c) Any reporting mandate enacted on or after January 1, 2021, shall expire three years after the date of enactment if the mandate requires the submission of an annual report and shall expire five years after the date of enactment if the mandate requires the submission of a biennial or less frequent report, unless the enacting legislation provides for a different expiration date.

(d) The commissioner shall submit a list to the chairs and ranking minority members of the legislative committees with jurisdiction over health by February 15 of each year, beginning February 15, 2022, of all reports set to expire during the following calendar year in accordance with this section. The mandate to submit a report to the legislature under this paragraph does not expire.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2024.

Sec. 4. Minnesota Statutes 2023 Supplement, section 144.0526, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The commissioner of health shall establish the Minnesota One Health Antimicrobial Stewardship Collaborative. The commissioner shall ~~appoint~~ hire a director to execute operations, conduct health education, and provide technical assistance.

Sec. 5. Minnesota Statutes 2022, section 144.058, is amended to read:

144.058 INTERPRETER SERVICES QUALITY INITIATIVE.

(a) The commissioner of health shall establish a voluntary statewide roster~~,~~ and develop a plan for a registry and certification process for interpreters who provide high quality, spoken language health care interpreter services. The roster, registry, and certification process shall be based on the findings and recommendations set forth by the Interpreter Services Work Group required under Laws 2007, chapter 147, article 12, section 13.

(b) By January 1, 2009, the commissioner shall establish a roster of all available interpreters to address access concerns, particularly in rural areas.

(c) By January 15, 2010, the commissioner shall:

(1) develop a plan for a registry of spoken language health care interpreters, including:

(i) development of standards for registration that set forth educational requirements, training requirements, demonstration of language proficiency and interpreting skills, agreement to abide by a code of ethics, and a criminal background check;

(ii) recommendations for appropriate alternate requirements in languages for which testing and training programs do not exist;

(iii) recommendations for appropriate fees; and

(iv) recommendations for establishing and maintaining the standards for inclusion in the registry; and

(2) develop a plan for implementing a certification process based on national testing and certification processes for spoken language interpreters 12 months after the establishment of a national certification process.

(d) The commissioner shall consult with the Interpreter Stakeholder Group of the Upper Midwest Translators and Interpreters Association for advice on the standards required to plan for the development of a registry and certification process.

(e) The commissioner shall charge an annual fee of $50 to include an interpreter in the roster. Fee revenue shall be deposited in the state government special revenue fund. All fees are nonrefundable.

Sec. 6. Minnesota Statutes 2022, section 144.0724, subdivision 2, is amended to read:

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

(a) "Assessment reference date" or "ARD" means the specific end point for look-back periods in the MDS assessment process. This look-back period is also called the observation or assessment period.

(b) "Case mix index" means the weighting factors assigned to the ~~RUG-IV~~ case mix reimbursement classifications determined by an assessment.

(c) "Index maximization" means classifying a resident who could be assigned to more than one category, to the category with the highest case mix index.

(d) "Minimum Data Set" or "MDS" means a core set of screening, clinical assessment, and functional status elements, that include common definitions and coding categories specified by the Centers for Medicare and Medicaid Services and designated by the Department of Health.

(e) "Representative" means a person who is the resident's guardian or conservator, the person authorized to pay the nursing home expenses of the resident, a representative of the Office of Ombudsman for Long-Term Care whose assistance has been requested, or any other individual designated by the resident.

~~(f) "Resource utilization groups" or "RUG" means the system for grouping a nursing facility's residents according to their clinical and functional status identified in data supplied by the facility's Minimum Data Set.~~

~~(g)~~ (f) "Activities of daily living" includes personal hygiene, dressing, bathing, transferring, bed mobility, locomotion, eating, and toileting.

~~(h)~~ (g) "Nursing facility level of care determination" means the assessment process that results in a determination of a resident's or prospective resident's need for nursing facility level of care as established in subdivision 11 for purposes of medical assistance payment of long-term care services for:

(1) nursing facility services under ~~section 256B.434 or~~ chapter 256R;

(2) elderly waiver services under chapter 256S;

(3) CADI and BI waiver services under section 256B.49; and

(4) state payment of alternative care services under section 256B.0913.

Sec. 7. Minnesota Statutes 2022, section 144.0724, subdivision 3a, is amended to read:

Subd. 3a. **Resident ~~reimbursement~~ case mix reimbursement classifications ~~beginning January 1, 2012~~.** (a) ~~Beginning January 1, 2012,~~ Resident ~~reimbursement~~ case mix reimbursement classifications shall be based on the Minimum Data Set, version 3.0 assessment instrument, or its successor version mandated by the Centers for Medicare and Medicaid Services that nursing facilities are required to complete for all residents. ~~The commissioner of health shall establish resident classifications according to the RUG-IV, 48 group, resource utilization groups. Resident classification must be established based on the individual items on the Minimum Data Set, which must be completed according to the Long Term Care Facility Resident Assessment Instrument User's Manual Version 3.0 or its successor issued by the Centers for Medicare and Medicaid Services.~~ Case mix reimbursement classifications shall also be based on assessments required under subdivision 4. Assessments must be completed according to the Long Term Care Facility Resident Assessment Instrument User's Manual Version 3.0 or a successor manual issued by the Centers for Medicare and Medicaid Services. The optional state assessment must be completed according to the OSA Manual Version 1.0 v.2.

(b) Each resident must be classified based on the information from the Minimum Data Set according to the general categories issued by the Minnesota Department of Health, utilized for reimbursement purposes.

Sec. 8. Minnesota Statutes 2022, section 144.0724, subdivision 4, is amended to read:

Subd. 4. **Resident assessment schedule.** (a) A facility must conduct and electronically submit to the federal database MDS assessments that conform with the assessment schedule defined by the Long Term Care Facility Resident Assessment Instrument User's Manual, version 3.0, or its successor issued by the Centers for Medicare and Medicaid Services. The commissioner of health may substitute successor manuals or question and answer documents published by the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services, to replace or supplement the current version of the manual or document.

(b) The assessments required under the Omnibus Budget Reconciliation Act of 1987 (OBRA) used to determine a case mix reimbursement classification ~~for reimbursement~~ include:

(1) a new admission comprehensive assessment, which must have an assessment reference date (ARD) within 14 calendar days after admission, excluding readmissions;

(2) an annual comprehensive assessment, which must have an ARD within 92 days of a previous quarterly review assessment or a previous comprehensive assessment, which must occur at least once every 366 days;

(3) a significant change in status comprehensive assessment, which must have an ARD within 14 days after the facility determines, or should have determined, that there has been a significant change in the resident's physical or mental condition, whether an improvement or a decline, and regardless of the amount of time since the last comprehensive assessment or quarterly review assessment;

(4) a quarterly review assessment must have an ARD within 92 days of the ARD of the previous quarterly review assessment or a previous comprehensive assessment;

(5) any significant correction to a prior comprehensive assessment, if the assessment being corrected is the current one being used for ~~RUG~~ reimbursement classification;

(6) any significant correction to a prior quarterly review assessment, if the assessment being corrected is the current one being used for ~~RUG~~ reimbursement classification; and

~~(7) a required significant change in status assessment when:~~

~~(i) all speech, occupational, and physical therapies have ended. If the most recent OBRA comprehensive or quarterly assessment completed does not result in a rehabilitation case mix classification, then the significant change in status assessment is not required. The ARD of this assessment must be set on day eight after all therapy services have ended; and~~

~~(ii) isolation for an infectious disease has ended. If isolation was not coded on the most recent OBRA comprehensive or quarterly assessment completed, then the significant change in status assessment is not required. The ARD of this assessment must be set on day 15 after isolation has ended; and~~

(8) (7) any modifications to the most recent assessments under clauses (1) to ~~(7)~~ (6).

(c) The optional state assessment must accompany all OBRA assessments. The optional state assessment is also required to determine reimbursement when:

(i) all speech, occupational, and physical therapies have ended. If the most recent optional state assessment completed does not result in a rehabilitation case mix reimbursement classification, then the optional state assessment is not required. The ARD of this assessment must be set on day eight after all therapy services have ended; and

(ii) isolation for an infectious disease has ended. If isolation was not coded on the most recent optional state assessment completed, then the optional state assessment is not required. The ARD of this assessment must be set on day 15 after isolation has ended.

~~(c)~~ (d) In addition to the assessments listed in ~~paragraph~~ paragraphs (b) and (c), the assessments used to determine nursing facility level of care include the following:

(1) preadmission screening completed under section 256.975, subdivisions 7a to 7c, by the Senior LinkAge Line or other organization under contract with the Minnesota Board on Aging; and

(2) a nursing facility level of care determination as provided for under section 256B.0911, subdivision 26, as part of a face-to-face long-term care consultation assessment completed under section 256B.0911, by a county, tribe, or managed care organization under contract with the Department of Human Services.

Sec. 9. Minnesota Statutes 2022, section 144.0724, subdivision 6, is amended to read:

Subd. 6. **Penalties for late or nonsubmission.** (a) A facility that fails to complete or submit an assessment according to subdivisions 4 and 5 for a ~~RUG-IV~~ case mix reimbursement classification ~~within seven days of the time requirements listed in the Long-Term Care Facility Resident Assessment Instrument User's Manual~~ when the assessment is due is subject to a reduced rate for that resident. The reduced rate shall be the lowest rate for that facility. The reduced rate is effective on the day of admission for new admission assessments, on the ARD for significant change in status assessments, or on the day that the assessment was due for all other assessments and continues in effect until the first day of the month following the date of submission and acceptance of the resident's assessment.

(b) If loss of revenue due to penalties incurred by a facility for any period of 92 days are equal to or greater than 0.1 percent of the total operating costs on the facility's most recent annual statistical and cost report, a facility may apply to the commissioner of human services for a reduction in the total penalty amount. The commissioner of human services, in consultation with the commissioner of health, may, at the sole discretion of the commissioner of human services, limit the penalty for residents covered by medical assistance to ten days.

Sec. 10. Minnesota Statutes 2022, section 144.0724, subdivision 7, is amended to read:

Subd. 7. **Notice of resident ~~reimbursement~~ case mix reimbursement classification.** (a) The commissioner of health shall provide to a nursing facility a notice for each resident of the classification established under subdivision 1. The notice must inform the resident of the case mix reimbursement classification assigned, the opportunity to review the documentation supporting the classification, the opportunity to obtain clarification from the commissioner, ~~and~~ the opportunity to request a reconsideration of the classification, and the address and telephone number of the Office of Ombudsman for Long-Term Care. The commissioner must transmit the notice of resident classification by electronic means to the nursing facility. The nursing facility is responsible for the distribution of the notice to each resident or the resident's representative. This notice must be distributed within three business days after the facility's receipt.

(b) If a facility submits a ~~modifying~~ modified assessment resulting in a change in the case mix reimbursement classification, the facility must provide a written notice to the resident or the resident's representative regarding the item or items that were modified and the reason for the modifications. The written notice must be provided within three business days after distribution of the resident case mix reimbursement classification notice.

Sec. 11. Minnesota Statutes 2022, section 144.0724, subdivision 8, is amended to read:

Subd. 8. **Request for reconsideration of resident classifications.** (a) The resident, ~~or~~ the resident's representative, ~~or~~ the nursing facility, or the boarding care home may request that the commissioner of health reconsider the assigned ~~reimbursement~~ case mix reimbursement classification and any item or items changed during the audit process. The request for reconsideration must be submitted in writing to the commissioner of health.

(b) For reconsideration requests initiated by the resident or the resident's representative:

(1) The resident or the resident's representative must submit in writing a reconsideration request to the facility administrator within 30 days of receipt of the resident classification notice. The written request must include the reasons for the reconsideration request.

(2) Within three business days of receiving the reconsideration request, the nursing facility must submit to the commissioner of health a completed reconsideration request form, a copy of the resident's or resident's representative's written request, and all supporting documentation used to complete the assessment being ~~considered~~ reconsidered. If the facility fails to provide the required information, the reconsideration will be completed with the information submitted and the facility cannot make further reconsideration requests on this classification.

(3) Upon written request and within three business days, the nursing facility must give the resident or the resident's representative a copy of the assessment being reconsidered and all supporting documentation used to complete the assessment. Notwithstanding any law to the contrary, the facility may not charge a fee for providing copies of the requested documentation. If a facility fails to provide the required documents within this time, it is subject to the issuance of a correction order and penalty assessment under sections 144.653 and 144A.10. Notwithstanding those sections, any correction order issued under this subdivision must require that the nursing facility immediately comply with the request for information, and as of the date of the issuance of the correction order, the facility shall forfeit to the state a $100 fine for the first day of noncompliance, and an increase in the $100 fine by $50 increments for each day the noncompliance continues.

(c) For reconsideration requests initiated by the facility:

(1) The facility is required to inform the resident or the resident's representative in writing that a reconsideration of the resident's case mix reimbursement classification is being requested. The notice must inform the resident or the resident's representative:

(i) of the date and reason for the reconsideration request;

(ii) of the potential for a case mix reimbursement classification change and subsequent rate change;

(iii) of the extent of the potential rate change;

(iv) that copies of the request and supporting documentation are available for review; and

(v) that the resident or the resident's representative has the right to request a reconsideration also.

(2) Within 30 days of receipt of the audit exit report or resident classification notice, the facility must submit to the commissioner of health a completed reconsideration request form, all supporting documentation used to complete the assessment being reconsidered, and a copy of the notice informing the resident or the resident's representative that a reconsideration of the resident's classification is being requested.

(3) If the facility fails to provide the required information, the reconsideration request may be denied and the facility may not make further reconsideration requests on this classification.

(d) Reconsideration by the commissioner must be made by individuals not involved in reviewing the assessment, audit, or reconsideration that established the disputed classification. The reconsideration must be based upon the assessment that determined the classification and upon the information provided to the commissioner of health under paragraphs (a) to (c). If necessary for evaluating the reconsideration request, the commissioner may conduct on-site reviews. Within 15 business days of receiving the request for reconsideration, the commissioner shall affirm or

modify the original resident classification. The original classification must be modified if the commissioner determines that the assessment resulting in the classification did not accurately reflect characteristics of the resident at the time of the assessment. The commissioner must transmit the reconsideration classification notice by electronic means to the nursing facility. The nursing facility is responsible for the distribution of the notice to the resident or the resident's representative. The notice must be distributed by the nursing facility within three business days after receipt. A decision by the commissioner under this subdivision is the final administrative decision of the agency for the party requesting reconsideration.

(e) The case mix reimbursement classification established by the commissioner shall be the classification which applies to the resident while the request for reconsideration is pending. If a request for reconsideration applies to an assessment used to determine nursing facility level of care under subdivision 4, paragraph ~~(c)~~ (d), the resident shall continue to be eligible for nursing facility level of care while the request for reconsideration is pending.

(f) The commissioner may request additional documentation regarding a reconsideration necessary to make an accurate reconsideration determination.

(g) Data collected as part of the reconsideration process under this section is classified as private data on individuals and nonpublic data pursuant to section 13.02. Notwithstanding the classification of these data as private or nonpublic, the commissioner is authorized to share these data with the U.S. Centers for Medicare and Medicaid Services and the commissioner of human services as necessary for reimbursement purposes.

Sec. 12. Minnesota Statutes 2022, section 144.0724, subdivision 9, is amended to read:

Subd. 9. **Audit authority.** (a) The commissioner shall audit the accuracy of resident assessments performed under section 256R.17 through any of the following: desk audits; on-site review of residents and their records; and interviews with staff, residents, or residents' families. The commissioner shall reclassify a resident if the commissioner determines that the resident was incorrectly classified.

(b) The commissioner is authorized to conduct on-site audits on an unannounced basis.

(c) A facility must grant the commissioner access to examine the medical records relating to the resident assessments selected for audit under this subdivision. The commissioner may also observe and speak to facility staff and residents.

(d) The commissioner shall consider documentation under the time frames for coding items on the minimum data set as set out in the Long-Term Care Facility Resident Assessment Instrument User's Manual or OSA Manual version 1.0 v.2 published by the Centers for Medicare and Medicaid Services.

(e) The commissioner shall develop an audit selection procedure that includes the following factors:

(1) Each facility shall be audited annually. If a facility has two successive audits in which the percentage of change is five percent or less and the facility has not been the subject of a special audit in the past 36 months, the facility may be audited biannually. A stratified sample of 15 percent, with a minimum of ten assessments, of the most current assessments shall be selected for audit. If more than 20 percent of the ~~RUG-IV~~ case mix reimbursement classifications are changed as a result of the audit, the audit shall be expanded to a second 15 percent sample, with a minimum of ten assessments. If the total change between the first and second samples is 35 percent or greater, the commissioner may expand the audit to all of the remaining assessments.

(2) If a facility qualifies for an expanded audit, the commissioner may audit the facility again within six months. If a facility has two expanded audits within a 24-month period, that facility will be audited at least every six months for the next 18 months.

(3) The commissioner may conduct special audits if the commissioner determines that circumstances exist that could alter or affect the validity of case mix reimbursement classifications of residents. These circumstances include, but are not limited to, the following:

(i) frequent changes in the administration or management of the facility;

(ii) an unusually high percentage of residents in a specific case mix reimbursement classification;

(iii) a high frequency in the number of reconsideration requests received from a facility;

(iv) frequent adjustments of case mix reimbursement classifications as the result of reconsiderations or audits;

(v) a criminal indictment alleging provider fraud;

(vi) other similar factors that relate to a facility's ability to conduct accurate assessments;

(vii) an atypical pattern of scoring minimum data set items;

(viii) nonsubmission of assessments;

(ix) late submission of assessments; or

(x) a previous history of audit changes of 35 percent or greater.

(f) If the audit results in a case mix reimbursement classification change, the commissioner must transmit the audit classification notice by electronic means to the nursing facility within 15 business days of completing an audit. The nursing facility is responsible for distribution of the notice to each resident or the resident's representative. This notice must be distributed by the nursing facility within three business days after receipt. The notice must inform the resident of the case mix reimbursement classification assigned, the opportunity to review the documentation supporting the classification, the opportunity to obtain clarification from the commissioner, the opportunity to request a reconsideration of the classification, and the address and telephone number of the Office of Ombudsman for Long-Term Care.

Sec. 13. Minnesota Statutes 2022, section 144.0724, subdivision 11, is amended to read:

Subd. 11. **Nursing facility level of care.** (a) For purposes of medical assistance payment of long-term care services, a recipient must be determined, using assessments defined in subdivision 4, to meet one of the following nursing facility level of care criteria:

(1) the person requires formal clinical monitoring at least once per day;

(2) the person needs the assistance of another person or constant supervision to begin and complete at least four of the following activities of living: bathing, bed mobility, dressing, eating, grooming, toileting, transferring, and walking;

(3) the person needs the assistance of another person or constant supervision to begin and complete toileting, transferring, or positioning and the assistance cannot be scheduled;

(4) the person has significant difficulty with memory, using information, daily decision making, or behavioral needs that require intervention;

(5) the person has had a qualifying nursing facility stay of at least 90 days;

(6) the person meets the nursing facility level of care criteria determined 90 days after admission or on the first quarterly assessment after admission, whichever is later; or

(7) the person is determined to be at risk for nursing facility admission or readmission through a face-to-face long-term care consultation assessment as specified in section 256B.0911, subdivision 17 to 21, 23, 24, 27, or 28, by a county, tribe, or managed care organization under contract with the Department of Human Services. The person is considered at risk under this clause if the person currently lives alone or will live alone or be homeless without the person's current housing and also meets one of the following criteria:

(i) the person has experienced a fall resulting in a fracture;

(ii) the person has been determined to be at risk of maltreatment or neglect, including self-neglect; or

(iii) the person has a sensory impairment that substantially impacts functional ability and maintenance of a community residence.

(b) The assessment used to establish medical assistance payment for nursing facility services must be the most recent assessment performed under subdivision 4, ~~paragraph~~ paragraphs (b) and (c), that occurred no more than 90 calendar days before the effective date of medical assistance eligibility for payment of long-term care services. In no case shall medical assistance payment for long-term care services occur prior to the date of the determination of nursing facility level of care.

(c) The assessment used to establish medical assistance payment for long-term care services provided under chapter 256S and section 256B.49 and alternative care payment for services provided under section 256B.0913 must be the most recent face-to-face assessment performed under section 256B.0911, subdivisions 17 to 21, 23, 24, 27, or 28, that occurred no more than 60 calendar days before the effective date of medical assistance eligibility for payment of long-term care services.

Sec. 14. Minnesota Statutes 2022, section 144.1464, subdivision 1, is amended to read:

Subdivision 1. **Summer internships.** The commissioner of health, through a contract with a nonprofit organization as required by subdivision 4, shall award grants, within available appropriations, to hospitals, clinics, nursing facilities, assisted living facilities, and home care providers to establish a secondary and postsecondary summer health care intern program. The purpose of the program is to expose interested secondary and postsecondary pupils to various careers within the health care profession.

Sec. 15. Minnesota Statutes 2022, section 144.1464, subdivision 2, is amended to read:

Subd. 2. **Criteria.** (a) The commissioner, through the organization under contract, shall award grants to hospitals, clinics, nursing facilities, assisted living facilities, and home care providers that agree to:

(1) provide secondary and postsecondary summer health care interns with formal exposure to the health care profession;

(2) provide an orientation for the secondary and postsecondary summer health care interns;

(3) pay one-half the costs of employing the secondary and postsecondary summer health care intern;

(4) interview and hire secondary and postsecondary pupils for a minimum of six weeks and a maximum of 12 weeks; and

(5) employ at least one secondary student for each postsecondary student employed, to the extent that there are sufficient qualifying secondary student applicants.

(b) In order to be eligible to be hired as a secondary summer health intern by a hospital, clinic, nursing facility, assisted living facility, or home care provider, a pupil must:

(1) intend to complete high school graduation requirements and be between the junior and senior year of high school; and

(2) be from a school district in proximity to the facility.

(c) In order to be eligible to be hired as a postsecondary summer health care intern by a hospital or clinic, a pupil must:

(1) intend to complete a health care training program or a two-year or four-year degree program and be planning on enrolling in or be enrolled in that training program or degree program; and

(2) be enrolled in a Minnesota educational institution or be a resident of the state of Minnesota; priority must be given to applicants from a school district or an educational institution in proximity to the facility.

(d) Hospitals, clinics, nursing facilities, assisted living facilities, and home care providers awarded grants may employ pupils as secondary and postsecondary summer health care interns ~~beginning on or after June 15, 1993~~, if they agree to pay the intern, during the period before disbursement of state grant money, with money designated as the facility's 50 percent contribution towards internship costs.

Sec. 16. Minnesota Statutes 2022, section 144.1464, subdivision 3, is amended to read:

Subd. 3. **Grants.** The commissioner, through the organization under contract, shall award separate grants to hospitals, clinics, nursing facilities, assisted living facilities, and home care providers meeting the requirements of subdivision 2. The grants must be used to pay one-half of the costs of employing secondary and postsecondary pupils in a hospital, clinic, nursing facility, assisted living facility, or home care setting during the course of the program. No more than 50 percent of the participants may be postsecondary students, unless the program does not receive enough qualified secondary applicants per fiscal year. No more than five pupils may be selected from any secondary or postsecondary institution to participate in the program and no more than one-half of the number of pupils selected may be from the seven-county metropolitan area.

Sec. 17. Minnesota Statutes 2022, section 144.1911, subdivision 2, is amended to read:

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

(b) "Commissioner" means the commissioner of health.

(c) "Immigrant international medical graduate" means an international medical graduate who was born outside the United States, now resides permanently in the United States or who has entered the United States on a temporary status based on urgent humanitarian or significant public benefit reasons, and who did not enter the United States on a J1 or similar nonimmigrant visa following acceptance into a United States medical residency or fellowship program.

(d) "International medical graduate" means a physician who received a basic medical degree or qualification from a medical school located outside the United States and Canada.

(e) "Minnesota immigrant international medical graduate" means an immigrant international medical graduate who has lived in Minnesota for at least two years.

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

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

Sec. 18. Minnesota Statutes 2022, section 144.292, subdivision 6, is amended to read:

Subd. 6. **Cost.** (a) When a patient requests a copy of the patient's record for purposes of reviewing current medical care, the provider must not charge a fee.

(b) When a provider or its representative makes copies of patient records upon a patient's request under this section, the provider or its representative may charge the patient or the patient's representative no more than 75 cents per page, plus $10 for time spent retrieving and copying the records, unless other law or a rule or contract provide for a lower maximum charge. This limitation does not apply to x-rays. The provider may charge a patient no more than the actual cost of reproducing x-rays, plus no more than $10 for the time spent retrieving and copying the x-rays.

(c) The respective maximum charges of 75 cents per page and $10 for time provided in this subdivision are in effect for calendar year 1992 and may be adjusted annually each calendar year as provided in this subdivision. The permissible maximum charges shall change each year by an amount that reflects the change, as compared to the previous year, in the Consumer Price Index for all Urban Consumers, Minneapolis-St. Paul (CPI-U), published by the Department of Labor.

(d) A provider or its representative may charge the $10 retrieval fee, but must not charge a per page fee, a retrieval fee, or any other fee to provide copies of records requested by a patient or the patient's authorized representative if the request for copies of records is for purposes of appealing a denial of Social Security disability income or Social Security disability benefits under title II or title XVI of the Social Security Act~~; except that no fee shall be charged to a patient who is receiving public assistance, or to a patient who is represented by an attorney on behalf of a civil legal services program or a volunteer attorney program based on indigency.~~ when the patient is:

(1) receiving public assistance;

(2) represented by an attorney on behalf of a civil legal services program; or

(3) represented by a volunteer attorney program based on indigency.

The patient or the patient's representative must submit one of the following to show that they are entitled to receive records without charge under this paragraph: (1) a public assistance statement from the county or state administering assistance; (2) a request for records on the letterhead of the civil legal services program or volunteer attorney program based on indigency; or (3) a benefits statement from the Social Security Administration.

For the purpose of further appeals, a patient may receive no more than two medical record updates without charge, but only for medical record information previously not provided.

For purposes of this paragraph, a patient's authorized representative does not include units of state government engaged in the adjudication of Social Security disability claims.

Sec. 19. **[144.2925] CONSTRUCTION.**

Sections 144.291 to 144.298 shall be construed to protect the privacy of a patient's health records in a more stringent manner than provided in Code of Federal Regulations, title 45, part 164. For purposes of this section, "more stringent" has the meaning given to that term in Code of Federal Regulations, title 45, section 160.202, with respect to a use or disclosure or the need for express legal permission from an individual to disclose individually identifiable health information.

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

Sec. 20. Minnesota Statutes 2022, section 144.293, subdivision 2, is amended to read:

Subd. 2. **Patient consent to release of records.** A provider, or a person who receives health records from a provider, may not release a patient's health records to a person without:

(1) a signed and dated consent from the patient or the patient's legally authorized representative authorizing the release;

(2) specific authorization in Minnesota law; or

(3) a representation from a provider that holds a signed and dated consent from the patient authorizing the release.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to health records released on or after that date.

Sec. 21. Minnesota Statutes 2022, section 144.293, subdivision 4, is amended to read:

Subd. 4. **Duration of consent.** Except as provided in this section, a consent is valid for one year or for a period specified in the consent or for a different period provided by Minnesota law.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to health records released on or after that date.

Sec. 22. Minnesota Statutes 2022, section 144.293, subdivision 9, is amended to read:

Subd. 9. **Documentation of release.** (a) In cases where a provider releases health records without patient consent as authorized by Minnesota law, the release must be documented in the patient's health record. In the case of a release under section 144.294, subdivision 2, the documentation must include the date and circumstances under which the release was made, the person or agency to whom the release was made, and the records that were released.

(b) When a health record is released using a representation from a provider that holds a consent from the patient, the releasing provider shall document:

(1) the provider requesting the health records;

(2) the identity of the patient;

(3) the health records requested; and

(4) the date the health records were requested.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to health records released on or after that date.

Sec. 23. Minnesota Statutes 2022, section 144.293, subdivision 10, is amended to read:

Subd. 10. **Warranties regarding consents, requests, and disclosures.** (a) When requesting health records using consent, a person warrants that the consent:

(1) contains no information known to the person to be false; and

(2) accurately states the patient's desire to have health records disclosed or that there is specific authorization in Minnesota law.

(b) When requesting health records using consent, or a representation of holding a consent, a provider warrants that the request:

(1) contains no information known to the provider to be false;

(2) accurately states the patient's desire to have health records disclosed or that there is specific authorization in Minnesota law; and

(3) does not exceed any limits imposed by the patient in the consent.

(c) When disclosing health records, a person releasing health records warrants that the person:

(1) has complied with the requirements of this section regarding disclosure of health records;

(2) knows of no information related to the request that is false; and

(3) has complied with the limits set by the patient in the consent.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to health records released on or after that date.

Sec. 24. Minnesota Statutes 2022, section 144.493, is amended by adding a subdivision to read:

Subd. 2a. **Thrombectomy-capable stroke center.** A hospital meets the criteria for a thrombectomy-capable stroke center if the hospital has been certified as a thrombectomy-capable stroke center by the joint commission or another nationally recognized accreditation entity, or is a primary stroke center that is not certified as a thrombectomy-based capable stroke center but the hospital has attained a level of stroke care distinction by offering mechanical endovascular therapies and has been certified by a department approved certifying body that is a nationally recognized guidelines-based organization.

Sec. 25. Minnesota Statutes 2022, section 144.494, subdivision 2, is amended to read:

Subd. 2. **Designation.** A hospital that voluntarily meets the criteria for a comprehensive stroke center, thrombectomy-capable stroke center, primary stroke center, or acute stroke ready hospital may apply to the commissioner for designation, and upon the commissioner's review and approval of the application, shall be designated as a comprehensive stroke center, a thrombectomy-capable stroke center, a primary stroke center, or an acute stroke ready hospital for a three-year period. If a hospital loses its certification as a comprehensive stroke center or primary stroke center from the joint commission or other nationally recognized accreditation entity, or no longer participates in the Minnesota stroke registry program, its Minnesota designation shall be immediately withdrawn. Prior to the expiration of the ~~three-year~~ designation period, a hospital seeking to remain part of the voluntary acute stroke system may reapply to the commissioner for designation.

Sec. 26. Minnesota Statutes 2022, section 144.551, subdivision 1, is amended to read:

Subdivision 1. **Restricted construction or modification.** (a) The following construction or modification may not be commenced:

(1) any erection, building, alteration, reconstruction, modernization, improvement, extension, lease, or other acquisition by or on behalf of a hospital that increases the bed capacity of a hospital, relocates hospital beds from one physical facility, complex, or site to another, or otherwise results in an increase or redistribution of hospital beds within the state; and

(2) the establishment of a new hospital.

(b) This section does not apply to:

(1) construction or relocation within a county by a hospital, clinic, or other health care facility that is a national referral center engaged in substantial programs of patient care, medical research, and medical education meeting state and national needs that receives more than 40 percent of its patients from outside the state of Minnesota;

(2) a project for construction or modification for which a health care facility held an approved certificate of need on May 1, 1984, regardless of the date of expiration of the certificate;

(3) a project for which a certificate of need was denied before July 1, 1990, if a timely appeal results in an order reversing the denial;

(4) a project exempted from certificate of need requirements by Laws 1981, chapter 200, section 2;

(5) a project involving consolidation of pediatric specialty hospital services within the Minneapolis-St. Paul metropolitan area that would not result in a net increase in the number of pediatric specialty hospital beds among the hospitals being consolidated;

(6) a project involving the temporary relocation of pediatric-orthopedic hospital beds to an existing licensed hospital that will allow for the reconstruction of a new philanthropic, pediatric-orthopedic hospital on an existing site and that will not result in a net increase in the number of hospital beds. Upon completion of the reconstruction, the licenses of both hospitals must be reinstated at the capacity that existed on each site before the relocation;

(7) the relocation or redistribution of hospital beds within a hospital building or identifiable complex of buildings provided the relocation or redistribution does not result in: (i) an increase in the overall bed capacity at that site; (ii) relocation of hospital beds from one physical site or complex to another; or (iii) redistribution of hospital beds within the state or a region of the state;

(8) relocation or redistribution of hospital beds within a hospital corporate system that involves the transfer of beds from a closed facility site or complex to an existing site or complex provided that: (i) no more than 50 percent of the capacity of the closed facility is transferred; (ii) the capacity of the site or complex to which the beds are transferred does not increase by more than 50 percent; (iii) the beds are not transferred outside of a federal health systems agency boundary in place on July 1, 1983; (iv) the relocation or redistribution does not involve the construction of a new hospital building; and (v) the transferred beds are used first to replace within the hospital corporate system the total number of beds previously used in the closed facility site or complex for mental health services and substance use disorder services. Only after the hospital corporate system has fulfilled the requirements of this item may the remainder of the available capacity of the closed facility site or complex be transferred for any other purpose;

(9) a construction project involving up to 35 new beds in a psychiatric hospital in Rice County that primarily serves adolescents and that receives more than 70 percent of its patients from outside the state of Minnesota;

(10) a project to replace a hospital or hospitals with a combined licensed capacity of 130 beds or less if: (i) the new hospital site is located within five miles of the current site; and (ii) the total licensed capacity of the replacement hospital, either at the time of construction of the initial building or as the result of future expansion, will not exceed 70 licensed hospital beds, or the combined licensed capacity of the hospitals, whichever is less;

(11) the relocation of licensed hospital beds from an existing state facility operated by the commissioner of human services to a new or existing facility, building, or complex operated by the commissioner of human services; from one regional treatment center site to another; or from one building or site to a new or existing building or site on the same campus;

(12) the construction or relocation of hospital beds operated by a hospital having a statutory obligation to provide hospital and medical services for the indigent that does not result in a net increase in the number of hospital beds, notwithstanding section 144.552, 27 beds, of which 12 serve mental health needs, may be transferred from Hennepin County Medical Center to Regions Hospital under this clause;

(13) a construction project involving the addition of up to 31 new beds in an existing nonfederal hospital in Beltrami County;

(14) a construction project involving the addition of up to eight new beds in an existing nonfederal hospital in Otter Tail County with 100 licensed acute care beds;

(15) a construction project involving the addition of 20 new hospital beds in an existing hospital in Carver County serving the southwest suburban metropolitan area;

(16) a project for the construction or relocation of up to 20 hospital beds for the operation of up to two psychiatric facilities or units for children provided that the operation of the facilities or units have received the approval of the commissioner of human services;

(17) a project involving the addition of 14 new hospital beds to be used for rehabilitation services in an existing hospital in Itasca County;

(18) a project to add 20 licensed beds in existing space at a hospital in Hennepin County that closed 20 rehabilitation beds in 2002, provided that the beds are used only for rehabilitation in the hospital's current rehabilitation building. If the beds are used for another purpose or moved to another location, the hospital's licensed capacity is reduced by 20 beds;

(19) a critical access hospital established under section 144.1483, clause (9), and section 1820 of the federal Social Security Act, United States Code, title 42, section 1395i-4, that delicensed beds since enactment of the Balanced Budget Act of 1997, Public Law 105-33, to the extent that the critical access hospital does not seek to exceed the maximum number of beds permitted such hospital under federal law;

(20) notwithstanding section 144.552, a project for the construction of a new hospital in the city of Maple Grove with a licensed capacity of up to 300 beds provided that:

(i) the project, including each hospital or health system that will own or control the entity that will hold the new hospital license, is approved by a resolution of the Maple Grove City Council as of March 1, 2006;

(ii) the entity that will hold the new hospital license will be owned or controlled by one or more not-for-profit hospitals or health systems that have previously submitted a plan or plans for a project in Maple Grove as required under section 144.552, and the plan or plans have been found to be in the public interest by the commissioner of health as of April 1, 2005;

(iii) the new hospital's initial inpatient services must include, but are not limited to, medical and surgical services, obstetrical and gynecological services, intensive care services, orthopedic services, pediatric services, noninvasive cardiac diagnostics, behavioral health services, and emergency room services;

(iv) the new hospital:

(A) will have the ability to provide and staff sufficient new beds to meet the growing needs of the Maple Grove service area and the surrounding communities currently being served by the hospital or health system that will own or control the entity that will hold the new hospital license;

(B) will provide uncompensated care;

(C) will provide mental health services, including inpatient beds;

(D) will be a site for workforce development for a broad spectrum of health-care-related occupations and have a commitment to providing clinical training programs for physicians and other health care providers;

(E) will demonstrate a commitment to quality care and patient safety;

(F) will have an electronic medical records system, including physician order entry;

(G) will provide a broad range of senior services;

(H) will provide emergency medical services that will coordinate care with regional providers of trauma services and licensed emergency ambulance services in order to enhance the continuity of care for emergency medical patients; and

(I) will be completed by December 31, 2009, unless delayed by circumstances beyond the control of the entity holding the new hospital license; and

(v) as of 30 days following submission of a written plan, the commissioner of health has not determined that the hospitals or health systems that will own or control the entity that will hold the new hospital license are unable to meet the criteria of this clause;

(21) a project approved under section 144.553;

(22) a project for the construction of a hospital with up to 25 beds in Cass County within a 20-mile radius of the state Ah-Gwah-Ching facility, provided the hospital's license holder is approved by the Cass County Board;

(23) a project for an acute care hospital in Fergus Falls that will increase the bed capacity from 108 to 110 beds by increasing the rehabilitation bed capacity from 14 to 16 and closing a separately licensed 13-bed skilled nursing facility;

(24) notwithstanding section 144.552, a project for the construction and expansion of a specialty psychiatric hospital in Hennepin County for up to 50 beds, exclusively for patients who are under 21 years of age on the date of admission. The commissioner conducted a public interest review of the mental health needs of Minnesota and the Twin Cities metropolitan area in 2008. No further public interest review shall be conducted for the construction or expansion project under this clause;

(25) a project for a 16-bed psychiatric hospital in the city of Thief River Falls, if the commissioner finds the project is in the public interest after the public interest review conducted under section 144.552 is complete;

(26)(i) a project for a 20-bed psychiatric hospital, within an existing facility in the city of Maple Grove, exclusively for patients who are under 21 years of age on the date of admission, if the commissioner finds the project is in the public interest after the public interest review conducted under section 144.552 is complete;

(ii) this project shall serve patients in the continuing care benefit program under section 256.9693. The project may also serve patients not in the continuing care benefit program; and

(iii) if the project ceases to participate in the continuing care benefit program, the commissioner must complete a subsequent public interest review under section 144.552. If the project is found not to be in the public interest, the license must be terminated six months from the date of that finding. If the commissioner of human services terminates the contract without cause or reduces per diem payment rates for patients under the continuing care benefit program below the rates in effect for services provided on December 31, 2015, the project may cease to participate in the continuing care benefit program and continue to operate without a subsequent public interest review;

(27) a project involving the addition of 21 new beds in an existing psychiatric hospital in Hennepin County that is exclusively for patients who are under 21 years of age on the date of admission;

(28) a project to add 55 licensed beds in an existing safety net, level I trauma center hospital in Ramsey County as designated under section 383A.91, subdivision 5, of which 15 beds are to be used for inpatient mental health and 40 are to be used for other services. In addition, five unlicensed observation mental health beds shall be added;

(29) upon submission of a plan to the commissioner for public interest review under section 144.552 and the addition of the 15 inpatient mental health beds specified in clause (28), to its bed capacity, a project to add 45 licensed beds in an existing safety net, level I trauma center hospital in Ramsey County as designated under section 383A.91, subdivision 5. Five of the 45 additional beds authorized under this clause must be designated for use for inpatient mental health and must be added to the hospital's bed capacity before the remaining 40 beds are added. Notwithstanding section 144.552, the hospital may add licensed beds under this clause prior to completion of the public interest review, provided the hospital submits its plan by the 2021 deadline and adheres to the timelines for the public interest review described in section 144.552;

(30) upon submission of a plan to the commissioner for public interest review under section 144.552, a project to add up to 30 licensed beds in an existing psychiatric hospital in Hennepin County that exclusively provides care to patients who are under 21 years of age on the date of admission. Notwithstanding section 144.552, the psychiatric hospital may add licensed beds under this clause prior to completion of the public interest review, provided the hospital submits its plan by the 2021 deadline and adheres to the timelines for the public interest review described in section 144.552;

(31) any project to add licensed beds in a hospital located in Cook County or Mahnomen County that: (i) is designated as a critical access hospital under section 144.1483, clause (9), and United States Code, title 42, section 1395i-4; (ii) has a licensed bed capacity of fewer than 25 beds; and (iii) has an attached nursing home, so long as the total number of licensed beds in the hospital after the bed addition does not exceed 25 beds. Notwithstanding section 144.552, a public interest review is not required for a project authorized under this clause;

(32) upon submission of a plan to the commissioner for public interest review under section 144.552, a project to add 22 licensed beds at a Minnesota freestanding children's hospital in St. Paul that is part of an independent pediatric health system with freestanding inpatient hospitals located in Minneapolis and St. Paul. The beds shall be utilized for pediatric inpatient behavioral health services. Notwithstanding section 144.552, the hospital may add licensed beds under this clause prior to completion of the public interest review, provided the hospital submits its plan by the 2022 deadline and adheres to the timelines for the public interest review described in section 144.552; ~~or~~

(33) a project for a 144-bed psychiatric hospital on the site of the former Bethesda hospital in the city of Saint Paul, Ramsey County, if the commissioner finds the project is in the public interest after the public interest review conducted under section 144.552 is complete. Following the completion of the construction project, the commissioner of health shall monitor the hospital, including by assessing the hospital's case mix and payer mix, patient transfers, and patient diversions. The hospital must have an intake and assessment area. The hospital must accommodate patients with acute mental health needs, whether they walk up to the facility, are delivered by ambulances or law enforcement, or are transferred from other facilities. The hospital must comply with subdivision 1a, paragraph (b). The hospital must annually submit de-identified data to the department in the format and manner defined by the commissioner~~.~~; or

(34) a project involving the relocation of up to 26 licensed long-term acute care hospital beds from an existing long-term care hospital located in Hennepin County with a licensed capacity prior to the relocation of 92 beds to dedicated space on the campus of an existing safety net, level I trauma center hospital in Ramsey County as designated under section 383A.91, subdivision 5, provided both the commissioner finds the project is in the public interest after the public interest review conducted under section 144.552 is complete and the relocated beds continue to be used as long-term acute care hospital beds after the relocation.

Sec. 27. Minnesota Statutes 2022, section 144.605, is amended by adding a subdivision to read:

Subd. 10. **Chapter 16C waiver.** Pursuant to subdivisions 4, paragraph (b), and 5, paragraph (b), the commissioner of administration may waive provisions of chapter 16C for the purposes of approving contracts for independent clinical teams.

Sec. 28. **[144.6985] COMMUNITY HEALTH NEEDS ASSESSMENT; COMMUNITY HEALTH IMPROVEMENT SERVICES; IMPLEMENTATION.**

Subdivision 1. **Community health needs assessment.** A nonprofit hospital that is exempt from taxation under section 501(c)(3) of the Internal Revenue Code must make available to the public and submit to the commissioner of health, by January 15, 2026, the most recent community health needs assessment submitted by the hospital to the Internal Revenue Service. Each time the hospital conducts a subsequent community health needs assessment, the hospital must, within 15 business days after submitting the subsequent community health needs assessment to the Internal Revenue Service, make the subsequent assessment available to the public and submit the subsequent assessment to the commissioner.

Subd. 2. **Description of community.** A nonprofit hospital subject to subdivision 1 must make available to the public and submit to the commissioner of health a description of the community served by the hospital. The description must include a geographic description of the area where the hospital is located, a description of the general population served by the hospital, and demographic information about the community served by the

hospital, such as leading causes of death, levels of chronic illness, and descriptions of the medically underserved, low-income, minority, or chronically ill populations in the community. A hospital is not required to separately make the information available to the public or separately submit the information to the commissioner if the information is included in the hospital's community health needs assessment made available and submitted under subdivision 1.

Subd. 3. **Addendum; community health improvement services.** (a) A nonprofit hospital subject to subdivision 1 must annually submit to the commissioner an addendum which details information about hospital activities identified as community health improvement services with a cost of $5,000 or more. The addendum must include the type of activity, the method through which the activity was delivered, how the activity relates to an identified community need in the community health needs assessment, the target population for the activity, strategies to reach the target population, identified outcome metrics, the cost to the hospital to provide the activity, the methodology used to calculate the hospital's costs, and the number of people served by the activity. If a community health improvement service is administered by an entity other than the hospital, the administering entity must be identified in the addendum. This paragraph does not apply to hospitals required to submit an addendum under paragraph (b).

(b) A nonprofit hospital subject to subdivision 1 must annually submit to the commissioner an addendum which details information about the ten highest-cost activities of the hospital identified as community health improvement services if the nonprofit hospital:

(1) is designated as a critical access hospital under section 144.1483, clause (9), and United States Code, title 42, section 1395i-4;

(2) meets the definition of sole community hospital in section 62Q.19, subdivision 1, paragraph (a), clause (5); or

(3) meets the definition of rural emergency hospital in United States Code, title 42, section 1395x(kkk)(2).

The addendum must include the type of activity, the method in which the activity was delivered, how the activity relates to an identified community need in the community health needs assessment, the target population for the activity, strategies to reach the target population, identified outcome metrics, the cost to the hospital to provide the activity, the methodology used to calculate the hospital's costs, and the number of people served by the activity. If a community health improvement service is administered by an entity other than the hospital, the administering entity must be identified in the addendum.

Subd. 4. **Community benefit implementation strategy.** A nonprofit hospital subject to subdivision 1 must make available to the public, within one year after completing each community health needs assessment, a community benefit implementation strategy. In developing the community benefit implementation strategy, the hospital must consult with community-based organizations, stakeholders, local public health organizations, and others as determined by the hospital. The implementation strategy must include how the hospital shall address the top three community health priorities identified in the community health needs assessment. Implementation strategies must be evidence-based, when available, and development and implementation of innovative programs and strategies may be supported by evaluation measures.

Subd. 5. **Information made available to the public.** A nonprofit hospital required to make information available to the public under this section may do so by posting the information on the hospital's website in a consolidated location and with clear labeling.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 29. Minnesota Statutes 2022, section 144.7067, subdivision 2, is amended to read:

Subd. 2. **Duty to analyze reports; communicate findings.** (a) The commissioner shall:

(1) analyze adverse event reports, corrective action plans, and findings of the root cause analyses to determine patterns of systemic failure in the health care system and successful methods to correct these failures;

(2) communicate to individual facilities the commissioner's conclusions, if any, regarding an adverse event reported by the facility;

(3) communicate with relevant health care facilities any recommendations for corrective action resulting from the commissioner's analysis of submissions from facilities; and

(4) publish an annual report:

(i) describing, by institution, adverse events reported;

(ii) outlining, in aggregate, corrective action plans and the findings of root cause analyses; and

(iii) making recommendations for modifications of state health care operations.

(b) Notwithstanding section 144.05, subdivision 7, the mandate to publish an annual report under this subdivision does not expire.

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

Sec. 30. Minnesota Statutes 2022, section 144A.10, subdivision 15, is amended to read:

Subd. 15. **Informal dispute resolution.** The commissioner shall respond in writing to a request from a nursing facility certified under the federal Medicare and Medicaid programs for an informal dispute resolution within ~~30 days of the exit date of the facility's survey~~ ten calendar days of the facility's receipt of the notice of deficiencies. The commissioner's response shall identify the commissioner's decision regarding ~~the continuation of~~ each deficiency citation challenged by the nursing facility, as well as a statement of any changes in findings, level of severity or scope, and proposed remedies or sanctions for each deficiency citation.

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

Sec. 31. Minnesota Statutes 2022, section 144A.10, subdivision 16, is amended to read:

Subd. 16. **Independent informal dispute resolution.** (a) Notwithstanding subdivision 15, a facility certified under the federal Medicare or Medicaid programs that has been assessed a civil money penalty as provided by Code of Federal Regulations, title 42, section 488.430, may request from the commissioner, in writing, an independent informal dispute resolution process regarding any deficiency ~~citation issued to the facility~~. The facility must ~~specify in its written request each deficiency citation that it disputes. The commissioner shall provide a hearing under sections 14.57 to 14.62. Upon the written request of the facility, the parties must submit the issues raised to arbitration by an administrative law judge~~ submit its request in writing within ten calendar days of receiving notice that a civil money penalty will be imposed.

(b) The facility and commissioner have the right to be represented by an attorney at the hearing.

(c) An independent informal dispute resolution may not be requested for any deficiency that is the subject of an active informal dispute resolution requested under subdivision 15. The facility must withdraw its informal dispute resolution prior to requesting independent informal dispute resolution.

~~(b) Upon~~ (d) Within five calendar days of receipt of a written request for an ~~arbitration proceeding~~ independent informal dispute resolution, the commissioner shall file with the Office of Administrative Hearings a request for the appointment of an ~~arbitrator~~ administrative law judge from the Office of Administrative Hearings and simultaneously serve the facility with notice of the request. ~~The arbitrator for the dispute shall be an administrative law judge appointed by the Office of Administrative Hearings. The disclosure provisions of section 572B.12 and the notice provisions of section 572B.15, subsection (c), apply. The facility and the commissioner have the right to be represented by an attorney.~~

(e) An independent informal dispute resolution proceeding shall be scheduled to occur within 30 calendar days of the commissioner's request to the Office of Administrative Hearings, unless the parties agree otherwise or the chief administrative law judge deems the timing to be unreasonable. The independent informal dispute resolution process must be completed within 60 calendar days of the facility's request.

~~(c)~~ (f) Five working days in advance of the scheduled proceeding, the commissioner and the facility ~~may present~~ must submit written statements and arguments, documentary evidence, depositions, and ~~oral statements and arguments at the arbitration proceeding. Oral statements and arguments may be made by telephone~~ any other materials supporting their position to the administrative law judge.

(g) The independent informal dispute resolution proceeding shall be informal and conducted in a manner so as to allow the parties to fully present their positions and respond to the opposing party's positions. This may include presentation of oral statements and arguments at the proceeding.

~~(d)~~ (h) Within ten working days of the close of the ~~arbitration~~ proceeding, the administrative law judge shall issue findings and recommendations regarding each of the deficiencies in dispute. The findings shall be one or more of the following:

(1) Supported in full. The citation is supported in full, with no deletion of findings and no change in the scope or severity assigned to the deficiency citation.

(2) Supported in substance. The citation is supported, but one or more findings are deleted without any change in the scope or severity assigned to the deficiency.

(3) Deficient practice cited under wrong requirement of participation. The citation is amended by moving it to the correct requirement of participation.

(4) Scope not supported. The citation is amended through a change in the scope assigned to the citation.

(5) Severity not supported. The citation is amended through a change in the severity assigned to the citation.

(6) No deficient practice. The citation is deleted because the findings did not support the citation or the negative resident outcome was unavoidable. ~~The findings of the arbitrator are not binding on the commissioner.~~

(i) The findings and recommendations of the administrative law judge are not binding on the commissioner.

(j) Within ten calendar days of receiving the administrative law judge's findings and recommendations, the commissioner shall issue a recommendation to the Center for Medicare and Medicaid Services.

~~(e)~~ (k) The commissioner shall reimburse the Office of Administrative Hearings for the costs incurred by that office for the ~~arbitration~~ proceeding. ~~The facility shall reimburse the commissioner for the proportion of the costs that represent the sum of deficiency citations supported in full under paragraph (d), clause (1), or in substance under paragraph (d), clause (2), divided by the total number of deficiencies disputed. A deficiency citation for which the administrative law judge's sole finding is that the deficient practice was cited under the wrong requirements of participation shall not be counted in the numerator or denominator in the calculation of the proportion of costs.~~

EFFECTIVE DATE. This section is effective October 1, 2024, or upon federal approval, whichever is later, and applies to appeals of deficiencies which are issued after October 1, 2024, or on or after the date upon which federal approval is obtained, whichever is later. The commissioner of health shall notify the revisor of statutes when federal approval is obtained.

Sec. 32. Minnesota Statutes 2022, section 144A.44, subdivision 1, is amended to read:

Subdivision 1. **Statement of rights.** (a) A client who receives home care services ~~in the community or in an assisted living facility licensed under chapter 144G~~ has these rights:

(1) receive written information, in plain language, about rights before receiving services, including what to do if rights are violated;

(2) receive care and services according to a suitable and up-to-date plan, and subject to accepted health care, medical or nursing standards and person-centered care, to take an active part in developing, modifying, and evaluating the plan and services;

(3) be told before receiving services the type and disciplines of staff who will be providing the services, the frequency of visits proposed to be furnished, other choices that are available for addressing home care needs, and the potential consequences of refusing these services;

(4) be told in advance of any recommended changes by the provider in the service plan and to take an active part in any decisions about changes to the service plan;

(5) refuse services or treatment;

(6) know, before receiving services or during the initial visit, any limits to the services available from a home care provider;

(7) be told before services are initiated what the provider charges for the services; to what extent payment may be expected from health insurance, public programs, or other sources, if known; and what charges the client may be responsible for paying;

(8) know that there may be other services available in the community, including other home care services and providers, and to know where to find information about these services;

(9) choose freely among available providers and to change providers after services have begun, within the limits of health insurance, long-term care insurance, medical assistance, other health programs, or public programs;

(10) have personal, financial, and medical information kept private, and to be advised of the provider's policies and procedures regarding disclosure of such information;

(11) access the client's own records and written information from those records in accordance with sections 144.291 to 144.298;

(12) be served by people who are properly trained and competent to perform their duties;

(13) be treated with courtesy and respect, and to have the client's property treated with respect;

(14) be free from physical and verbal abuse, neglect, financial exploitation, and all forms of maltreatment covered under the Vulnerable Adults Act and the Maltreatment of Minors Act;

(15) reasonable, advance notice of changes in services or charges;

(16) know the provider's reason for termination of services;

(17) at least ten calendar days' advance notice of the termination of a service by a home care provider~~, except at least 30 calendar days' advance notice of the service termination shall be given by a home care provider for services provided to a client residing in an assisted living facility as defined in section 144G.08, subdivision 7~~. This clause does not apply in cases where:

(i) the client engages in conduct that significantly alters the terms of the service plan with the home care provider;

(ii) the client, person who lives with the client, or others create an abusive or unsafe work environment for the person providing home care services; or

(iii) an emergency or a significant change in the client's condition has resulted in service needs that exceed the current service plan and that cannot be safely met by the home care provider;

(18) a coordinated transfer when there will be a change in the provider of services;

(19) complain to staff and others of the client's choice about services that are provided, or fail to be provided, and the lack of courtesy or respect to the client or the client's property and the right to recommend changes in policies and services, free from retaliation including the threat of termination of services;

(20) know how to contact an individual associated with the home care provider who is responsible for handling problems and to have the home care provider investigate and attempt to resolve the grievance or complaint;

(21) know the name and address of the state or county agency to contact for additional information or assistance; and

(22) assert these rights personally, or have them asserted by the client's representative or by anyone on behalf of the client, without retaliation~~; and~~.

~~(23) place an electronic monitoring device in the client's or resident's space in compliance with state requirements.~~

(b) When providers violate the rights in this section, they are subject to the fines and license actions in sections 144A.474, subdivision 11, and 144A.475.

(c) Providers must do all of the following:

(1) encourage and assist in the fullest possible exercise of these rights;

(2) provide the names and telephone numbers of individuals and organizations that provide advocacy and legal services for clients ~~and residents~~ seeking to assert their rights;

(3) make every effort to assist clients ~~or residents~~ in obtaining information regarding whether Medicare, medical assistance, other health programs, or public programs will pay for services;

(4) make reasonable accommodations for people who have communication disabilities, or those who speak a language other than English; and

(5) provide all information and notices in plain language and in terms the client ~~or resident~~ can understand.

(d) No provider may require or request a client ~~or resident~~ to waive any of the rights listed in this section at any time or for any reasons, including as a condition of initiating services ~~or entering into an assisted living contract~~.

Sec. 33. Minnesota Statutes 2022, section 144A.471, is amended by adding a subdivision to read:

Subd. 1a. **Licensure under other law.** A home care licensee must not provide sleeping accommodations as a provision of home care services. For purposes of this subdivision, the provision of sleeping accommodations and assisted living services under section 144G.08, subdivision 9, requires assisted living licensure under chapter 144G.

Sec. 34. Minnesota Statutes 2022, section 144A.474, subdivision 13, is amended to read:

Subd. 13. **Home care surveyor training.** (a) Before conducting a home care survey, each home care surveyor must receive training on the following topics:

(1) Minnesota home care licensure requirements;

(2) Minnesota home care bill of rights;

(3) Minnesota Vulnerable Adults Act and reporting of maltreatment of minors;

(4) principles of documentation;

(5) survey protocol and processes;

(6) Offices of the Ombudsman roles;

(7) Office of Health Facility Complaints;

(8) Minnesota landlord-tenant ~~and housing with services~~ laws;

(9) types of payors for home care services; and

(10) Minnesota Nurse Practice Act for nurse surveyors.

(b) Materials used for the training in paragraph (a) shall be posted on the department website. Requisite understanding of these topics will be reviewed as part of the quality improvement plan in section 144A.483.

Sec. 35. Minnesota Statutes 2023 Supplement, section 144A.4791, subdivision 10, is amended to read:

Subd. 10. **Termination of service plan.** (a) If a home care provider terminates a service plan with a client, and the client continues to need home care services, the home care provider shall provide the client and the client's representative, if any, with a written notice of termination which includes the following information:

(1) the effective date of termination;

(2) the reason for termination;

(3) for clients age 18 or older, a statement that the client may contact the Office of Ombudsman for Long-Term Care to request an advocate to assist regarding the termination and contact information for the office, including the office's central telephone number;

(4) a list of known licensed home care providers in the client's immediate geographic area;

(5) a statement that the home care provider will participate in a coordinated transfer of care of the client to another home care provider, health care provider, or caregiver, as required by the home care bill of rights, section 144A.44, subdivision 1, clause (17); and

(6) the name and contact information of a person employed by the home care provider with whom the client may discuss the notice of termination~~; and~~.

~~(7) if applicable, a statement that the notice of termination of home care services does not constitute notice of termination of any housing contract.~~

(b) When the home care provider voluntarily discontinues services to all clients, the home care provider must notify the commissioner, lead agencies, and ombudsman for long-term care about its clients and comply with the requirements in this subdivision.

Sec. 36. Minnesota Statutes 2022, section 144E.16, subdivision 7, is amended to read:

Subd. 7. **Stroke transport protocols.** Regional emergency medical services programs and any ambulance service licensed under this chapter must develop stroke transport protocols. The protocols must include standards of care for triage and transport of acute stroke patients within a specific time frame from symptom onset until transport to the most appropriate designated acute stroke ready hospital, primary stroke center, thrombectomy-capable stroke center, or comprehensive stroke center.

Sec. 37. Minnesota Statutes 2022, section 144G.08, subdivision 29, is amended to read:

Subd. 29. **Licensed health professional.** "Licensed health professional" means a person ~~licensed in Minnesota to practice a profession described in section 214.01, subdivision 2~~, other than a registered nurse or licensed practical nurse, who provides assisted living services within the scope of practice of that person's health occupation license, registration, or certification as a regulated person who is licensed by an appropriate Minnesota state board or agency.

Sec. 38. Minnesota Statutes 2022, section 144G.10, is amended by adding a subdivision to read:

Subd. 5. **Protected title; restriction on use.** (a) Effective January 1, 2026, no person or entity may use the phrase "assisted living," whether alone or in combination with other words and whether orally or in writing, to: advertise; market; or otherwise describe, offer, or promote itself, or any housing, service, service package, or program that it provides within this state, unless the person or entity is a licensed assisted living facility that meets the requirements of this chapter. A person or entity entitled to use the phrase "assisted living" shall use the phrase only in the context of its participation that meets the requirements of this chapter.

(b) Effective January 1, 2026, the licensee's name for a new assisted living facility may not include the terms "home care" or "nursing home."

Sec. 39. Minnesota Statutes 2022, section 144G.16, subdivision 6, is amended to read:

Subd. 6. **Requirements for notice and transfer.** A provisional licensee whose license is denied must comply with the requirements for notification and the coordinated move of residents in sections 144G.52 and 144G.55. If the license denial is upheld by the reconsideration process, the licensee must submit a closure plan as required by section 144G.57 within ten calendar days of receipt of the reconsideration decision.

Sec. 40. Minnesota Statutes 2022, section 146B.03, subdivision 7a, is amended to read:

Subd. 7a. **Supervisors.** (a) A technician must have been licensed in Minnesota or in a jurisdiction with which Minnesota has reciprocity for at least:

(1) two years as a tattoo technician licensed under section 146B.03, subdivision 4, 6, or 8, in order to supervise a temporary tattoo technician; or

(2) one year as a body piercing technician licensed under section 146B.03, subdivision 4, 6, or 8, or must have performed at least 500 body piercings, in order to supervise a temporary body piercing technician.

(b) Any technician who agrees to supervise more than two temporary tattoo technicians during the same time period, or more than four body piercing technicians during the same time period, must provide to the commissioner a supervisory plan that describes how the technician will provide supervision to each temporary technician in accordance with section 146B.01, subdivision 28.

(c) The supervisory plan must include, at a minimum:

(1) the areas of practice under supervision;

(2) the anticipated supervision hours per week;

(3) the anticipated duration of the training period; and

(4) the method of providing supervision if there are multiple technicians being supervised during the same time period.

(d) If the supervisory plan is terminated before completion of the technician's supervised practice, the supervisor must notify the commissioner in writing within 14 days of the change in supervision and include an explanation of why the plan was not completed.

(e) The commissioner may refuse to approve as a supervisor a technician who has been disciplined in Minnesota or in another jurisdiction after considering the criteria in section 146B.02, subdivision 10, paragraph (b).

Sec. 41. Minnesota Statutes 2022, section 146B.10, subdivision 1, is amended to read:

Subdivision 1. **Licensing fees.** (a) The fee for the initial technician licensure application and biennial licensure renewal application is $420.

(b) The fee for temporary technician licensure application is $240.

(c) The fee for the temporary guest artist license application is $140.

(d) The fee for a dual body art technician license application is $420.

(e) The fee for a provisional establishment license application required in section 146B.02, subdivision 5, paragraph (c), is $1,500.

(f) The fee for an initial establishment license application and the two-year license renewal period application required in section 146B.02, subdivision 2, paragraph (b), is $1,500.

(g) The fee for a temporary body art establishment event permit application is $200.

(h) The commissioner shall prorate the initial two-year technician license fee based on the number of months in the initial licensure period. The commissioner shall prorate the first renewal fee for the establishment license based on the number of months from issuance of the provisional license to the first renewal.

(i) The fee for verification of licensure to other states is $25.

~~(j) The fee to reissue a provisional establishment license that relocates prior to inspection and removal of provisional status is $350. The expiration date of the provisional license does not change.~~

~~(k)~~ (j) The fee to change an establishment name or establishment type, such as tattoo, piercing, or dual, is $50.

Sec. 42. Minnesota Statutes 2022, section 146B.10, subdivision 3, is amended to read:

Subd. 3. **Deposit.** Fees collected by the commissioner under this section must be deposited in the state government special revenue fund. All fees are nonrefundable.

Sec. 43. Minnesota Statutes 2022, section 149A.65, is amended to read:

149A.65 FEES.

Subdivision 1. **Generally.** This section establishes the application fees for registrations, examinations, initial and renewal licenses, and late fees authorized under the provisions of this chapter.

Subd. 2. **Mortuary science fees.** Fees for mortuary science are:

(1) $75 for the initial and renewal registration of a mortuary science intern;

(2) $125 for the mortuary science examination;

(3) $200 for ~~issuance of~~ initial and renewal mortuary science ~~licenses~~ license applications;

(4) $100 late fee charge for a license renewal application; and

(5) $250 for ~~issuing a~~ an application for mortuary science license by endorsement.

Subd. 3. **Funeral directors.** The license renewal application fee for funeral directors is $200. The late fee charge for a license renewal is $100.

Subd. 4. **Funeral establishments.** The initial and renewal application fee for funeral establishments is $425. The late fee charge for a license renewal is $100.

Subd. 5. **Crematories.** The initial and renewal application fee for a crematory is $425. The late fee charge for a license renewal is $100.

Subd. 6. **Alkaline hydrolysis facilities.** The initial and renewal application fee for an alkaline hydrolysis facility is $425. The late fee charge for a license renewal is $100.

Subd. 7. **State government special revenue fund.** Fees collected by the commissioner under this section must be deposited in the state treasury and credited to the state government special revenue fund. All fees are nonrefundable.

Sec. 44. Minnesota Statutes 2022, section 256R.02, subdivision 20, is amended to read:

Subd. 20. **Facility average case mix index.** "Facility average case mix index" or "CMI" means a numerical score that describes the relative resource use for all residents within the case mix ~~classifications under the resource utilization group (RUG)~~ classification system prescribed by the commissioner based on an assessment of each resident. The facility average CMI shall be computed as the standardized days divided by the sum of the facility's resident days. The case mix indices used shall be based on the system prescribed in section 256R.17.

Sec. 45. **REVISOR INSTRUCTION.**

The revisor of statutes shall substitute the term "employee" with the term "staff" in the following sections of Minnesota Statutes and make any grammatical changes needed without changing the meaning of the sentence: Minnesota Statutes, sections 144G.08, subdivisions 18 and 36; 144G.13, subdivision 1, paragraph (c); 144G.20, subdivisions 1, 2, and 21; 144G.30, subdivision 5; 144G.42, subdivision 8; 144G.45, subdivision 2; 144G.60, subdivisions 1, paragraph (c), and 3, paragraph (a); 144G.63, subdivision 2, paragraph (a), clause (9); 144G.64, paragraphs (a), clauses (2), (3), and (5), and (c); 144G.70, subdivision 7; and 144G.92, subdivisions 1 and 3.

Sec. 46. **REPEALER.**

(a) Minnesota Statutes 2022, sections 144.497; and 256R.02, subdivision 46, are repealed.

(b) Minnesota Statutes 2023 Supplement, section 62J.312, subdivision 6, is repealed.

ARTICLE 7
EMERGENCY MEDICAL SERVICES

Section 1. Minnesota Statutes 2023 Supplement, section 15A.0815, subdivision 2, is amended to read:

Subd. 2. **Agency head salaries.** The salary for a position listed in this subdivision shall be determined by the Compensation Council under section 15A.082. The commissioner of management and budget must publish the salaries on the department's website. This subdivision applies to the following positions:

Commissioner of administration;

Commissioner of agriculture;

Commissioner of education;

Commissioner of children, youth, and families;

Commissioner of commerce;

Commissioner of corrections;

Commissioner of health;

Commissioner, Minnesota Office of Higher Education;

Commissioner, Minnesota IT Services;

Commissioner, Housing Finance Agency;

Commissioner of human rights;

Commissioner of human services;

Commissioner of labor and industry;

Commissioner of management and budget;

Commissioner of natural resources;

Commissioner, Pollution Control Agency;

Commissioner of public safety;

Commissioner of revenue;

Commissioner of employment and economic development;

Commissioner of transportation;

Commissioner of veterans affairs;

Executive director of the Gambling Control Board;

Executive director of the Minnesota State Lottery;

Commissioner of Iron Range resources and rehabilitation;

Commissioner, Bureau of Mediation Services;

Ombudsman for mental health and developmental disabilities;

Ombudsperson for corrections;

Chair, Metropolitan Council;

Chair, Metropolitan Airports Commission;

School trust lands director;

Executive director of pari-mutuel racing; ~~and~~

Commissioner, Public Utilities Commission~~.~~; and

Director of the Office of Emergency Medical Services.

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

Sec. 2. Minnesota Statutes 2023 Supplement, section 43A.08, subdivision 1a, is amended to read:

Subd. 1a. **Additional unclassified positions.** Appointing authorities for the following agencies may designate additional unclassified positions according to this subdivision: the Departments of Administration; Agriculture; Children, Youth, and Families; Commerce; Corrections; Direct Care and Treatment; Education; Employment and Economic Development; Explore Minnesota Tourism; Management and Budget; Health; Human Rights; Human Services; Labor and Industry; Natural Resources; Public Safety; Revenue; Transportation; and Veterans Affairs; the Housing Finance and Pollution Control Agencies; the State Lottery; the State Board of Investment; the Office of Administrative Hearings; the Department of Information Technology Services; the Offices of the Attorney General, Secretary of State, and State Auditor; the Minnesota State Colleges and Universities; the Minnesota Office of Higher Education; the Perpich Center for Arts Education; ~~and~~ the Minnesota Zoological Board; and the Office of Emergency Medical Services.

A position designated by an appointing authority according to this subdivision must meet the following standards and criteria:

(1) the designation of the position would not be contrary to other law relating specifically to that agency;

(2) the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team;

(3) the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy;

(4) the duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;

(5) there would be a need for the person occupying the position to be accountable to, loyal to, and compatible with, the governor and the agency head, the employing statutory board or commission, or the employing constitutional officer;

(6) the position would be at the level of division or bureau director or assistant to the agency head; and

(7) the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision.

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

Sec. 3. Minnesota Statutes 2022, section 62J.49, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The director of the Office of Emergency Medical Services ~~Regulatory Board~~ established under chapter ~~144~~ 144E shall establish a financial data collection system for all ambulance services licensed in this state. To establish the financial database, the ~~Emergency Medical Services Regulatory Board~~ director may contract with an entity that has experience in ambulance service financial data collection.

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

Sec. 4. Minnesota Statutes 2022, section 144E.001, subdivision 3a, is amended to read:

Subd. 3a. **Ambulance service personnel.** "Ambulance service personnel" means individuals who are authorized by a licensed ambulance service to provide emergency care for the ambulance service and are:

(1) EMTs, AEMTs, or paramedics;

(2) Minnesota registered nurses who are: (i) EMTs, are currently practicing nursing, and have ~~passed a paramedic practical skills test, as approved by the board and administered by an educational program approved by the board~~ been approved by the ambulance service medical director; (ii) on the roster of an ambulance service on or before January 1, 2000; ~~or~~ (iii) after petitioning the board, deemed by the board to have training and skills equivalent to an EMT, as determined on a case-by-case basis; or (iv) certified as a certified flight registered nurse or certified emergency nurse; or

(3) Minnesota licensed physician assistants who are: (i) EMTs, are currently practicing as physician assistants, and have ~~passed a paramedic practical skills test, as approved by the board and administered by an educational program approved by the board~~ been approved by the ambulance service medical director; (ii) on the roster of an ambulance service on or before January 1, 2000; or (iii) after petitioning the board, deemed by the board to have training and skills equivalent to an EMT, as determined on a case-by-case basis.

Sec. 5. Minnesota Statutes 2022, section 144E.001, is amended by adding a subdivision to read:

Subd. 16. **Director.** "Director" means the director of the Office of Emergency Medical Services.

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

Sec. 6. Minnesota Statutes 2022, section 144E.001, is amended by adding a subdivision to read:

Subd. 17. **Office.** "Office" means the Office of Emergency Medical Services.

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

Sec. 7. **[144E.011] OFFICE OF EMERGENCY MEDICAL SERVICES.**

Subdivision 1. **Establishment.** The Office of Emergency Medical Services is established with the powers and duties established in law. In administering this chapter, the office must promote the public health and welfare, protect the safety of the public, and effectively regulate and support the operation of the emergency medical services system in this state.

Subd. 2. **Director.** The governor must appoint a director for the office with the advice and consent of the senate. The director must be in the unclassified service and must serve at the pleasure of the governor. The salary of the director shall be determined according to section 15A.0815. The director shall direct the activities of the office.

Subd. 3. **Powers and duties.** The director has the following powers and duties:

(1) administer and enforce this chapter and adopt rules as needed to implement this chapter. Rules for which notice is published in the State Register before July 1, 2026, may be adopted using the expedited rulemaking process in section 14.389;

(2) license ambulance services in the state and regulate their operation;

(3) establish and modify primary service areas;

(4) designate an ambulance service as authorized to provide service in a primary service area and remove an ambulance service's authorization to provide service in a primary service area;

(5) register medical response units in the state and regulate their operation;

(6) certify emergency medical technicians, advanced emergency medical technicians, community emergency medical technicians, paramedics, and community paramedics and to register emergency medical responders;

(7) approve education programs for ambulance service personnel and emergency medical responders and administer qualifications for instructors of education programs;

(8) administer grant programs related to emergency medical services;

(9) report to the legislature by February 15 each year on the work of the office and the advisory councils in the previous calendar year and with recommendations for any needed policy changes related to emergency medical services, including but not limited to improving access to emergency medical services, improving service delivery by ambulance services and medical response units, and improving the effectiveness of the state's emergency medical services system. The director must develop the reports and recommendations in consultation with the office's deputy directors and advisory councils;

(10) investigate complaints against and hold hearings regarding ambulance services, ambulance service personnel, and emergency medical responders and to impose disciplinary action or otherwise resolve complaints; and

(11) perform other duties related to the provision of emergency medical services in the state.

Subd. 4. **Employees.** The director may employ personnel in the classified service and unclassified personnel as necessary to carry out the duties of this chapter.

Subd. 5. **Work plan.** The director must prepare a work plan to guide the work of the office. The work plan must be updated biennially.

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

Sec. 8. **[144E.015] MEDICAL SERVICES DIVISION.**

A Medical Services Division is created in the Office of Emergency Medical Services. The Medical Services Division shall be under the supervision of a deputy director of medical services appointed by the director. The deputy director of medical services must be a physician licensed under chapter 147. The deputy director, under the direction of the director, shall enforce and coordinate the laws, rules, and policies assigned by the director, which may include overseeing the clinical aspects of prehospital medical care and education programs for emergency medical service personnel.

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

Sec. 9. **[144E.016] AMBULANCE SERVICES DIVISION.**

An Ambulance Services Division is created in the Office of Emergency Medical Services. The Ambulance Services Division shall be under the supervision of a deputy director of ambulance services appointed by the director. The deputy director, under the direction of the director, shall enforce and coordinate the laws, rules, and

policies assigned by the director, which may include operating standards and licensing of ambulance services, registration and operation of medical response units, establishment and modification of primary service areas, authorization of ambulance services to provide service in a primary service area and revocation of such authorization, coordination of ambulance services within regions and across the state, and administration of grants.

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

Sec. 10. **[144E.017] EMERGENCY MEDICAL SERVICE PROVIDERS DIVISION.**

An Emergency Medical Service Providers Division is created in the Office of Emergency Medical Services. The Emergency Medical Service Providers Division shall be under the supervision of a deputy director of emergency medical service providers appointed by the director. The deputy director, under the direction of the director, shall enforce and coordinate the laws, rules, and policies assigned by the director, which may include certification and registration of individual emergency medical service providers; overseeing worker safety, worker well-being, and working conditions; implementation of education programs; and administration of grants.

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

Sec. 11. **[144E.03] EMERGENCY MEDICAL SERVICES ADVISORY COUNCIL.**

Subdivision 1. **Establishment; membership.** The Emergency Medical Services Advisory Council is established and consists of the following members:

(1) one emergency medical technician currently practicing with a licensed ambulance service, appointed by the Minnesota Ambulance Association;

(2) one paramedic currently practicing with a licensed ambulance service or a medical response unit, appointed jointly by the Minnesota Professional Fire Fighters Association and the Minnesota Ambulance Association;

(3) one medical director of a licensed ambulance service, appointed by the National Association of EMS Physicians, Minnesota Chapter;

(4) one firefighter currently serving as an emergency medical responder, appointed by the Minnesota State Fire Chiefs Association;

(5) one registered nurse who is certified or currently practicing as a flight nurse, appointed jointly by the regional emergency services boards of the designated regional emergency medical services systems;

(6) one hospital administrator, appointed by the Minnesota Hospital Association;

(7) one social worker, appointed by the Board of Social Work;

(8) one member of a federally recognized Tribal Nation in Minnesota, appointed by the Minnesota Indian Affairs Council;

(9) three public members, appointed by the governor;

(10) one member with experience working as an employee organization representative representing emergency medical service providers, appointed by an employee organization representing emergency medical service providers;

(11) one member representing a local government, appointed by the Coalition of Greater Minnesota Cities;

(12) one member representing a local government in the seven-county metropolitan area, appointed by the League of Minnesota Cities;

(13) one member of the house of representatives and one member of the senate, appointed according to subdivision 2; and

(14) the commissioner of health and commissioner of public safety or their designees as ex officio members.

Subd. 2. **Legislative members.** The speaker of the house must appoint one member of the house of representatives to serve on the advisory council and the senate majority leader must appoint one member of the senate to serve on the advisory council. Legislative members appointed under this subdivision serve until successors are appointed. Legislative members may receive per diem compensation and reimbursement for expenses according to the rules of their respective bodies.

Subd. 3. **Terms, compensation, removal, vacancies, and expiration.** Compensation and reimbursement for expenses for members appointed under subdivision 1, clauses (1) to (12); removal of members; filling of vacancies of members; and, except for initial appointments, membership terms are governed by section 15.059. Notwithstanding section 15.059, subdivision 6, the advisory council does not expire.

Subd. 4. **Officers; meetings.** (a) The advisory council must elect a chair and vice-chair from among its membership and may elect other officers as the advisory council deems necessary.

(b) The advisory council must meet quarterly or at the call of the chair.

(c) Meetings of the advisory council are subject to chapter 13D.

Subd. 5. **Duties.** The advisory council must review and make recommendations to the director and the deputy director of ambulance services on the administration of this chapter, the regulation of ambulance services and medical response units, the operation of the emergency medical services system in the state, and other topics as directed by the director.

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

Sec. 12. **[144E.035] EMERGENCY MEDICAL SERVICES PHYSICIAN ADVISORY COUNCIL.**

Subdivision 1. **Establishment; membership.** The Emergency Medical Services Physician Advisory Council is established and consists of the following members:

(1) eight physicians who meet the qualifications for medical directors in section 144E.265, subdivision 1, with one physician appointed by each of the regional emergency services boards of the designated regional emergency medical services systems;

(2) one physician who meets the qualifications for medical directors in section 144E.265, subdivision 1, appointed by the Minnesota State Fire Chiefs Association;

(3) one physician who is board-certified in pediatrics, appointed by the Minnesota Emergency Medical Services for Children program; and

(4) the medical director member of the Emergency Medical Services Advisory Council appointed under section 144E.03, subdivision 1, clause (3).

Subd. 2. **Terms, compensation, removal, vacancies, and expiration.** Compensation and reimbursement for expenses, removal of members, filling of vacancies of members, and, except for initial appointments, membership terms are governed by section 15.059. Notwithstanding section 15.059, subdivision 6, the advisory council does not expire.

Subd. 3. **Officers; meetings.** (a) The advisory council must elect a chair and vice-chair from among its membership and may elect other officers as it deems necessary.

(b) The advisory council must meet twice per year or upon the call of the chair.

(c) Meetings of the advisory council are subject to chapter 13D.

Subd. 4. **Duties.** The advisory council must:

(1) review and make recommendations to the director and deputy director of medical services on clinical aspects of prehospital medical care. In doing so, the advisory council must incorporate information from medical literature, advances in bedside clinical practice, and advisory council member experience; and

(2) serve as subject matter experts for the director and deputy director of medical services on evolving topics in clinical medicine, including but not limited to infectious disease, pharmaceutical and equipment shortages, and implementation of new therapeutics.

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

Sec. 13. **[144E.04] LABOR AND EMERGENCY MEDICAL SERVICE PROVIDERS ADVISORY COUNCIL.**

Subdivision 1. **Establishment; membership.** The Labor and Emergency Medical Service Providers Advisory Council is established and consists of the following members:

(1) one emergency medical service provider of any type from each of the designated regional emergency medical services systems, appointed by their respective regional emergency services boards;

(2) one emergency medical technician instructor, appointed by an employee organization representing emergency medical service providers;

(3) two members with experience working as an employee organization representative representing emergency medical service providers, appointed by an employee organization representing emergency medical service providers;

(4) one emergency medical service provider based in a fire department, appointed jointly by the Minnesota State Fire Chiefs Association and the Minnesota Professional Fire Fighters Association; and

(5) one emergency medical service provider not based in a fire department, appointed by the League of Minnesota Cities.

Subd. 2. **Terms, compensation, removal, vacancies, and expiration.** Compensation and reimbursement for expenses for members appointed under subdivision 1; removal of members; filling of vacancies of members; and, except for initial appointments, membership terms are governed by section 15.059. Notwithstanding section 15.059, subdivision 6, the advisory council does not expire.

Subd. 3. **Officers; meetings.** (a) The advisory council must elect a chair and vice-chair from among its membership and may elect other officers as the advisory council deems necessary.

(b) The advisory council must meet quarterly or at the call of the chair.

(c) Meetings of the advisory council are subject to chapter 13D.

Subd. 4. **Duties.** The advisory council must review and make recommendations to the director and deputy director of emergency medical service providers on the laws, rules, and policies assigned to the Emergency Medical Service Providers Division and other topics as directed by the director.

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

Sec. 14. Minnesota Statutes 2023 Supplement, section 144E.101, subdivision 6, is amended to read:

Subd. 6. **Basic life support.** (a) Except as provided in paragraph (f) or subdivision 6a, a basic life-support ambulance shall be staffed by at least two ~~EMTs, one of whom~~ individuals who meet one of the following requirements: (1) are certified as an EMT; (2) are a Minnesota registered nurse who meets the qualification requirements in section 144E.001, subdivision 3a, clause (2); or (3) are a Minnesota licensed physician assistant who meets the qualification requirements in section 144E.001, subdivision 3a, clause (3). One of the individuals staffing a basic life-support ambulance must accompany the patient and provide a level of care ~~so as~~ to ensure that:

~~(1)~~ (i) life-threatening situations and potentially serious injuries are recognized;

~~(2)~~ (ii) patients are protected from additional hazards;

~~(3)~~ (iii) basic treatment to reduce the seriousness of emergency situations is administered; and

~~(4)~~ (iv) patients are transported to an appropriate medical facility for treatment.

(b) A basic life-support service shall provide basic airway management.

(c) A basic life-support service shall provide automatic defibrillation.

(d) A basic life-support service shall administer opiate antagonists consistent with protocols established by the service's medical director.

(e) A basic life-support service licensee's medical director may authorize ambulance service personnel to perform intravenous infusion and use equipment that is within the licensure level of the ambulance service. Ambulance service personnel must be properly trained. Documentation of authorization for use, guidelines for use, continuing education, and skill verification must be maintained in the licensee's files.

(f) For emergency ambulance calls and interfacility transfers, an ambulance service may staff its basic life-support ambulances with one ~~EMT~~ individual who meets the qualification requirements in paragraph (a), who must accompany the patient, and one registered emergency medical responder driver. ~~For purposes of this paragraph, "ambulance service" means either an ambulance service whose primary service area is mainly located~~

~~outside the metropolitan counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud; or an ambulance service based in a community with a population of less than 2,500.~~

(g) In order for a registered nurse to staff a basic life-support ambulance as a driver, the registered nurse must have successfully completed a certified emergency vehicle operators program.

Sec. 15. Minnesota Statutes 2022, section 144E.101, is amended by adding a subdivision to read:

Subd. 6a. **Variance; staffing of basic life-support ambulance.** (a) Upon application from an ambulance service that includes evidence demonstrating hardship, the board may grant a variance from the staff requirements in subdivision 6, paragraph (a), and may authorize a basic life-support ambulance to be staffed, for all emergency calls and interfacility transfers, with one individual who meets the qualification requirements in paragraph (b) to drive the ambulance and one individual who meets the qualification requirements in subdivision 6, paragraph (a), and who must accompany the patient. The variance applies to basic life-support ambulances until the ambulance service renews its license. When the variance expires, the ambulance service may apply for a new variance under this subdivision.

(b) In order to drive an ambulance under a variance granted under this subdivision, an individual must:

(1) hold a valid driver's license from any state;

(2) have attended an emergency vehicle driving course approved by the ambulance service;

(3) have completed a course on cardiopulmonary resuscitation approved by the ambulance service; and

(4) register with the board according to a process established by the board.

(c) If an individual serving as a driver under this subdivision commits or has a record of committing an act listed in section 144E.27, subdivision 5, paragraph (a), the board may temporarily suspend or prohibit the individual from driving an ambulance or place conditions on the individual's ability to drive an ambulance using the procedures and authority in section 144E.27, subdivisions 5 and 6.

Sec. 16. Minnesota Statutes 2023 Supplement, section 144E.101, subdivision 7, as amended by Laws 2024, chapter 85, section 32, is amended to read:

Subd. 7. **Advanced life support.** (a) Except as provided in paragraphs (f) and (g), an advanced life-support ambulance shall be staffed by at least:

(1) one EMT or one AEMT and one paramedic;

(2) one EMT or one AEMT and one registered nurse who: (i) is an EMT or an AEMT, is currently practicing nursing, and ~~has passed a paramedic practical skills test approved by the board and administered by an education program~~ has been approved by the ambulance service medical director; or (ii) is certified as a certified flight registered nurse or certified emergency nurse; or

(3) one EMT or one AEMT and one physician assistant who is an EMT or an AEMT, is currently practicing as a physician assistant, and ~~has passed a paramedic practical skills test approved by the board and administered by an education program~~ has been approved by the ambulance service medical director.

(b) An advanced life-support service shall provide basic life support, as specified under subdivision 6, paragraph (a), advanced airway management, manual defibrillation, administration of intravenous fluids and pharmaceuticals, and administration of opiate antagonists.

(c) In addition to providing advanced life support, an advanced life-support service may staff additional ambulances to provide basic life support according to subdivision 6 and section 144E.103, subdivision 1.

(d) An ambulance service providing advanced life support shall have a written agreement with its medical director to ensure medical control for patient care 24 hours a day, seven days a week. The terms of the agreement shall include a written policy on the administration of medical control for the service. The policy shall address the following issues:

(1) two-way communication for physician direction of ambulance service personnel;

(2) patient triage, treatment, and transport;

(3) use of standing orders; and

(4) the means by which medical control will be provided 24 hours a day.

The agreement shall be signed by the licensee's medical director and the licensee or the licensee's designee and maintained in the files of the licensee.

(e) When an ambulance service provides advanced life support, the authority of a paramedic, Minnesota registered nurse-EMT, or Minnesota registered physician assistant-EMT to determine the delivery of patient care prevails over the authority of an EMT.

(f) Upon application from an ambulance service that includes evidence demonstrating hardship, the board may grant a variance from the staff requirements in paragraph (a), clause (1), and may authorize an advanced life-support ambulance to be staffed by a registered emergency medical responder driver with a paramedic for all emergency calls and interfacility transfers. The variance shall apply to advanced life-support ambulance services until the ambulance service renews its license. When the variance expires, an ambulance service may apply for a new variance under this paragraph. ~~This paragraph applies only to an ambulance service whose primary service area is mainly located outside the metropolitan counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud, or an ambulance service based in a community with a population of less than 1,000 persons.~~

(g) After an initial emergency ambulance call, each subsequent emergency ambulance response, until the initial ambulance is again available, and interfacility transfers, may be staffed by one registered emergency medical responder driver and an EMT or paramedic. ~~This paragraph applies only to an ambulance service whose primary service area is mainly located outside the metropolitan counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud, or an ambulance service based in a community with a population of less than 1,000 persons.~~

(h) In order for a registered nurse to staff an advanced life-support ambulance as a driver, the registered nurse must have successfully completed a certified emergency vehicle operators program.

Sec. 17. Minnesota Statutes 2022, section 144E.16, subdivision 5, is amended to read:

Subd. 5. **Local government's powers.** (a) Local units of government may, with the approval of the ~~board~~ director, establish standards for ambulance services which impose additional requirements upon such services. Local units of government intending to impose additional requirements shall consider whether any benefit accruing to the public health would outweigh the costs associated with the additional requirements.

(b) Local units of government that desire to impose additional requirements shall, prior to adoption of relevant ordinances, rules, or regulations, furnish the ~~board~~ director with a copy of the proposed ordinances, rules, or regulations, along with information that affirmatively substantiates that the proposed ordinances, rules, or regulations:

(1) will in no way conflict with the relevant rules of the ~~board~~ office;

(2) will establish additional requirements tending to protect the public health;

(3) will not diminish public access to ambulance services of acceptable quality; and

(4) will not interfere with the orderly development of regional systems of emergency medical care.

(c) The ~~board~~ director shall base any decision to approve or disapprove local standards upon whether or not the local unit of government in question has affirmatively substantiated that the proposed ordinances, rules, or regulations meet the criteria specified in paragraph (b).

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

Sec. 18. Minnesota Statutes 2022, section 144E.19, subdivision 3, is amended to read:

Subd. 3. **Temporary suspension.** (a) In addition to any other remedy provided by law, the ~~board~~ director may temporarily suspend the license of a licensee after conducting a preliminary inquiry to determine whether the ~~board~~ director believes that the licensee has violated a statute or rule that the ~~board~~ director is empowered to enforce and determining that the continued provision of service by the licensee would create an imminent risk to public health or harm to others.

(b) A temporary suspension order prohibiting a licensee from providing ambulance service shall give notice of the right to a preliminary hearing according to paragraph (d) and shall state the reasons for the entry of the temporary suspension order.

(c) Service of a temporary suspension order is effective when the order is served on the licensee personally or by certified mail, which is complete upon receipt, refusal, or return for nondelivery to the most recent address provided to the ~~board~~ director for the licensee.

(d) At the time the ~~board~~ director issues a temporary suspension order, the ~~board~~ director shall schedule a hearing~~, to be held before a group of its members designated by the board,~~ that shall begin within 60 days after issuance of the temporary suspension order or within 15 working days of the date of the ~~board's~~ director's receipt of a request for a hearing from a licensee, whichever is sooner. The hearing shall be on the sole issue of whether there is a reasonable basis to continue, modify, or lift the temporary suspension. A hearing under this paragraph is not subject to chapter 14.

(e) Evidence presented by the ~~board~~ director or licensee may be in the form of an affidavit. The licensee or the licensee's designee may appear for oral argument.

(f) Within five working days of the hearing, the ~~board~~ director shall issue its order and, if the suspension is continued, notify the licensee of the right to a contested case hearing under chapter 14.

(g) If a licensee requests a contested case hearing within 30 days after receiving notice under paragraph (f), the ~~board~~ director shall initiate a contested case hearing according to chapter 14. The administrative law judge shall issue a report and recommendation within 30 days after the closing of the contested case hearing record. The ~~board~~ director shall issue a final order within 30 days after receipt of the administrative law judge's report.

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

Sec. 19. Minnesota Statutes 2022, section 144E.27, subdivision 3, is amended to read:

Subd. 3. **Renewal.** (a) The board may renew the registration of an emergency medical responder who:

(1) successfully completes a board-approved refresher course; ~~and~~

(2) successfully completes a course in cardiopulmonary resuscitation approved by the board or by the licensee's medical director. This course may be a component of a board-approved refresher course; and

~~(2)~~ (3) submits a completed renewal application to the board before the registration expiration date.

(b) The board may renew the lapsed registration of an emergency medical responder who:

(1) successfully completes a board-approved refresher course; ~~and~~

(2) successfully completes a course in cardiopulmonary resuscitation approved by the board or by the licensee's medical director. This course may be a component of a board-approved refresher course; and

~~(2)~~ (3) submits a completed renewal application to the board within ~~12~~ 48 months after the registration expiration date.

Sec. 20. Minnesota Statutes 2022, section 144E.27, subdivision 5, is amended to read:

Subd. 5. **Denial, suspension, revocation.** (a) The ~~board~~ director may deny, suspend, revoke, place conditions on, or refuse to renew the registration of an individual who the ~~board~~ director determines:

(1) violates sections 144E.001 to 144E.33 or the rules adopted under those sections, an agreement for corrective action, or an order that the ~~board~~ director issued or is otherwise empowered to enforce;

(2) misrepresents or falsifies information on an application form for registration;

(3) is convicted or pleads guilty or nolo contendere to any felony; any gross misdemeanor relating to assault, sexual misconduct, theft, or the illegal use of drugs or alcohol; or any misdemeanor relating to assault, sexual misconduct, theft, or the illegal use of drugs or alcohol;

(4) is actually or potentially unable to provide emergency medical services with reasonable skill and safety to patients by reason of illness, use of alcohol, drugs, chemicals, or any other material, or as a result of any mental or physical condition;

(5) engages in unethical conduct, including, but not limited to, conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare, or safety of the public;

(6) maltreats or abandons a patient;

(7) violates any state or federal controlled substance law;

(8) engages in unprofessional conduct or any other conduct which has the potential for causing harm to the public, including any departure from or failure to conform to the minimum standards of acceptable and prevailing practice without actual injury having to be established;

(9) provides emergency medical services under lapsed or nonrenewed credentials;

(10) is subject to a denial, corrective, disciplinary, or other similar action in another jurisdiction or by another regulatory authority;

(11) engages in conduct with a patient that is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning to a patient; ~~or~~

(12) makes a false statement or knowingly provides false information to the ~~board~~ director, or fails to cooperate with an investigation of the ~~board~~ director as required by section 144E.30~~.~~; or

(13) fails to engage with the health professionals services program or diversion program required under section 144E.287 after being referred to the program, violates the terms of the program participation agreement, or leaves the program except upon fulfilling the terms for successful completion of the program as set forth in the participation agreement.

(b) Before taking action under paragraph (a), the ~~board~~ director shall give notice to an individual of the right to a contested case hearing under chapter 14. If an individual requests a contested case hearing within 30 days after receiving notice, the ~~board~~ director shall initiate a contested case hearing according to chapter 14.

(c) The administrative law judge shall issue a report and recommendation within 30 days after closing the contested case hearing record. The ~~board~~ director shall issue a final order within 30 days after receipt of the administrative law judge's report.

(d) After six months from the ~~board's~~ director's decision to deny, revoke, place conditions on, or refuse renewal of an individual's registration for disciplinary action, the individual shall have the opportunity to apply to the ~~board~~ director for reinstatement.

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

Sec. 21. Minnesota Statutes 2022, section 144E.27, subdivision 5, is amended to read:

Subd. 5. **Denial, suspension, revocation; emergency medical responders and drivers.** (a) This subdivision applies to individuals seeking registration or registered as an emergency medical responder and to individuals seeking registration or registered as a driver of a basic life-support ambulance under section 144E.101, subdivision 6a. The board may deny, suspend, revoke, place conditions on, or refuse to renew the registration of an individual who the board determines:

(1) violates sections 144E.001 to 144E.33 or the rules adopted under those sections, an agreement for corrective action, or an order that the board issued or is otherwise empowered to enforce;

(2) misrepresents or falsifies information on an application form for registration;

(3) is convicted or pleads guilty or nolo contendere to any felony; any gross misdemeanor relating to assault, sexual misconduct, theft, or the illegal use of drugs or alcohol; or any misdemeanor relating to assault, sexual misconduct, theft, or the illegal use of drugs or alcohol;

(4) is actually or potentially unable to provide emergency medical services or drive an ambulance with reasonable skill and safety to patients by reason of illness, use of alcohol, drugs, chemicals, or any other material, or as a result of any mental or physical condition;

(5) engages in unethical conduct, including, but not limited to, conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare, or safety of the public;

(6) maltreats or abandons a patient;

(7) violates any state or federal controlled substance law;

(8) engages in unprofessional conduct or any other conduct which has the potential for causing harm to the public, including any departure from or failure to conform to the minimum standards of acceptable and prevailing practice without actual injury having to be established;

(9) for emergency medical responders, provides emergency medical services under lapsed or nonrenewed credentials;

(10) is subject to a denial, corrective, disciplinary, or other similar action in another jurisdiction or by another regulatory authority;

(11) engages in conduct with a patient that is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning to a patient; or

(12) makes a false statement or knowingly provides false information to the board, or fails to cooperate with an investigation of the board as required by section 144E.30.

(b) Before taking action under paragraph (a), the board shall give notice to an individual of the right to a contested case hearing under chapter 14. If an individual requests a contested case hearing within 30 days after receiving notice, the board shall initiate a contested case hearing according to chapter 14.

(c) The administrative law judge shall issue a report and recommendation within 30 days after closing the contested case hearing record. The board shall issue a final order within 30 days after receipt of the administrative law judge's report.

(d) After six months from the board's decision to deny, revoke, place conditions on, or refuse renewal of an individual's registration for disciplinary action, the individual shall have the opportunity to apply to the board for reinstatement.

Sec. 22. Minnesota Statutes 2022, section 144E.27, subdivision 6, is amended to read:

Subd. 6. **Temporary suspension; emergency medical responders and drivers.** (a) This subdivision applies to emergency medical responders registered under this section and to individuals registered as drivers of basic life-support ambulances under section 144E.101, subdivision 6a. In addition to any other remedy provided by law, the board may temporarily suspend the registration of an individual after conducting a preliminary inquiry to determine whether the board believes that the individual has violated a statute or rule that the board is empowered to enforce and determining that the continued provision of service by the individual would create an imminent risk to public health or harm to others.

(b) A temporary suspension order prohibiting an individual from providing emergency medical care or from driving a basic life-support ambulance shall give notice of the right to a preliminary hearing according to paragraph (d) and shall state the reasons for the entry of the temporary suspension order.

(c) Service of a temporary suspension order is effective when the order is served on the individual personally or by certified mail, which is complete upon receipt, refusal, or return for nondelivery to the most recent address provided to the board for the individual.

(d) At the time the board issues a temporary suspension order, the board shall schedule a hearing, to be held before a group of its members designated by the board, that shall begin within 60 days after issuance of the temporary suspension order or within 15 working days of the date of the board's receipt of a request for a hearing from the individual, whichever is sooner. The hearing shall be on the sole issue of whether there is a reasonable basis to continue, modify, or lift the temporary suspension. A hearing under this paragraph is not subject to chapter 14.

(e) Evidence presented by the board or the individual may be in the form of an affidavit. The individual or the individual's designee may appear for oral argument.

(f) Within five working days of the hearing, the board shall issue its order and, if the suspension is continued, notify the individual of the right to a contested case hearing under chapter 14.

(g) If an individual requests a contested case hearing within 30 days after receiving notice under paragraph (f), the board shall initiate a contested case hearing according to chapter 14. The administrative law judge shall issue a report and recommendation within 30 days after the closing of the contested case hearing record. The board shall issue a final order within 30 days after receipt of the administrative law judge's report.

Sec. 23. Minnesota Statutes 2022, section 144E.28, subdivision 3, is amended to read:

Subd. 3. **Reciprocity.** The board may certify an individual who possesses a current National Registry of Emergency Medical Technicians ~~registration~~ certification from another jurisdiction if the individual submits a board-approved application form. The board certification classification shall be the same as the National Registry's classification. Certification shall be for the duration of the applicant's ~~registration~~ certification period in another jurisdiction, not to exceed two years.

Sec. 24. Minnesota Statutes 2022, section 144E.28, subdivision 5, is amended to read:

Subd. 5. **Denial, suspension, revocation.** (a) The ~~board~~ director may deny certification or take any action authorized in subdivision 4 against an individual who the ~~board~~ director determines:

(1) violates sections 144E.001 to 144E.33 or the rules adopted under those sections, or an order that the ~~board~~ director issued or is otherwise authorized or empowered to enforce, or agreement for corrective action;

(2) misrepresents or falsifies information on an application form for certification;

(3) is convicted or pleads guilty or nolo contendere to any felony; any gross misdemeanor relating to assault, sexual misconduct, theft, or the illegal use of drugs or alcohol; or any misdemeanor relating to assault, sexual misconduct, theft, or the illegal use of drugs or alcohol;

(4) is actually or potentially unable to provide emergency medical services with reasonable skill and safety to patients by reason of illness, use of alcohol, drugs, chemicals, or any other material, or as a result of any mental or physical condition;

(5) engages in unethical conduct, including, but not limited to, conduct likely to deceive, defraud, or harm the public or demonstrating a willful or careless disregard for the health, welfare, or safety of the public;

(6) maltreats or abandons a patient;

(7) violates any state or federal controlled substance law;

(8) engages in unprofessional conduct or any other conduct which has the potential for causing harm to the public, including any departure from or failure to conform to the minimum standards of acceptable and prevailing practice without actual injury having to be established;

(9) provides emergency medical services under lapsed or nonrenewed credentials;

(10) is subject to a denial, corrective, disciplinary, or other similar action in another jurisdiction or by another regulatory authority;

(11) engages in conduct with a patient that is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning to a patient; ~~or~~

(12) makes a false statement or knowingly provides false information to the ~~board~~ director or fails to cooperate with an investigation of the ~~board~~ director as required by section 144E.30~~.~~; or

(13) fails to engage with the health professionals services program or diversion program required under section 144E.287 after being referred to the program, violates the terms of the program participation agreement, or leaves the program except upon fulfilling the terms for successful completion of the program as set forth in the participation agreement.

(b) Before taking action under paragraph (a), the ~~board~~ director shall give notice to an individual of the right to a contested case hearing under chapter 14. If an individual requests a contested case hearing within 30 days after receiving notice, the ~~board~~ director shall initiate a contested case hearing according to chapter 14 and no disciplinary action shall be taken at that time.

(c) The administrative law judge shall issue a report and recommendation within 30 days after closing the contested case hearing record. The ~~board~~ director shall issue a final order within 30 days after receipt of the administrative law judge's report.

(d) After six months from the ~~board's~~ director's decision to deny, revoke, place conditions on, or refuse renewal of an individual's certification for disciplinary action, the individual shall have the opportunity to apply to the ~~board~~ director for reinstatement.

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

Sec. 25. Minnesota Statutes 2022, section 144E.28, subdivision 6, is amended to read:

Subd. 6. **Temporary suspension.** (a) In addition to any other remedy provided by law, the ~~board~~ director may temporarily suspend the certification of an individual after conducting a preliminary inquiry to determine whether the ~~board~~ director believes that the individual has violated a statute or rule that the ~~board~~ director is empowered to enforce and determining that the continued provision of service by the individual would create an imminent risk to public health or harm to others.

(b) A temporary suspension order prohibiting an individual from providing emergency medical care shall give notice of the right to a preliminary hearing according to paragraph (d) and shall state the reasons for the entry of the temporary suspension order.

(c) Service of a temporary suspension order is effective when the order is served on the individual personally or by certified mail, which is complete upon receipt, refusal, or return for nondelivery to the most recent address provided to the ~~board~~ director for the individual.

(d) At the time the ~~board~~ director issues a temporary suspension order, the ~~board~~ director shall schedule a hearing~~, to be held before a group of its members designated by the board,~~ that shall begin within 60 days after issuance of the temporary suspension order or within 15 working days of the date of the ~~board's~~ director's receipt of a request for a hearing from the individual, whichever is sooner. The hearing shall be on the sole issue of whether there is a reasonable basis to continue, modify, or lift the temporary suspension. A hearing under this paragraph is not subject to chapter 14.

(e) Evidence presented by the ~~board~~ director or the individual may be in the form of an affidavit. The individual or individual's designee may appear for oral argument.

(f) Within five working days of the hearing, the ~~board~~ director shall issue its order and, if the suspension is continued, notify the individual of the right to a contested case hearing under chapter 14.

(g) If an individual requests a contested case hearing within 30 days of receiving notice under paragraph (f), the ~~board~~ director shall initiate a contested case hearing according to chapter 14. The administrative law judge shall issue a report and recommendation within 30 days after the closing of the contested case hearing record. The ~~board~~ director shall issue a final order within 30 days after receipt of the administrative law judge's report.

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

Sec. 26. Minnesota Statutes 2022, section 144E.28, subdivision 8, is amended to read:

Subd. 8. **Reinstatement.** (a) Within four years of a certification expiration date, a person whose certification has expired under subdivision 7, paragraph (d), may have the certification reinstated upon submission of:

(1) evidence to the board of training equivalent to the continuing education requirements of subdivision 7 or, for community paramedics, evidence to the board of training equivalent to the continuing education requirements of subdivision 9, paragraph (c); and

(2) a board-approved application form.

(b) If more than four years have passed since a certificate expiration date, an applicant must complete the initial certification process required under subdivision 1.

(c) Beginning July 1, 2024, through December 31, 2025, and notwithstanding paragraph (b), a person whose certification as an EMT, AEMT, paramedic, or community paramedic expired more than four years ago but less than ten years ago may have the certification reinstated upon submission of:

(1) evidence to the board of the training required under paragraph (a), clause (1). This training must have been completed within the 24 months prior to the date of the application for reinstatement;

(2) a board-approved application form; and

(3) a recommendation from an ambulance service medical director.

This paragraph expires December 31, 2025.

Sec. 27. Minnesota Statutes 2022, section 144E.285, subdivision 1, is amended to read:

Subdivision 1. **Approval required.** (a) All education programs for an EMR, EMT, AEMT, or paramedic must be approved by the board.

(b) To be approved by the board, an education program must:

(1) submit an application prescribed by the board that includes:

(i) type ~~and length~~ of course to be offered;

(ii) names, addresses, and qualifications of the program medical director, program education coordinator, and instructors;

~~(iii) names and addresses of clinical sites, including a contact person and telephone number;~~

~~(iv)~~ (iii) admission criteria for students; and

~~(v)~~ (iv) materials and equipment to be used;

(2) for each course, implement the most current version of the United States Department of Transportation EMS Education Standards, or its equivalent as determined by the board applicable to EMR, EMT, AEMT, or paramedic education;

(3) have a program medical director and a program coordinator;

(4) utilize instructors who meet the requirements of section 144E.283 for teaching at least 50 percent of the course content. The remaining 50 percent of the course may be taught by guest lecturers approved by the education program coordinator or medical director;

~~(5) have at least one instructor for every ten students at the practical skill stations;~~

~~(6) maintain a written agreement with a licensed hospital or licensed ambulance service designating a clinical training site;~~

~~(7)~~ (5) retain documentation of program approval by the board, course outline, and student information;

~~(8)~~ (6) notify the board of the starting date of a course prior to the beginning of a course; and

~~(9)~~ (7) submit the appropriate fee as required under section 144E.29~~; and~~.

~~(10) maintain a minimum average yearly pass rate as set by the board on an annual basis. The pass rate will be determined by the percent of candidates who pass the exam on the first attempt. An education program not meeting this yearly standard shall be placed on probation and shall be on a performance improvement plan approved by the board until meeting the pass rate standard. While on probation, the education program may continue providing classes if meeting the terms of the performance improvement plan as determined by the board. If an education program having probation status fails to meet the pass rate standard after two years in which an EMT initial course has been taught, the board may take disciplinary action under subdivision 5.~~

Sec. 28. Minnesota Statutes 2022, section 144E.285, is amended by adding a subdivision to read:

Subd. 1a. **EMR education program requirements.** The National EMS Education Standards established by the National Highway Traffic Safety Administration of the United States Department of Transportation specify the minimum requirements for knowledge and skills for emergency medical responders. An education program applying for approval to teach EMRs must comply with the requirements under subdivision 1, paragraph (b). A medical director of an emergency medical responder group may establish additional knowledge and skill requirements for EMRs.

Sec. 29. Minnesota Statutes 2022, section 144E.285, is amended by adding a subdivision to read:

Subd. 1b. **EMT education program requirements.** In addition to the requirements under subdivision 1, paragraph (b), an education program applying for approval to teach EMTs must:

(1) include in the application prescribed by the board the names and addresses of clinical sites, including a contact person and telephone number;

(2) maintain a written agreement with at least one clinical training site that is of a type recognized by the National EMS Education Standards established by the National Highway Traffic Safety Administration; and

(3) maintain a minimum average yearly pass rate as set by the board. An education program not meeting this standard must be placed on probation and must comply with a performance improvement plan approved by the board until the program meets the pass rate standard. While on probation, the education program may continue to provide classes if the program meets the terms of the performance improvement plan, as determined by the board. If an education program that is on probation status fails to meet the pass rate standard after two years in which an EMT initial course has been taught, the board may take disciplinary action under subdivision 5.

Sec. 30. Minnesota Statutes 2022, section 144E.285, subdivision 2, is amended to read:

Subd. 2. **AEMT and paramedic education program requirements.** (a) In addition to the requirements under subdivision 1, paragraph (b), an education program applying for approval to teach AEMTs and paramedics must:

(1) be administered by an educational institution accredited by the Commission of Accreditation of Allied Health Education Programs (CAAHEP).;

(2) include in the application prescribed by the board the names and addresses of clinical sites, including a contact person and telephone number; and

(3) maintain a written agreement with a licensed hospital or licensed ambulance service designating a clinical training site.

(b) An AEMT and paramedic education program that is administered by an educational institution not accredited by CAAHEP, but that is in the process of completing the accreditation process, may be granted provisional approval by the board upon verification of submission of its self-study report and the appropriate review fee to CAAHEP.

(c) An educational institution that discontinues its participation in the accreditation process must notify the board immediately and provisional approval shall be withdrawn.

~~(d) This subdivision does not apply to a paramedic education program when the program is operated by an advanced life support ambulance service licensed by the Emergency Medical Services Regulatory Board under this chapter, and the ambulance service meets the following criteria:~~

~~(1) covers a rural primary service area that does not contain a hospital within the primary service area or contains a hospital within the primary service area that has been designated as a critical access hospital under section 144.1483, clause (9);~~

~~(2) has tax-exempt status in accordance with the Internal Revenue Code, section 501(c)(3);~~

~~(3) received approval before 1991 from the commissioner of health to operate a paramedic education program;~~

~~(4) operates an AEMT and paramedic education program exclusively to train paramedics for the local ambulance service; and~~

~~(5) limits enrollment in the AEMT and paramedic program to five candidates per biennium.~~

Sec. 31. Minnesota Statutes 2022, section 144E.285, subdivision 4, is amended to read:

Subd. 4. **Reapproval.** An education program shall apply to the board for reapproval at least ~~three months~~ 30 days prior to the expiration date of its approval and must:

(1) submit an application prescribed by the board specifying any changes from the information provided for prior approval and any other information requested by the board to clarify incomplete or ambiguous information presented in the application; ~~and~~

(2) comply with the requirements under subdivision 1, paragraph (b), clauses (2) to ~~(10).~~ (7);

(3) be subject to a site visit by the board;

(4) for education programs that teach EMRs, comply with the requirements in subdivision 1a;

(5) for education programs that teach EMTs, comply with the requirements in subdivision 1b; and

(6) for education programs that teach AEMTs and paramedics, comply with the requirements in subdivision 2 and maintain accreditation with CAAHEP.

Sec. 32. Minnesota Statutes 2022, section 144E.285, subdivision 6, is amended to read:

Subd. 6. **Temporary suspension.** (a) In addition to any other remedy provided by law, the ~~board~~ director may temporarily suspend approval of the education program after conducting a preliminary inquiry to determine whether the ~~board~~ director believes that the education program has violated a statute or rule that the ~~board~~ director is empowered to enforce and determining that the continued provision of service by the education program would create an imminent risk to public health or harm to others.

(b) A temporary suspension order prohibiting the education program from providing emergency medical care training shall give notice of the right to a preliminary hearing according to paragraph (d) and shall state the reasons for the entry of the temporary suspension order.

(c) Service of a temporary suspension order is effective when the order is served on the education program personally or by certified mail, which is complete upon receipt, refusal, or return for nondelivery to the most recent address provided to the ~~board~~ director for the education program.

(d) At the time the ~~board~~ director issues a temporary suspension order, the ~~board~~ director shall schedule a hearing~~, to be held before a group of its members designated by the board,~~ that shall begin within 60 days after issuance of the temporary suspension order or within 15 working days of the date of the ~~board's~~ director's receipt of a request for a hearing from the education program, whichever is sooner. The hearing shall be on the sole issue of whether there is a reasonable basis to continue, modify, or lift the temporary suspension. A hearing under this paragraph is not subject to chapter 14.

(e) Evidence presented by the ~~board~~ director or the individual may be in the form of an affidavit. The education program or counsel of record may appear for oral argument.

(f) Within five working days of the hearing, the ~~board~~ director shall issue its order and, if the suspension is continued, notify the education program of the right to a contested case hearing under chapter 14.

(g) If an education program requests a contested case hearing within 30 days of receiving notice under paragraph (f), the ~~board~~ director shall initiate a contested case hearing according to chapter 14. The administrative law judge shall issue a report and recommendation within 30 days after the closing of the contested case hearing record. The ~~board~~ director shall issue a final order within 30 days after receipt of the administrative law judge's report.

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

Sec. 33. Minnesota Statutes 2022, section 144E.287, is amended to read:

144E.287 DIVERSION PROGRAM.

The ~~board~~ director shall either conduct a health professionals ~~service~~ services program ~~under sections 214.31 to 214.37~~ or contract for a diversion program ~~under section 214.28~~ for professionals regulated ~~by the board~~ under this chapter who are unable to perform their duties with reasonable skill and safety by reason of illness, use of alcohol, drugs, chemicals, or any other materials, or as a result of any mental, physical, or psychological condition.

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

Sec. 34. Minnesota Statutes 2022, section 144E.305, subdivision 3, is amended to read:

Subd. 3. **Immunity.** (a) An individual, licensee, health care facility, business, or organization is immune from civil liability or criminal prosecution for submitting in good faith a report to the ~~board~~ director under subdivision 1 or 2 or for otherwise reporting in good faith to the ~~board~~ director violations or alleged violations of sections 144E.001 to 144E.33. Reports are classified as confidential data on individuals or protected nonpublic data under section 13.02 while an investigation is active. Except for the ~~board's~~ director's final determination, all communications or information received by or disclosed to the ~~board~~ director relating to disciplinary matters of any person or entity subject to the ~~board's~~ director's regulatory jurisdiction are confidential and privileged and any disciplinary hearing shall be closed to the public.

(b) ~~Members of the board~~ The director, persons employed by the ~~board~~ director, persons engaged in the investigation of violations and in the preparation and management of charges of violations of sections 144E.001 to 144E.33 on behalf of the ~~board~~ director, and persons participating in the investigation regarding charges of violations are immune from civil liability and criminal prosecution for any actions, transactions, or publications, made in good faith, in the execution of, or relating to, their duties under sections 144E.001 to 144E.33.

~~(c) For purposes of this section, a member of the board is considered a state employee under section 3.736, subdivision 9.~~

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

Sec. 35. Minnesota Statutes 2023 Supplement, section 152.126, subdivision 6, is amended to read:

Subd. 6. **Access to reporting system data.** (a) Except as indicated in this subdivision, the data submitted to the board under subdivision 4 is private data on individuals as defined in section 13.02, subdivision 12, and not subject to public disclosure.

(b) Except as specified in subdivision 5, the following persons shall be considered permissible users and may access the data submitted under subdivision 4 in the same or similar manner, and for the same or similar purposes, as those persons who are authorized to access similar private data on individuals under federal and state law:

(1) a prescriber or an agent or employee of the prescriber to whom the prescriber has delegated the task of accessing the data, to the extent the information relates specifically to a current patient, to whom the prescriber is:

(i) prescribing or considering prescribing any controlled substance;

(ii) providing emergency medical treatment for which access to the data may be necessary;

(iii) providing care, and the prescriber has reason to believe, based on clinically valid indications, that the patient is potentially abusing a controlled substance; or

(iv) providing other medical treatment for which access to the data may be necessary for a clinically valid purpose and the patient has consented to access to the submitted data, and with the provision that the prescriber remains responsible for the use or misuse of data accessed by a delegated agent or employee;

(2) a dispenser or an agent or employee of the dispenser to whom the dispenser has delegated the task of accessing the data, to the extent the information relates specifically to a current patient to whom that dispenser is dispensing or considering dispensing any controlled substance and with the provision that the dispenser remains responsible for the use or misuse of data accessed by a delegated agent or employee;

(3) a licensed dispensing practitioner or licensed pharmacist to the extent necessary to determine whether corrections made to the data reported under subdivision 4 are accurate;

(4) a licensed pharmacist who is providing pharmaceutical care for which access to the data may be necessary to the extent that the information relates specifically to a current patient for whom the pharmacist is providing pharmaceutical care: (i) if the patient has consented to access to the submitted data; or (ii) if the pharmacist is consulted by a prescriber who is requesting data in accordance with clause (1);

(5) an individual who is the recipient of a controlled substance prescription for which data was submitted under subdivision 4, or a guardian of the individual, parent or guardian of a minor, or health care agent of the individual acting under a health care directive under chapter 145C. For purposes of this clause, access by individuals includes persons in the definition of an individual under section 13.02;

(6) personnel or designees of a health-related licensing board listed in section 214.01, subdivision 2, or of the Office of Emergency Medical Services ~~Regulatory Board~~, assigned to conduct a bona fide investigation of a complaint received by that board or office that alleges that a specific licensee is impaired by use of a drug for which data is collected under subdivision 4, has engaged in activity that would constitute a crime as defined in section 152.025, or has engaged in the behavior specified in subdivision 5, paragraph (a);

(7) personnel of the board engaged in the collection, review, and analysis of controlled substance prescription information as part of the assigned duties and responsibilities under this section;

(8) authorized personnel under contract with the board, or under contract with the state of Minnesota and approved by the board, who are engaged in the design, evaluation, implementation, operation, or maintenance of the prescription monitoring program as part of the assigned duties and responsibilities of their employment, provided that access to data is limited to the minimum amount necessary to carry out such duties and responsibilities, and subject to the requirement of de-identification and time limit on retention of data specified in subdivision 5, paragraphs (d) and (e);

(9) federal, state, and local law enforcement authorities acting pursuant to a valid search warrant;

(10) personnel of the Minnesota health care programs assigned to use the data collected under this section to identify and manage recipients whose usage of controlled substances may warrant restriction to a single primary care provider, a single outpatient pharmacy, and a single hospital;

(11) personnel of the Department of Human Services assigned to access the data pursuant to paragraph (k);

(12) personnel of the health professionals services program established under section 214.31, to the extent that the information relates specifically to an individual who is currently enrolled in and being monitored by the program, and the individual consents to access to that information. The health professionals services program personnel shall not provide this data to a health-related licensing board ~~or the Emergency Medical Services Regulatory Board~~, except as permitted under section 214.33, subdivision 3;

(13) personnel or designees of a health-related licensing board other than the Board of Pharmacy listed in section 214.01, subdivision 2, assigned to conduct a bona fide investigation of a complaint received by that board that alleges that a specific licensee is inappropriately prescribing controlled substances as defined in this section. For the purposes of this clause, the health-related licensing board may also obtain utilization data; and

(14) personnel of the board specifically assigned to conduct a bona fide investigation of a specific licensee or registrant. For the purposes of this clause, the board may also obtain utilization data.

(c) By July 1, 2017, every prescriber licensed by a health-related licensing board listed in section 214.01, subdivision 2, practicing within this state who is authorized to prescribe controlled substances for humans and who holds a current registration issued by the federal Drug Enforcement Administration, and every pharmacist licensed by the board and practicing within the state, shall register and maintain a user account with the prescription monitoring program. Data submitted by a prescriber, pharmacist, or their delegate during the registration application process, other than their name, license number, and license type, is classified as private pursuant to section 13.02, subdivision 12.

(d) Notwithstanding paragraph (b), beginning January 1, 2021, a prescriber or an agent or employee of the prescriber to whom the prescriber has delegated the task of accessing the data, must access the data submitted under subdivision 4 to the extent the information relates specifically to the patient:

(1) before the prescriber issues an initial prescription order for a Schedules II through IV opiate controlled substance to the patient; and

(2) at least once every three months for patients receiving an opiate for treatment of chronic pain or participating in medically assisted treatment for an opioid addiction.

(e) Paragraph (d) does not apply if:

(1) the patient is receiving palliative care, or hospice or other end-of-life care;

(2) the patient is being treated for pain due to cancer or the treatment of cancer;

(3) the prescription order is for a number of doses that is intended to last the patient five days or less and is not subject to a refill;

(4) the prescriber and patient have a current or ongoing provider/patient relationship of a duration longer than one year;

(5) the prescription order is issued within 14 days following surgery or three days following oral surgery or follows the prescribing protocols established under the opioid prescribing improvement program under section 256B.0638;

(6) the controlled substance is prescribed or administered to a patient who is admitted to an inpatient hospital;

(7) the controlled substance is lawfully administered by injection, ingestion, or any other means to the patient by the prescriber, a pharmacist, or by the patient at the direction of a prescriber and in the presence of the prescriber or pharmacist;

(8) due to a medical emergency, it is not possible for the prescriber to review the data before the prescriber issues the prescription order for the patient; or

(9) the prescriber is unable to access the data due to operational or other technological failure of the program so long as the prescriber reports the failure to the board.

(f) Only permissible users identified in paragraph (b), clauses (1), (2), (3), (4), (7), (8), (10), and (11), may directly access the data electronically. No other permissible users may directly access the data electronically. If the data is directly accessed electronically, the permissible user shall implement and maintain a comprehensive information security program that contains administrative, technical, and physical safeguards that are appropriate to the user's size and complexity, and the sensitivity of the personal information obtained. The permissible user shall identify reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of personal information that could result in the unauthorized disclosure, misuse, or other compromise of the information and assess the sufficiency of any safeguards in place to control the risks.

(g) The board shall not release data submitted under subdivision 4 unless it is provided with evidence, satisfactory to the board, that the person requesting the information is entitled to receive the data.

(h) The board shall maintain a log of all persons who access the data for a period of at least three years and shall ensure that any permissible user complies with paragraph (c) prior to attaining direct access to the data.

(i) Section 13.05, subdivision 6, shall apply to any contract the board enters into pursuant to subdivision 2. A vendor shall not use data collected under this section for any purpose not specified in this section.

(j) The board may participate in an interstate prescription monitoring program data exchange system provided that permissible users in other states have access to the data only as allowed under this section, and that section 13.05, subdivision 6, applies to any contract or memorandum of understanding that the board enters into under this paragraph.

(k) With available appropriations, the commissioner of human services shall establish and implement a system through which the Department of Human Services shall routinely access the data for the purpose of determining whether any client enrolled in an opioid treatment program licensed according to chapter 245A has been prescribed

or dispensed a controlled substance in addition to that administered or dispensed by the opioid treatment program. When the commissioner determines there have been multiple prescribers or multiple prescriptions of controlled substances, the commissioner shall:

(1) inform the medical director of the opioid treatment program only that the commissioner determined the existence of multiple prescribers or multiple prescriptions of controlled substances; and

(2) direct the medical director of the opioid treatment program to access the data directly, review the effect of the multiple prescribers or multiple prescriptions, and document the review.

If determined necessary, the commissioner of human services shall seek a federal waiver of, or exception to, any applicable provision of Code of Federal Regulations, title 42, section 2.34, paragraph (c), prior to implementing this paragraph.

(l) The board shall review the data submitted under subdivision 4 on at least a quarterly basis and shall establish criteria, in consultation with the advisory task force, for referring information about a patient to prescribers and dispensers who prescribed or dispensed the prescriptions in question if the criteria are met.

(m) The board shall conduct random audits, on at least a quarterly basis, of electronic access by permissible users, as identified in paragraph (b), clauses (1), (2), (3), (4), (7), (8), (10), and (11), to the data in subdivision 4, to ensure compliance with permissible use as defined in this section. A permissible user whose account has been selected for a random audit shall respond to an inquiry by the board, no later than 30 days after receipt of notice that an audit is being conducted. Failure to respond may result in deactivation of access to the electronic system and referral to the appropriate health licensing board, or the commissioner of human services, for further action. The board shall report the results of random audits to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance and government data practices.

(n) A permissible user who has delegated the task of accessing the data in subdivision 4 to an agent or employee shall audit the use of the electronic system by delegated agents or employees on at least a quarterly basis to ensure compliance with permissible use as defined in this section. When a delegated agent or employee has been identified as inappropriately accessing data, the permissible user must immediately remove access for that individual and notify the board within seven days. The board shall notify all permissible users associated with the delegated agent or employee of the alleged violation.

(o) A permissible user who delegates access to the data submitted under subdivision 4 to an agent or employee shall terminate that individual's access to the data within three business days of the agent or employee leaving employment with the permissible user. The board may conduct random audits to determine compliance with this requirement.

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

Sec. 36. Minnesota Statutes 2022, section 214.025, is amended to read:

214.025 COUNCIL OF HEALTH BOARDS.

The health-related licensing boards may establish a Council of Health Boards consisting of representatives of the health-related licensing boards ~~and the Emergency Medical Services Regulatory Board~~. When reviewing legislation or legislative proposals relating to the regulation of health occupations, the council shall include the commissioner of health or a designee and the director of the Office of Emergency Medical Services or a designee.

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

Sec. 37. Minnesota Statutes 2022, section 214.04, subdivision 2a, is amended to read:

Subd. 2a. **Performance of executive directors.** The governor may request that a health-related licensing board ~~or the Emergency Medical Services Regulatory Board~~ review the performance of the board's executive director. Upon receipt of the request, the board must respond by establishing a performance improvement plan or taking disciplinary or other corrective action, including dismissal. The board shall include the governor's representative as a voting member of the board in the board's discussions and decisions regarding the governor's request. The board shall report to the governor on action taken by the board, including an explanation if no action is deemed necessary.

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

Sec. 38. Minnesota Statutes 2022, section 214.29, is amended to read:

214.29 PROGRAM REQUIRED.

Each health-related licensing board~~, including the Emergency Medical Services Regulatory Board under chapter 144E,~~ shall either conduct a health professionals service program under sections 214.31 to 214.37 or contract for a diversion program under section 214.28.

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

Sec. 39. Minnesota Statutes 2022, section 214.31, is amended to read:

214.31 AUTHORITY.

Two or more of the health-related licensing boards listed in section 214.01, subdivision 2, may jointly conduct a health professionals services program to protect the public from persons regulated by the boards who are unable to practice with reasonable skill and safety by reason of illness, use of alcohol, drugs, chemicals, or any other materials, or as a result of any mental, physical, or psychological condition. The program does not affect a board's authority to discipline violations of a board's practice act. ~~For purposes of sections 214.31 to 214.37, the emergency medical services regulatory board shall be included in the definition of a health related licensing board under chapter 144E.~~

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

Sec. 40. Minnesota Statutes 2022, section 214.355, is amended to read:

214.355 GROUNDS FOR DISCIPLINARY ACTION.

Each health-related licensing board~~, including the Emergency Medical Services Regulatory Board under chapter 144E,~~ shall consider it grounds for disciplinary action if a regulated person violates the terms of the health professionals services program participation agreement or leaves the program except upon fulfilling the terms for successful completion of the program as set forth in the participation agreement.

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

Sec. 41. **INITIAL MEMBERS AND FIRST MEETING; EMERGENCY MEDICAL SERVICES ADVISORY COUNCIL.**

(a) Initial appointments of members to the Emergency Medical Services Advisory Council must be made by January 1, 2025. The terms of initial appointees must be determined by lot by the secretary of state and must be as follows:

(1) eight members shall serve two-year terms; and

(2) eight members shall serve three-year terms.

(b) The medical director appointee must convene the first meeting of the Emergency Medical Services Advisory Council by February 1, 2025.

Sec. 42. **INITIAL MEMBERS AND FIRST MEETING; EMERGENCY MEDICAL SERVICES PHYSICIAN ADVISORY COUNCIL.**

(a) Initial appointments of members to the Emergency Medical Services Physician Advisory Council must be made by January 1, 2025. The terms of initial appointees must be determined by lot by the secretary of state and must be as follows:

(1) five members shall serve two-year terms;

(2) five members shall serve three-year terms; and

(3) the term for the medical director appointee to the Emergency Medical Services Physician Advisory Council must coincide with that member's term on the Emergency Medical Services Advisory Council.

(b) The medical director appointee must convene the first meeting of the Emergency Medical Services Physician Advisory Council by February 1, 2025.

Sec. 43. **INITIAL MEMBERS AND FIRST MEETING; LABOR AND EMERGENCY MEDICAL SERVICE PROVIDERS ADVISORY COUNCIL.**

(a) Initial appointments of members to the Labor and Emergency Medical Service Providers Advisory Council must be made by January 1, 2025. The terms of initial appointees must be determined by lot by the secretary of state and must be as follows:

(1) six members shall serve two-year terms; and

(2) seven members shall serve three-year terms.

(b) The emergency medical technician instructor appointee must convene the first meeting of the Labor and Emergency Medical Service Providers Advisory Council by February 1, 2025.

Sec. 44. **TRANSITION.**

Subdivision 1. **Appointment of director; operation of office.** No later than October 1, 2024, the governor shall appoint a director-designee of the Office of Emergency Medical Services. The individual appointed as the director-designee of the Office of Emergency Medical Services shall become the governor's appointee as director of the Office of Emergency Medical Services on January 1, 2025. Effective January 1, 2025, the responsibilities to

regulate emergency medical services in the state under Minnesota Statutes, chapter 144E, and Minnesota Rules, chapter 4690, are transferred from the Emergency Medical Services Regulatory Board to the Office of Emergency Medical Services and the director of the Office of Emergency Medical Services.

Subd. 2. **Transfer of responsibilities.** Minnesota Statutes, section 15.039, applies to the transfer of responsibilities from the Emergency Medical Services Regulatory Board to the Office of Emergency Medical Services required by this act. The commissioner of administration, with the approval of the governor, may issue reorganization orders under Minnesota Statutes, section 16B.37, as necessary to carry out the transfer of responsibilities required by this act. The provision of Minnesota Statutes, section 16B.37, subdivision 1, which states that transfers under that section may be made only to an agency that has been in existence for at least one year, does not apply to transfers in this act to the Office of Emergency Medical Services.

Sec. 45. **REVISOR INSTRUCTION.**

(a) In Minnesota Statutes, chapter 144E, the revisor of statutes shall replace "board" with "director"; "board's" with "director's"; "Emergency Medical Services Regulatory Board" or "Minnesota Emergency Medical Services Regulatory Board" with "director"; and "board-approved" with "director-approved," except that:

(1) in Minnesota Statutes, section 144E.11, the revisor of statutes shall not modify the term "county board," "community health board," or "community health boards";

(2) in Minnesota Statutes, sections 144E.40, subdivision 2; 144E.42, subdivision 2; 144E.44; and 144E.45, subdivision 2, the revisor of statutes shall not modify the term "State Board of Investment"; and

(3) in Minnesota Statutes, sections 144E.50 and 144E.52, the revisor of statutes shall not modify the term "regional emergency medical services board," "regional board," "regional emergency medical services board's," or "regional boards."

(b) In the following sections of Minnesota Statutes, the revisor of statutes shall replace "Emergency Medical Services Regulatory Board" with "director of the Office of Emergency Medical Services": sections 13.717, subdivision 10; 62J.49, subdivision 2; 144.604; 144.608; 147.09; 156.12, subdivision 2; 169.686, subdivision 3; and 299A.41, subdivision 4.

(c) In the following sections of Minnesota Statutes, the revisor of statutes shall replace "Emergency Medical Services Regulatory Board" with "Office of Emergency Medical Services": sections 144.603 and 161.045, subdivision 3.

(d) In making the changes specified in this section, the revisor of statutes may make technical and other necessary changes to sentence structure to preserve the meaning of the text.

Sec. 46. **REPEALER.**

(a) Minnesota Statutes 2022, sections 144E.001, subdivision 5; 144E.01; 144E.123, subdivision 5; and 144E.50, subdivision 3, are repealed.

(b) Minnesota Statutes 2022, section 144E.27, subdivisions 1 and 1a, are repealed.

EFFECTIVE DATE. Paragraph (a) is effective January 1, 2025.

ARTICLE 8
PHARMACY PRACTICE

Section 1. Minnesota Statutes 2023 Supplement, section 62Q.46, subdivision 1, is amended to read:

Subdivision 1. **Coverage for preventive items and services.** (a) "Preventive items and services" has the meaning specified in the Affordable Care Act. Preventive items and services includes:

(1) evidence-based items or services that have in effect a rating of A or B in the current recommendations of the United States Preventive Services Task Force with respect to the individual involved;

(2) immunizations for routine use in children, adolescents, and adults that have in effect a recommendation from the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention with respect to the individual involved. For purposes of this clause, a recommendation from the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention is considered in effect after the recommendation has been adopted by the Director of the Centers for Disease Control and Prevention, and a recommendation is considered to be for routine use if the recommendation is listed on the Immunization Schedules of the Centers for Disease Control and Prevention;

(3) with respect to infants, children, and adolescents, evidence-informed preventive care and screenings provided for in comprehensive guidelines supported by the Health Resources and Services Administration;

(4) with respect to women, additional preventive care and screenings that are not listed with a rating of A or B by the United States Preventive Services Task Force but that are provided for in comprehensive guidelines supported by the Health Resources and Services Administration;

(5) all contraceptive methods established in guidelines published by the United States Food and Drug Administration;

(6) screenings for human immunodeficiency virus for:

(i) all individuals at least 15 years of age but less than 65 years of age; and

(ii) all other individuals with increased risk of human immunodeficiency virus infection according to guidance from the Centers for Disease Control;

(7) all preexposure prophylaxis when used for the prevention or treatment of human immunodeficiency virus, including but not limited to all preexposure prophylaxis, as defined in any guidance by the United States Preventive Services Task Force or the Centers for Disease Control, including the June 11, 2019, Preexposure Prophylaxis for the Prevention of HIV Infection United States Preventive Services Task Force Recommendation Statement; and

(8) all postexposure prophylaxis when used for the prevention or treatment of human immunodeficiency virus, including but not limited to all postexposure prophylaxis as defined in any guidance by the United States Preventive Services Task Force or the Centers for Disease Control.

(b) A health plan company must provide coverage for preventive items and services at a participating provider without imposing cost-sharing requirements, including a deductible, coinsurance, or co-payment. Nothing in this section prohibits a health plan company that has a network of providers from excluding coverage or imposing cost-sharing requirements for preventive items or services that are delivered by an out-of-network provider.

(c) A health plan company is not required to provide coverage for any items or services specified in any recommendation or guideline described in paragraph (a) if the recommendation or guideline is no longer included as a preventive item or service as defined in paragraph (a). Annually, a health plan company must determine whether any additional items or services must be covered without cost-sharing requirements or whether any items or services are no longer required to be covered.

(d) Nothing in this section prevents a health plan company from using reasonable medical management techniques to determine the frequency, method, treatment, or setting for a preventive item or service to the extent not specified in the recommendation or guideline.

(e) A health plan shall not require prior authorization or step therapy for preexposure prophylaxis, except that if the United States Food and Drug Administration has approved one or more therapeutic equivalents of a drug, device, or product for the prevention of HIV, this paragraph does not require a health plan to cover all of the therapeutically equivalent versions without prior authorization or step therapy, if at least one therapeutically equivalent version is covered without prior authorization or step therapy.

~~(e)~~ (f) This section does not apply to grandfathered plans.

~~(f)~~ (g) This section does not apply to plans offered by the Minnesota Comprehensive Health Association.

EFFECTIVE DATE. This section is effective January 1, 2026, and applies to health plans offered, issued, or renewed on or after that date.

Sec. 2. Minnesota Statutes 2022, section 151.01, subdivision 23, is amended to read:

Subd. 23. **Practitioner.** "Practitioner" means a licensed doctor of medicine, licensed doctor of osteopathic medicine duly licensed to practice medicine, licensed doctor of dentistry, licensed doctor of optometry, licensed podiatrist, licensed veterinarian, licensed advanced practice registered nurse, or licensed physician assistant. For purposes of sections 151.15, subdivision 4; 151.211, subdivision 3; 151.252, subdivision 3; 151.37, subdivision 2, paragraph (b); and 151.461, "practitioner" also means a dental therapist authorized to dispense and administer under chapter 150A. For purposes of sections 151.252, subdivision 3, and 151.461, "practitioner" also means a pharmacist authorized to prescribe self-administered hormonal contraceptives, nicotine replacement medications, or opiate antagonists under section 151.37, subdivision 14, 15, or 16, or authorized to prescribe drugs to prevent the acquisition of human immunodeficiency virus (HIV) under section 151.37, subdivision 17.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 3. Minnesota Statutes 2022, section 151.01, subdivision 27, is amended to read:

Subd. 27. **Practice of pharmacy.** "Practice of pharmacy" means:

(1) interpretation and evaluation of prescription drug orders;

(2) compounding, labeling, and dispensing drugs and devices (except labeling by a manufacturer or packager of nonprescription drugs or commercially packaged legend drugs and devices);

(3) participation in clinical interpretations and monitoring of drug therapy for assurance of safe and effective use of drugs, including ~~the performance of~~ ordering and performing laboratory tests that are waived under the federal Clinical Laboratory Improvement Act of 1988, United States Code, title 42, section 263a et seq., ~~provided that a pharmacist may interpret the results of laboratory tests but may modify~~ A pharmacist may collect specimens, interpret results, notify the patient of results, and refer the patient to other health care providers for follow-up care

and may initiate, modify, or discontinue drug therapy only pursuant to a protocol or collaborative practice agreement. A pharmacist may delegate the authority to administer tests under this clause to a pharmacy technician or pharmacy intern. A pharmacy technician or pharmacy intern may perform tests authorized under this clause if the technician or intern is working under the direct supervision of a pharmacist;

(4) participation in drug and therapeutic device selection; drug administration for first dosage and medical emergencies; intramuscular and subcutaneous drug administration under a prescription drug order; drug regimen reviews; and drug or drug-related research;

(5) drug administration, through intramuscular and subcutaneous administration used to treat mental illnesses as permitted under the following conditions:

(i) upon the order of a prescriber and the prescriber is notified after administration is complete; or

(ii) pursuant to a protocol or collaborative practice agreement as defined by section 151.01, subdivisions 27b and 27c, and participation in the initiation, management, modification, administration, and discontinuation of drug therapy is according to the protocol or collaborative practice agreement between the pharmacist and a dentist, optometrist, physician, physician assistant, podiatrist, or veterinarian, or an advanced practice registered nurse authorized to prescribe, dispense, and administer under section 148.235. Any changes in drug therapy or medication administration made pursuant to a protocol or collaborative practice agreement must be documented by the pharmacist in the patient's medical record or reported by the pharmacist to a practitioner responsible for the patient's care;

(6) ~~participation in administration of influenza vaccines and~~ initiating, ordering, and administering influenza and COVID-19 or SARS-CoV-2 vaccines authorized or approved by the United States Food and Drug Administration ~~related to COVID-19 or SARS-CoV-2~~ to all eligible individuals ~~six~~ three years of age and older and all other United States Food and Drug Administration-approved vaccines to patients ~~13~~ six years of age and older ~~by written protocol with a physician licensed under chapter 147, a physician assistant authorized to prescribe drugs under chapter 147A, or an advanced practice registered nurse authorized to prescribe drugs under section 148.235, provided that~~ according to the federal Advisory Committee on Immunization Practices recommendations. A pharmacist may delegate the authority to administer vaccines under this clause to a pharmacy technician or pharmacy intern who has completed training in vaccine administration if:

~~(i) the protocol includes, at a minimum:~~

~~(A) the name, dose, and route of each vaccine that may be given;~~

~~(B) the patient population for whom the vaccine may be given;~~

~~(C) contraindications and precautions to the vaccine;~~

~~(D) the procedure for handling an adverse reaction;~~

~~(E) the name, signature, and address of the physician, physician assistant, or advanced practice registered nurse;~~

~~(F) a telephone number at which the physician, physician assistant, or advanced practice registered nurse can be contacted; and~~

~~(G) the date and time period for which the protocol is valid;~~

~~(ii)~~ (i) the pharmacist ~~has~~ and the pharmacy technician or pharmacy intern have successfully completed a program approved by the Accreditation Council for Pharmacy Education (ACPE) specifically for the administration of immunizations or a program approved by the board;

~~(iii)~~ (ii) the pharmacist utilizes the Minnesota Immunization Information Connection to assess the immunization status of individuals prior to the administration of vaccines, except when administering influenza vaccines to individuals age nine and older;

~~(iv)~~ (iii) the pharmacist reports the administration of the immunization to the Minnesota Immunization Information Connection; ~~and~~

~~(v) the pharmacist complies with guidelines for vaccines and immunizations established by the federal Advisory Committee on Immunization Practices, except that a pharmacist does not need to comply with those portions of the guidelines that establish immunization schedules when administering a vaccine pursuant to a valid, patient-specific order issued by a physician licensed under chapter 147, a physician assistant authorized to prescribe drugs under chapter 147A, or an advanced practice registered nurse authorized to prescribe drugs under section 148.235, provided that the order is consistent with the United States Food and Drug Administration approved labeling of the vaccine;~~

(iv) if the patient is 18 years of age or younger, the pharmacist, pharmacy technician, or pharmacy intern informs the patient and any adult caregiver accompanying the patient of the importance of a well-child visit with a pediatrician or other licensed primary care provider; and

(v) in the case of a pharmacy technician administering vaccinations while being supervised by a licensed pharmacist:

(A) the supervision is in-person and must not be done through telehealth as defined under section 62A.673, subdivision 2;

(B) the pharmacist is readily and immediately available to the immunizing pharmacy technician;

(C) the pharmacy technician has a current certificate in basic cardiopulmonary resuscitation;

(D) the pharmacy technician has completed a minimum of two hours of ACPE-approved, immunization-related continuing pharmacy education as part of the pharmacy technician's two-year continuing education schedule; and

(E) the pharmacy technician has completed one of two training programs listed under Minnesota Rules, part 6800.3850, subpart 1h, item B;

(7) participation in the initiation, management, modification, and discontinuation of drug therapy according to a written protocol or collaborative practice agreement between: (i) one or more pharmacists and one or more dentists, optometrists, physicians, physician assistants, podiatrists, or veterinarians; or (ii) one or more pharmacists and one or more physician assistants authorized to prescribe, dispense, and administer under chapter 147A, or advanced practice registered nurses authorized to prescribe, dispense, and administer under section 148.235. Any changes in drug therapy made pursuant to a protocol or collaborative practice agreement must be documented by the pharmacist in the patient's medical record or reported by the pharmacist to a practitioner responsible for the patient's care;

(8) participation in the storage of drugs and the maintenance of records;

(9) patient counseling on therapeutic values, content, hazards, and uses of drugs and devices;

(10) offering or performing those acts, services, operations, or transactions necessary in the conduct, operation, management, and control of a pharmacy;

(11) participation in the initiation, management, modification, and discontinuation of therapy with opiate antagonists, as defined in section 604A.04, subdivision 1, pursuant to:

(i) a written protocol as allowed under clause (7); or

(ii) a written protocol with a community health board medical consultant or a practitioner designated by the commissioner of health, as allowed under section 151.37, subdivision 13;

(12) prescribing self-administered hormonal contraceptives; nicotine replacement medications; and opiate antagonists for the treatment of an acute opiate overdose pursuant to section 151.37, subdivision 14, 15, or 16; ~~and~~

(13) participation in the placement of drug monitoring devices according to a prescription, protocol, or collaborative practice agreement~~.~~;

(14) prescribing, dispensing, and administering drugs for preventing the acquisition of human immunodeficiency virus (HIV) if the pharmacist meets the requirements in section 151.37, subdivision 17; and

(15) ordering, conducting, and interpreting laboratory tests necessary for therapies that use drugs for preventing the acquisition of HIV, if the pharmacist meets the requirements in section 151.37, subdivision 17.

EFFECTIVE DATE. This section is effective July 1, 2024, except that clauses (14) and (15) are effective January 1, 2026.

Sec. 4. Minnesota Statutes 2022, section 151.37, is amended by adding a subdivision to read:

Subd. 17. **Drugs for preventing the acquisition of HIV.** (a) A pharmacist is authorized to prescribe and administer drugs to prevent the acquisition of human immunodeficiency virus (HIV) in accordance with this subdivision.

(b) By January 1, 2025, the Board of Pharmacy shall develop a standardized protocol for a pharmacist to follow in prescribing the drugs described in paragraph (a). In developing the protocol, the board may consult with community health advocacy groups, the Board of Medical Practice, the Board of Nursing, the commissioner of health, professional pharmacy associations, and professional associations for physicians, physician assistants, and advanced practice registered nurses.

(c) Before a pharmacist is authorized to prescribe a drug described in paragraph (a), the pharmacist must successfully complete a training program specifically developed for prescribing drugs for preventing the acquisition of HIV that is offered by a college of pharmacy, a continuing education provider that is accredited by the Accreditation Council for Pharmacy Education, or a program approved by the board. To maintain authorization to prescribe, the pharmacist shall complete continuing education requirements as specified by the board.

(d) Before prescribing a drug described in paragraph (a), the pharmacist shall follow the appropriate standardized protocol developed under paragraph (b) and, if appropriate, may dispense to a patient a drug described in paragraph (a).

(e) Before dispensing a drug described in paragraph (a) that is prescribed by the pharmacist, the pharmacist must provide counseling to the patient on the use of the drugs and must provide the patient with a fact sheet that includes the indications and contraindications for the use of these drugs, the appropriate method for using these drugs, the need for medical follow up, and any additional information listed in Minnesota Rules, part 6800.0910, subpart 2, that is required to be provided to a patient during the counseling process.

(f) A pharmacist is prohibited from delegating the prescribing authority provided under this subdivision to any other person. A pharmacist intern registered under section 151.101 may prepare the prescription, but before the prescription is processed or dispensed, a pharmacist authorized to prescribe under this subdivision must review, approve, and sign the prescription.

(g) Nothing in this subdivision prohibits a pharmacist from participating in the initiation, management, modification, and discontinuation of drug therapy according to a protocol as authorized in this section and in section 151.01, subdivision 27.

EFFECTIVE DATE. This section is effective January 1, 2026, except that paragraph (b) is effective the day following final enactment.

Sec. 5. Minnesota Statutes 2023 Supplement, section 256B.0625, subdivision 13f, is amended to read:

Subd. 13f. **Prior authorization.** (a) The Formulary Committee shall review and recommend drugs which require prior authorization. The Formulary Committee shall establish general criteria to be used for the prior authorization of brand-name drugs for which generically equivalent drugs are available, but the committee is not required to review each brand-name drug for which a generically equivalent drug is available.

(b) Prior authorization may be required by the commissioner before certain formulary drugs are eligible for payment. The Formulary Committee may recommend drugs for prior authorization directly to the commissioner. The commissioner may also request that the Formulary Committee review a drug for prior authorization. Before the commissioner may require prior authorization for a drug:

(1) the commissioner must provide information to the Formulary Committee on the impact that placing the drug on prior authorization may have on the quality of patient care and on program costs, information regarding whether the drug is subject to clinical abuse or misuse, and relevant data from the state Medicaid program if such data is available;

(2) the Formulary Committee must review the drug, taking into account medical and clinical data and the information provided by the commissioner; and

(3) the Formulary Committee must hold a public forum and receive public comment for an additional 15 days.

The commissioner must provide a 15-day notice period before implementing the prior authorization.

(c) Except as provided in subdivision 13j, prior authorization shall not be required or utilized for any atypical antipsychotic drug prescribed for the treatment of mental illness if:

(1) there is no generically equivalent drug available; and

(2) the drug was initially prescribed for the recipient prior to July 1, 2003; or

(3) the drug is part of the recipient's current course of treatment.

This paragraph applies to any multistate preferred drug list or supplemental drug rebate program established or administered by the commissioner. Prior authorization shall automatically be granted for 60 days for brand name drugs prescribed for treatment of mental illness within 60 days of when a generically equivalent drug becomes available, provided that the brand name drug was part of the recipient's course of treatment at the time the generically equivalent drug became available.

(d) Prior authorization must not be required for liquid methadone if only one version of liquid methadone is available. If more than one version of liquid methadone is available, the commissioner shall ensure that at least one version of liquid methadone is available without prior authorization.

(e) Prior authorization may be required for an oral liquid form of a drug, except as described in paragraph (d). A prior authorization request under this paragraph must be automatically approved within 24 hours if the drug is being prescribed for a Food and Drug Administration-approved condition for a patient who utilizes an enteral tube for feedings or medication administration, even if the patient has current or prior claims for pills for that condition. If more than one version of the oral liquid form of a drug is available, the commissioner may select the version that is able to be approved for a Food and Drug Administration-approved condition for a patient who utilizes an enteral tube for feedings or medication administration. This paragraph applies to any multistate preferred drug list or supplemental drug rebate program established or administered by the commissioner. The commissioner shall design and implement a streamlined prior authorization form for patients who utilize an enteral tube for feedings or medication administration and are prescribed an oral liquid form of a drug. The commissioner may require prior authorization for brand name drugs whenever a generically equivalent product is available, even if the prescriber specifically indicates "dispense as written-brand necessary" on the prescription as required by section 151.21, subdivision 2.

(f) Notwithstanding this subdivision, the commissioner may automatically require prior authorization, for a period not to exceed 180 days, for any drug that is approved by the United States Food and Drug Administration on or after July 1, 2005. The 180-day period begins no later than the first day that a drug is available for shipment to pharmacies within the state. The Formulary Committee shall recommend to the commissioner general criteria to be used for the prior authorization of the drugs, but the committee is not required to review each individual drug. In order to continue prior authorizations for a drug after the 180-day period has expired, the commissioner must follow the provisions of this subdivision.

(g) Prior authorization under this subdivision shall comply with section 62Q.184.

(h) Any step therapy protocol requirements established by the commissioner must comply with section 62Q.1841.

(i) Notwithstanding any law to the contrary, prior authorization or step therapy shall not be required or utilized for any class of drugs that is approved by the United States Food and Drug Administration for preexposure prophylaxis of HIV and AIDS, except under the conditions specified in section 62Q.46, subdivision 1, paragraph (e).

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 6. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision to read:

Subd. 13l. **Vaccines and laboratory tests provided by pharmacists.** (a) Medical assistance covers vaccines initiated, ordered, or administered by a licensed pharmacist, according to the requirements of section 151.01, subdivision 27, clause (6), at no less than the rate for which the same services are covered when provided by any other licensed practitioner.

(b) Medical assistance covers laboratory tests ordered and performed by a licensed pharmacist, according to the requirements of section 151.01, subdivision 27, clause (3), at no less than the rate for which the same services are covered when provided by any other licensed practitioner.

EFFECTIVE DATE. This section is effective January 1, 2025, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

ARTICLE 9
MENTAL HEALTH

Section 1. Minnesota Statutes 2022, section 245.462, subdivision 6, is amended to read:

Subd. 6. **Community support services program.** "Community support services program" means services, other than inpatient or residential treatment services, provided or coordinated by an identified program and staff under the treatment supervision of a mental health professional designed to help adults with serious and persistent mental illness to function and remain in the community. A community support services program includes:

(1) client outreach,

(2) medication monitoring,

(3) assistance in independent living skills,

(4) development of employability and work-related opportunities,

(5) crisis assistance,

(6) psychosocial rehabilitation,

(7) help in applying for government benefits, and

(8) housing support services.

The community support services program must be coordinated with the case management services specified in section 245.4711. A program that meets the accreditation standards for Clubhouse International model programs meets the requirements of this subdivision.

Sec. 2. Minnesota Statutes 2022, section 245.4663, subdivision 2, is amended to read:

Subd. 2. **Eligible providers.** In order to be eligible for a grant under this section, a mental health provider must:

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

(2) primarily serve underrepresented communities as defined in section 148E.010, subdivision 20~~.~~; or

(3) provide services to people in a city or township that is not within the seven-county metropolitan area as defined in section 473.121, subdivision 2, and is not the city of Duluth, Mankato, Moorhead, Rochester, or St. Cloud.

Sec. 3. Minnesota Statutes 2023 Supplement, section 245.4889, subdivision 1, is amended to read:

Subdivision 1. **Establishment and authority.** (a) The commissioner is authorized to make grants from available appropriations to assist:

(1) counties;

(2) Indian tribes;

(3) children's collaboratives under section 124D.23 or 245.493; or

(4) mental health service providers.

(b) The following services are eligible for grants under this section:

(1) services to children with emotional disturbances as defined in section 245.4871, subdivision 15, and their families;

(2) transition services under section 245.4875, subdivision 8, for young adults under age 21 and their families;

(3) respite care services for children with emotional disturbances or severe emotional disturbances who are at risk of ~~out-of-home placement or~~ residential treatment or hospitalization, who are already in out-of-home placement in family foster settings as defined in chapter 245A and at risk of change in out-of-home placement or placement in a residential facility or other higher level of care, who have utilized crisis services or emergency room services, or who have experienced a loss of in-home staffing support. Allowable activities and expenses for respite care services are defined under subdivision 4. A child is not required to have case management services to receive respite care services. Counties must work to provide access to regularly scheduled respite care;

(4) children's mental health crisis services;

(5) child-, youth-, and family-specific mobile response and stabilization services models;

(6) mental health services for people from cultural and ethnic minorities, including supervision of clinical trainees who are Black, indigenous, or people of color;

(7) children's mental health screening and follow-up diagnostic assessment and treatment;

(8) services to promote and develop the capacity of providers to use evidence-based practices in providing children's mental health services;

(9) school-linked mental health services under section 245.4901;

(10) building evidence-based mental health intervention capacity for children birth to age five;

(11) suicide prevention and counseling services that use text messaging statewide;

(12) mental health first aid training;

(13) training for parents, collaborative partners, and mental health providers on the impact of adverse childhood experiences and trauma and development of an interactive website to share information and strategies to promote resilience and prevent trauma;

(14) transition age services to develop or expand mental health treatment and supports for adolescents and young adults 26 years of age or younger;

(15) early childhood mental health consultation;

(16) evidence-based interventions for youth at risk of developing or experiencing a first episode of psychosis, and a public awareness campaign on the signs and symptoms of psychosis;

(17) psychiatric consultation for primary care practitioners; and

(18) providers to begin operations and meet program requirements when establishing a new children's mental health program. These may be start-up grants.

(c) Services under paragraph (b) must be designed to help each child to function and remain with the child's family in the community and delivered consistent with the child's treatment plan. Transition services to eligible young adults under this paragraph must be designed to foster independent living in the community.

(d) As a condition of receiving grant funds, a grantee shall obtain all available third-party reimbursement sources, if applicable.

(e) The commissioner may establish and design a pilot program to expand the mobile response and stabilization services model for children, youth, and families. The commissioner may use grant funding to consult with a qualified expert entity to assist in the formulation of measurable outcomes and explore and position the state to submit a Medicaid state plan amendment to scale the model statewide.

Sec. 4. Minnesota Statutes 2022, section 245I.02, subdivision 17, is amended to read:

Subd. 17. **Functional assessment.** "Functional assessment" means the assessment of a client's current level of functioning relative to functioning that is appropriate for someone the client's age. ~~For a client five years of age or younger, a functional assessment is the Early Childhood Service Intensity Instrument (ESCII). For a client six to 17 years of age, a functional assessment is the Child and Adolescent Service Intensity Instrument (CASII). For a client 18 years of age or older, a functional assessment is the functional assessment described in section 245I.10, subdivision 9.~~

Sec. 5. Minnesota Statutes 2022, section 245I.02, subdivision 19, is amended to read:

Subd. 19. **Level of care assessment.** "Level of care assessment" means the level of care decision support tool appropriate to the client's age. ~~For a client five years of age or younger, a level of care assessment is the Early Childhood Service Intensity Instrument (ESCII). For a client six to 17 years of age, a level of care assessment is the Child and Adolescent Service Intensity Instrument (CASII). For a client 18 years of age or older, a level of care assessment is the Level of Care Utilization System for Psychiatric and Addiction Services (LOCUS) or another tool authorized by the commissioner.~~

Sec. 6. Minnesota Statutes 2022, section 245I.04, subdivision 6, is amended to read:

Subd. 6. **Clinical trainee qualifications.** (a) A clinical trainee is a staff person who: (1) is enrolled in an accredited graduate program of study to prepare the staff person for independent licensure as a mental health professional and who is participating in a practicum or internship with the license holder through the individual's graduate program; ~~or~~ (2) has completed an accredited graduate program of study to prepare the staff person for independent licensure as a mental health professional and who is in compliance with the requirements of the applicable health-related licensing board, including requirements for supervised practice~~.~~; or (3) has completed an accredited graduate program of study to prepare the staff person for independent licensure as a mental health professional, has completed a practicum or internship and has not yet taken or received the results from the required test or is waiting for the final licensure decision.

(b) A clinical trainee is responsible for notifying and applying to a health-related licensing board to ensure that the trainee meets the requirements of the health-related licensing board. As permitted by a health-related licensing board, treatment supervision under this chapter may be integrated into a plan to meet the supervisory requirements of the health-related licensing board but does not supersede those requirements.

Sec. 7. Minnesota Statutes 2022, section 245I.10, subdivision 9, is amended to read:

Subd. 9. **Functional assessment; required elements.** (a) When a license holder is completing a functional assessment for an adult client, the license holder must:

(1) complete a functional assessment of the client after completing the client's diagnostic assessment;

(2) use a collaborative process that allows the client and the client's family and other natural supports, the client's referral sources, and the client's providers to provide information about how the client's symptoms of mental illness impact the client's functioning;

(3) if applicable, document the reasons that the license holder did not contact the client's family and other natural supports;

(4) assess and document how the client's symptoms of mental illness impact the client's functioning in the following areas:

(i) the client's mental health symptoms;

(ii) the client's mental health service needs;

(iii) the client's substance use;

(iv) the client's vocational and educational functioning;

(v) the client's social functioning, including the use of leisure time;

(vi) the client's interpersonal functioning, including relationships with the client's family and other natural supports;

(vii) the client's ability to provide self-care and live independently;

(viii) the client's medical and dental health;

(ix) the client's financial assistance needs; and

(x) the client's housing and transportation needs;

~~(5) include a narrative summarizing the client's strengths, resources, and all areas of functional impairment;~~

~~(6)~~ (5) complete the client's functional assessment before the client's initial individual treatment plan unless a service specifies otherwise; and

~~(7)~~ (6) update the client's functional assessment with the client's current functioning whenever there is a significant change in the client's functioning or at least every ~~180~~ 365 days, unless a service specifies otherwise.

(b) A license holder may use any available, validated measurement tool, including but not limited to the Daily Living Activities-20, when completing the required elements of a functional assessment under this subdivision.

Sec. 8. Minnesota Statutes 2022, section 245I.11, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) If a license holder is licensed as a residential program, stores or administers client medications, or observes clients self-administer medications, the license holder must ensure that a staff person who is a registered nurse or licensed prescriber is responsible for overseeing storage and administration of client medications and observing as a client self-administers medications, including training according to section 245I.05, subdivision 6, and documenting the occurrence according to section 245I.08, subdivision 5.

(b) For purposes of this section, "observed self-administration" means the preparation and administration of a medication by a client to themselves under the direct supervision of a registered nurse or a staff member to whom a registered nurse delegates supervision duty. Observed self-administration does not include a client's use of a medication that they keep in their own possession while participating in a program.

Sec. 9. Minnesota Statutes 2022, section 245I.11, is amended by adding a subdivision to read:

Subd. 6. **Medication administration in children's day treatment settings.** (a) For a program providing children's day treatment services under section 256B.0943, the license holder must maintain policies and procedures that state whether the program will store medication and administer or allow observed self-administration.

(b) For a program providing children's day treatment services under section 256B.0943 that does not store medications but allows clients to use a medication that they keep in their own possession while participating in a program, the license holder must maintain documentation from a licensed prescriber regarding the safety of medications held by clients, including:

(1) an evaluation that the client is capable of holding and administering the medication safely;

(2) an evaluation of whether the medication is prone to diversion, misuse, or self-injury; and

(3) any conditions under which the license holder should no longer allow the client to maintain the medication in their own possession.

Sec. 10. Minnesota Statutes 2022, section 245I.20, subdivision 4, is amended to read:

Subd. 4. **Minimum staffing standards.** (a) A certification holder's treatment team must consist of at least four mental health professionals. At least two of the mental health professionals must be employed by or under contract with the mental health clinic for a minimum of 35 hours per week each. ~~Each of the two mental health professionals must specialize in a different mental health discipline.~~

(b) The treatment team must include:

(1) a physician qualified as a mental health professional according to section 245I.04, subdivision 2, clause (4), or a nurse qualified as a mental health professional according to section 245I.04, subdivision 2, clause (1); and

(2) a psychologist qualified as a mental health professional according to section 245I.04, subdivision 2, clause (3).

(c) The staff persons fulfilling the requirement in paragraph (b) must provide clinical services at least:

(1) eight hours every two weeks if the mental health clinic has over 25.0 full-time equivalent treatment team members;

(2) eight hours each month if the mental health clinic has 15.1 to 25.0 full-time equivalent treatment team members;

(3) four hours each month if the mental health clinic has 5.1 to 15.0 full-time equivalent treatment team members; or

(4) two hours each month if the mental health clinic has 2.0 to 5.0 full-time equivalent treatment team members or only provides in-home services to clients.

(d) The certification holder must maintain a record that demonstrates compliance with this subdivision.

Sec. 11. Minnesota Statutes 2022, section 245I.23, subdivision 14, is amended to read:

Subd. 14. **Weekly team meetings.** (a) The license holder must hold weekly team meetings and ancillary meetings according to this subdivision.

(b) A mental health professional or certified rehabilitation specialist must hold at least one team meeting each calendar week ~~and~~. The mental health professional or certified rehabilitation specialist must lead and be physically present at the team meeting, except as permitted under paragraph (e). All treatment team members, including treatment team members who work on a part-time or intermittent basis, must participate in a minimum of one team meeting during each calendar week when the treatment team member is working for the license holder. The license holder must document all weekly team meetings, including the names of meeting attendees, and indicate whether the meeting was conducted remotely under paragraph (e).

(c) If a treatment team member cannot participate in a weekly team meeting, the treatment team member must participate in an ancillary meeting. A mental health professional, certified rehabilitation specialist, clinical trainee, or mental health practitioner who participated in the most recent weekly team meeting may lead the ancillary meeting. During the ancillary meeting, the treatment team member leading the ancillary meeting must review the information that was shared at the most recent weekly team meeting, including revisions to client treatment plans and other information that the treatment supervisors exchanged with treatment team members. The license holder must document all ancillary meetings, including the names of meeting attendees.

(d) If a treatment team member working only one shift during a week cannot participate in a weekly team meeting or participate in an ancillary meeting, the treatment team member must read the minutes of the weekly team meeting required to be documented in paragraph (b). The treatment team member must sign to acknowledge receipt of this information, and document pertinent information or questions. The mental health professional or certified rehabilitation specialist must review any documented questions or pertinent information before the next weekly team meeting.

(e) A license holder may permit a mental health professional or certified rehabilitation specialist to lead the weekly meeting remotely due to medical or weather conditions. If the conditions that do not permit physical presence persist for longer than one week, the license holder must request a variance to conduct additional meetings remotely.

Sec. 12. **[256B.0617] MENTAL HEALTH SERVICES PROVIDER CERTIFICATION.**

(a) The commissioner of human services shall establish an initial provider entity application and certification and recertification processes to determine whether a provider entity has administrative and clinical infrastructures that meet the certification requirements. This process applies to providers of the following services:

(1) children's intensive behavioral health services under section 256B.0946; and

(2) intensive nonresidential rehabilitative mental health services under section 256B.0947.

(b) The commissioner shall recertify a provider entity every three years using the individual provider's certification anniversary or the calendar year end. The commissioner may approve a recertification extension in the interest of sustaining services when a certain date for recertification is identified.

(c) The commissioner shall establish a process for decertification of a provider entity and shall require corrective action, medical assistance repayment, or decertification of a provider entity that no longer meets the requirements in this section or that fails to meet the clinical quality standards or administrative standards provided by the commissioner in the application and certification process.

(d) The commissioner must provide the following to provider entities for the certification, recertification, and decertification processes:

(1) a structured listing of required provider certification criteria;

(2) a formal written letter with a determination of certification, recertification, or decertification signed by the commissioner or the appropriate division director; and

(3) a formal written communication outlining the process for necessary corrective action and follow-up by the commissioner signed by the commissioner or their designee, if applicable. In the case of corrective action, the commissioner may schedule interim recertification site reviews to confirm certification or decertification.

EFFECTIVE DATE. This section is effective July 1, 2024, and the commissioner of human services must implement all requirements of this section by September 1, 2024.

Sec. 13. Minnesota Statutes 2022, section 256B.0622, subdivision 2a, is amended to read:

Subd. 2a. **Eligibility for assertive community treatment.** (a) An eligible client for assertive community treatment is an individual who meets the following criteria as assessed by an ACT team:

(1) is age 18 or older. Individuals ages 16 and 17 may be eligible upon approval by the commissioner;

(2) has a primary diagnosis of schizophrenia, schizoaffective disorder, major depressive disorder with psychotic features, other psychotic disorders, or bipolar disorder. Individuals with other psychiatric illnesses may qualify for assertive community treatment if they have a serious mental illness and meet the criteria outlined in clauses (3) and (4), but no more than ten percent of an ACT team's clients may be eligible based on this criteria. Individuals with a primary diagnosis of a substance use disorder, intellectual developmental disabilities, borderline personality disorder, antisocial personality disorder, traumatic brain injury, or an autism spectrum disorder are not eligible for assertive community treatment;

(3) has significant functional impairment as demonstrated by at least one of the following conditions:

(i) significant difficulty consistently performing the range of routine tasks required for basic adult functioning in the community or persistent difficulty performing daily living tasks without significant support or assistance;

(ii) significant difficulty maintaining employment at a self-sustaining level or significant difficulty consistently carrying out the head-of-household responsibilities; or

(iii) significant difficulty maintaining a safe living situation;

(4) has a need for continuous high-intensity services as evidenced by at least two of the following:

(i) two or more psychiatric hospitalizations or residential crisis stabilization services in the previous 12 months;

(ii) frequent utilization of mental health crisis services in the previous six months;

(iii) 30 or more consecutive days of psychiatric hospitalization in the previous 24 months;

(iv) intractable, persistent, or prolonged severe psychiatric symptoms;

(v) coexisting mental health and substance use disorders lasting at least six months;

(vi) recent history of involvement with the criminal justice system or demonstrated risk of future involvement;

(vii) significant difficulty meeting basic survival needs;

(viii) residing in substandard housing, experiencing homelessness, or facing imminent risk of homelessness;

(ix) significant impairment with social and interpersonal functioning such that basic needs are in jeopardy;

(x) coexisting mental health and physical health disorders lasting at least six months;

(xi) residing in an inpatient or supervised community residence but clinically assessed to be able to live in a more independent living situation if intensive services are provided;

(xii) requiring a residential placement if more intensive services are not available; or

(xiii) difficulty effectively using traditional office-based outpatient services;

(5) there are no indications that other available community-based services would be equally or more effective as evidenced by consistent and extensive efforts to treat the individual; and

(6) in the written opinion of a licensed mental health professional, has the need for mental health services that cannot be met with other available community-based services, or is likely to experience a mental health crisis or require a more restrictive setting if assertive community treatment is not provided.

(b) An individual meets the criteria for assertive community treatment under this section immediately following participation in a first episode of psychosis program if the individual:

(1) meets the eligibility requirements outlined in paragraph (a), clauses (1), (2), (5), and (6);

(2) is currently participating in a first episode of psychosis program under section 245.4905; and

(3) needs the level of intensity provided by an ACT team, in the opinion of the individual's first episode of psychosis program, in order to prevent crisis services, hospitalization, homelessness, and involvement with the criminal justice system.

Sec. 14. Minnesota Statutes 2022, section 256B.0622, subdivision 3a, is amended to read:

Subd. 3a. **Provider certification and contract requirements for assertive community treatment.** (a) The assertive community treatment provider must~~:~~

~~(1) have a contract with the host county to provide assertive community treatment services; and~~

~~(2)~~ have each ACT team be certified by the state following the certification process and procedures developed by the commissioner. The certification process determines whether the ACT team meets the standards for assertive community treatment under this section, the standards in chapter 245I as required in section 245I.011, subdivision 5, and minimum program fidelity standards as measured by a nationally recognized fidelity tool approved by the commissioner. Recertification must occur at least every three years.

(b) An ACT team certified under this subdivision must meet the following standards:

(1) have capacity to recruit, hire, manage, and train required ACT team members;

(2) have adequate administrative ability to ensure availability of services;

(3) ensure flexibility in service delivery to respond to the changing and intermittent care needs of a client as identified by the client and the individual treatment plan;

(4) keep all necessary records required by law;

(5) be an enrolled Medicaid provider; and

(6) establish and maintain a quality assurance plan to determine specific service outcomes and the client's satisfaction with services.

(c) The commissioner may intervene at any time and decertify an ACT team with cause. The commissioner shall establish a process for decertification of an ACT team and shall require corrective action, medical assistance repayment, or decertification of an ACT team that no longer meets the requirements in this section or that fails to meet the clinical quality standards or administrative standards provided by the commissioner in the application and certification process. The decertification is subject to appeal to the state.

Sec. 15. Minnesota Statutes 2022, section 256B.0622, subdivision 7a, is amended to read:

Subd. 7a. **Assertive community treatment team staff requirements and roles.** (a) The required treatment staff qualifications and roles for an ACT team are:

(1) the team leader:

(i) shall be a mental health professional. Individuals who are not licensed but who are eligible for licensure and are otherwise qualified may also fulfill this role ~~but must obtain full licensure within 24 months of assuming the role of team leader~~;

(ii) must be an active member of the ACT team and provide some direct services to clients;

(iii) must be a single full-time staff member, dedicated to the ACT team, who is responsible for overseeing the administrative operations of the team~~, providing treatment supervision of services in conjunction with the psychiatrist or psychiatric care provider,~~ and supervising team members to ensure delivery of best and ethical practices; and

(iv) must be available to ~~provide~~ ensure that overall treatment supervision to the ACT team is available after regular business hours and on weekends and holidays~~. The team leader may delegate this duty to another~~ and is provided by a qualified member of the ACT team;

(2) the psychiatric care provider:

(i) must be a mental health professional permitted to prescribe psychiatric medications as part of the mental health professional's scope of practice. The psychiatric care provider must have demonstrated clinical experience working with individuals with serious and persistent mental illness;

(ii) shall collaborate with the team leader in sharing overall clinical responsibility for screening and admitting clients; monitoring clients' treatment and team member service delivery; educating staff on psychiatric and nonpsychiatric medications, their side effects, and health-related conditions; actively collaborating with nurses; and helping provide treatment supervision to the team;

(iii) shall fulfill the following functions for assertive community treatment clients: provide assessment and treatment of clients' symptoms and response to medications, including side effects; provide brief therapy to clients; provide diagnostic and medication education to clients, with medication decisions based on shared decision making; monitor clients' nonpsychiatric medical conditions and nonpsychiatric medications; and conduct home and community visits;

(iv) shall serve as the point of contact for psychiatric treatment if a client is hospitalized for mental health treatment and shall communicate directly with the client's inpatient psychiatric care providers to ensure continuity of care;

(v) shall have a minimum full-time equivalency that is prorated at a rate of 16 hours per 50 clients. Part-time psychiatric care providers shall have designated hours to work on the team, with sufficient blocks of time on consistent days to carry out the provider's clinical, supervisory, and administrative responsibilities. No more than two psychiatric care providers may share this role; and

(vi) shall provide psychiatric backup to the program after regular business hours and on weekends and holidays. The psychiatric care provider may delegate this duty to another qualified psychiatric provider;

(3) the nursing staff:

(i) shall consist of one to three registered nurses or advanced practice registered nurses, of whom at least one has a minimum of one-year experience working with adults with serious mental illness and a working knowledge of psychiatric medications. No more than two individuals can share a full-time equivalent position;

(ii) are responsible for managing medication, administering and documenting medication treatment, and managing a secure medication room; and

(iii) shall develop strategies, in collaboration with clients, to maximize taking medications as prescribed; screen and monitor clients' mental and physical health conditions and medication side effects; engage in health promotion, prevention, and education activities; communicate and coordinate services with other medical providers; facilitate the development of the individual treatment plan for clients assigned; and educate the ACT team in monitoring psychiatric and physical health symptoms and medication side effects;

(4) the co-occurring disorder specialist:

(i) shall be a full-time equivalent co-occurring disorder specialist who has received specific training on co-occurring disorders that is consistent with national evidence-based practices. The training must include practical knowledge of common substances and how they affect mental illnesses, the ability to assess substance use disorders and the client's stage of treatment, motivational interviewing, and skills necessary to provide counseling to clients at

all different stages of change and treatment. The co-occurring disorder specialist may also be an individual who is a licensed alcohol and drug counselor as described in section 148F.01, subdivision 5, or a counselor who otherwise meets the training, experience, and other requirements in section 245G.11, subdivision 5. No more than two co-occurring disorder specialists may occupy this role; and

(ii) shall provide or facilitate the provision of co-occurring disorder treatment to clients. The co-occurring disorder specialist shall serve as a consultant and educator to fellow ACT team members on co-occurring disorders;

(5) the vocational specialist:

(i) shall be a full-time vocational specialist who has at least one-year experience providing employment services or advanced education that involved field training in vocational services to individuals with mental illness. An individual who does not meet these qualifications may also serve as the vocational specialist upon completing a training plan approved by the commissioner;

(ii) shall provide or facilitate the provision of vocational services to clients. The vocational specialist serves as a consultant and educator to fellow ACT team members on these services; and

(iii) must not refer individuals to receive any type of vocational services or linkage by providers outside of the ACT team;

(6) the mental health certified peer specialist:

(i) shall be a full-time equivalent. No more than two individuals can share this position. The mental health certified peer specialist is a fully integrated team member who provides highly individualized services in the community and promotes the self-determination and shared decision-making abilities of clients. This requirement may be waived due to workforce shortages upon approval of the commissioner;

(ii) must provide coaching, mentoring, and consultation to the clients to promote recovery, self-advocacy, and self-direction, promote wellness management strategies, and assist clients in developing advance directives; and

(iii) must model recovery values, attitudes, beliefs, and personal action to encourage wellness and resilience, provide consultation to team members, promote a culture where the clients' points of view and preferences are recognized, understood, respected, and integrated into treatment, and serve in a manner equivalent to other team members;

(7) the program administrative assistant shall be a full-time office-based program administrative assistant position assigned to solely work with the ACT team, providing a range of supports to the team, clients, and families; and

(8) additional staff:

(i) shall be based on team size. Additional treatment team staff may include mental health professionals; clinical trainees; certified rehabilitation specialists; mental health practitioners; or mental health rehabilitation workers. These individuals shall have the knowledge, skills, and abilities required by the population served to carry out rehabilitation and support functions; and

(ii) shall be selected based on specific program needs or the population served.

(b) Each ACT team must clearly document schedules for all ACT team members.

(c) Each ACT team member must serve as a primary team member for clients assigned by the team leader and are responsible for facilitating the individual treatment plan process for those clients. The primary team member for a client is the responsible team member knowledgeable about the client's life and circumstances and writes the individual treatment plan. The primary team member provides individual supportive therapy or counseling, and provides primary support and education to the client's family and support system.

(d) Members of the ACT team must have strong clinical skills, professional qualifications, experience, and competency to provide a full breadth of rehabilitation services. Each staff member shall be proficient in their respective discipline and be able to work collaboratively as a member of a multidisciplinary team to deliver the majority of the treatment, rehabilitation, and support services clients require to fully benefit from receiving assertive community treatment.

(e) Each ACT team member must fulfill training requirements established by the commissioner.

Sec. 16. Minnesota Statutes 2023 Supplement, section 256B.0622, subdivision 7b, is amended to read:

Subd. 7b. **Assertive community treatment program ~~size and opportunities~~ scores.** ~~(a)~~ Each ACT team ~~shall maintain an annual average caseload that does not exceed 100 clients. Staff-to-client ratios shall be based on team size as follows:~~ must demonstrate that the team attained a passing score according to the most recently issued Tool for Measurement of Assertive Community Treatment (TMACT).

~~(1) a small ACT team must:~~

~~(i) employ at least six but no more than seven full-time treatment team staff, excluding the program assistant and the psychiatric care provider;~~

~~(ii) serve an annual average maximum of no more than 50 clients;~~

~~(iii) ensure at least one full-time equivalent position for every eight clients served;~~

~~(iv) schedule ACT team staff on weekdays and on-call duty to provide crisis services and deliver services after hours when staff are not working;~~

~~(v) provide crisis services during business hours if the small ACT team does not have sufficient staff numbers to operate an after-hours on-call system. During all other hours, the ACT team may arrange for coverage for crisis assessment and intervention services through a reliable crisis intervention provider as long as there is a mechanism by which the ACT team communicates routinely with the crisis intervention provider and the on-call ACT team staff are available to see clients face to face when necessary or if requested by the crisis intervention services provider;~~

~~(vi) adjust schedules and provide staff to carry out the needed service activities in the evenings or on weekend days or holidays, when necessary;~~

~~(vii) arrange for and provide psychiatric backup during all hours the psychiatric care provider is not regularly scheduled to work. If availability of the ACT team's psychiatric care provider during all hours is not feasible, alternative psychiatric prescriber backup must be arranged and a mechanism of timely communication and coordination established in writing; and~~

~~(viii) be composed of, at minimum, one full-time team leader, at least 16 hours each week per 50 clients of psychiatric provider time, or equivalent if fewer clients, one full-time equivalent nursing, one full-time co-occurring disorder specialist, one full-time equivalent mental health certified peer specialist, one full-time vocational specialist, one full-time program assistant, and at least one additional full-time ACT team member who has mental health professional, certified rehabilitation specialist, clinical trainee, or mental health practitioner status; and~~

~~(2) a midsize ACT team shall:~~

~~(i) be composed of, at minimum, one full-time team leader, at least 16 hours of psychiatry time for 51 clients, with an additional two hours for every six clients added to the team, 1.5 to two full-time equivalent nursing staff, one full-time co-occurring disorder specialist, one full-time equivalent mental health certified peer specialist, one full-time vocational specialist, one full-time program assistant, and at least 1.5 to two additional full-time equivalent ACT members, with at least one dedicated full-time staff member with mental health professional status. Remaining team members may have mental health professional, certified rehabilitation specialist, clinical trainee, or mental health practitioner status;~~

~~(ii) employ seven or more treatment team full-time equivalents, excluding the program assistant and the psychiatric care provider;~~

~~(iii) serve an annual average maximum caseload of 51 to 74 clients;~~

~~(iv) ensure at least one full-time equivalent position for every nine clients served;~~

~~(v) schedule ACT team staff for a minimum of ten-hour shift coverage on weekdays and six- to eight-hour shift coverage on weekends and holidays. In addition to these minimum specifications, staff are regularly scheduled to provide the necessary services on a client-by-client basis in the evenings and on weekends and holidays;~~

~~(vi) schedule ACT team staff on call duty to provide crisis services and deliver services when staff are not working;~~

~~(vii) have the authority to arrange for coverage for crisis assessment and intervention services through a reliable crisis intervention provider as long as there is a mechanism by which the ACT team communicates routinely with the crisis intervention provider and the on call ACT team staff are available to see clients face to face when necessary or if requested by the crisis intervention services provider; and~~

~~(viii) arrange for and provide psychiatric backup during all hours the psychiatric care provider is not regularly scheduled to work. If availability of the psychiatric care provider during all hours is not feasible, alternative psychiatric prescriber backup must be arranged and a mechanism of timely communication and coordination established in writing;~~

~~(3) a large ACT team must:~~

~~(i) be composed of, at minimum, one full-time team leader, at least 32 hours each week per 100 clients, or equivalent of psychiatry time, three full-time equivalent nursing staff, one full-time co-occurring disorder specialist, one full-time equivalent mental health certified peer specialist, one full-time vocational specialist, one full-time program assistant, and at least two additional full-time equivalent ACT team members, with at least one dedicated full-time staff member with mental health professional status. Remaining team members may have mental health professional or mental health practitioner status;~~

~~(ii) employ nine or more treatment team full-time equivalents, excluding the program assistant and psychiatric care provider;~~

~~(iii) serve an annual average maximum caseload of 75 to 100 clients;~~

~~(iv) ensure at least one full-time equivalent position for every nine individuals served;~~

~~(v) schedule staff to work two eight-hour shifts, with a minimum of two staff on the second shift providing services at least 12 hours per day weekdays. For weekends and holidays, the team must operate and schedule ACT team staff to work one eight-hour shift, with a minimum of two staff each weekend day and every holiday;~~

~~(vi) schedule ACT team staff on-call duty to provide crisis services and deliver services when staff are not working; and~~

~~(vii) arrange for and provide psychiatric backup during all hours the psychiatric care provider is not regularly scheduled to work. If availability of the ACT team psychiatric care provider during all hours is not feasible, alternative psychiatric backup must be arranged and a mechanism of timely communication and coordination established in writing.~~

~~(b) An ACT team of any size may have a staff-to-client ratio that is lower than the requirements described in paragraph (a) upon approval by the commissioner, but may not exceed a one-to-ten staff-to-client ratio.~~

Sec. 17. Minnesota Statutes 2022, section 256B.0622, subdivision 7d, is amended to read:

Subd. 7d. **Assertive community treatment assessment and individual treatment plan.** (a) An initial assessment shall be completed the day of the client's admission to assertive community treatment by the ACT team leader or the psychiatric care provider, with participation by designated ACT team members and the client. The initial assessment must include obtaining or completing a standard diagnostic assessment according to section 245I.10, subdivision 6, and completing a 30-day individual treatment plan. The team leader, psychiatric care provider, or other mental health professional designated by the team leader or psychiatric care provider, must update the client's diagnostic assessment ~~at least annually~~ as required under section 245I.10, subdivision 2, paragraphs (f) and (g).

(b) A functional assessment must be completed according to section 245I.10, subdivision 9. Each part of the functional assessment areas shall be completed by each respective team specialist or an ACT team member with skill and knowledge in the area being assessed.

(c) Between 30 and 45 days after the client's admission to assertive community treatment, the entire ACT team must hold a comprehensive case conference, where all team members, including the psychiatric provider, present information discovered from the completed assessments and provide treatment recommendations. The conference must serve as the basis for the first individual treatment plan, which must be written by the primary team member.

(d) The client's psychiatric care provider, primary team member, and individual treatment team members shall assume responsibility for preparing the written narrative of the results from the psychiatric and social functioning history timeline and the comprehensive assessment.

(e) The primary team member and individual treatment team members shall be assigned by the team leader in collaboration with the psychiatric care provider by the time of the first treatment planning meeting or 30 days after admission, whichever occurs first.

(f) Individual treatment plans must be developed through the following treatment planning process:

(1) The individual treatment plan shall be developed in collaboration with the client and the client's preferred natural supports, and guardian, if applicable and appropriate. The ACT team shall evaluate, together with each client, the client's needs, strengths, and preferences and develop the individual treatment plan collaboratively. The ACT team shall make every effort to ensure that the client and the client's family and natural supports, with the client's consent, are in attendance at the treatment planning meeting, are involved in ongoing meetings related to treatment, and have the necessary supports to fully participate. The client's participation in the development of the individual treatment plan shall be documented.

(2) The client and the ACT team shall work together to formulate and prioritize the issues, set goals, research approaches and interventions, and establish the plan. The plan is individually tailored so that the treatment, rehabilitation, and support approaches and interventions achieve optimum symptom reduction, help fulfill the personal needs and aspirations of the client, take into account the cultural beliefs and realities of the individual, and improve all the aspects of psychosocial functioning that are important to the client. The process supports strengths, rehabilitation, and recovery.

(3) Each client's individual treatment plan shall identify service needs, strengths and capacities, and barriers, and set specific and measurable short- and long-term goals for each service need. The individual treatment plan must clearly specify the approaches and interventions necessary for the client to achieve the individual goals, when the interventions shall happen, and identify which ACT team member shall carry out the approaches and interventions.

(4) The primary team member and the individual treatment team, together with the client and the client's family and natural supports with the client's consent, are responsible for reviewing and rewriting the treatment goals and individual treatment plan whenever there is a major decision point in the client's course of treatment or at least every six months.

(5) The primary team member shall prepare a summary that thoroughly describes in writing the client's and the individual treatment team's evaluation of the client's progress and goal attainment, the effectiveness of the interventions, and the satisfaction with services since the last individual treatment plan. The client's most recent diagnostic assessment must be included with the treatment plan summary.

(6) The individual treatment plan and review must be approved or acknowledged by the client, the primary team member, the team leader, the psychiatric care provider, and all individual treatment team members. A copy of the approved individual treatment plan must be made available to the client.

Sec. 18. Minnesota Statutes 2023 Supplement, section 256B.0622, subdivision 8, is amended to read:

Subd. 8. **Medical assistance payment for assertive community treatment and intensive residential treatment services.** (a) Payment for intensive residential treatment services and assertive community treatment in this section shall be based on one daily rate per provider inclusive of the following services received by an eligible client in a given calendar day: all rehabilitative services under this section, staff travel time to provide rehabilitative services under this section, and nonresidential crisis stabilization services under section 256B.0624.

(b) Except as indicated in paragraph (c), payment will not be made to more than one entity for each client for services provided under this section on a given day. If services under this section are provided by a team that includes staff from more than one entity, the team must determine how to distribute the payment among the members.

(c) The commissioner shall determine one rate for each provider that will bill medical assistance for residential services under this section and one rate for each assertive community treatment provider. If a single entity provides both services, one rate is established for the entity's residential services and another rate for the entity's nonresidential services under this section. A provider is not eligible for payment under this section without authorization from the commissioner. The commissioner shall develop rates using the following criteria:

(1) the provider's cost for services shall include direct services costs, other program costs, and other costs determined as follows:

(i) the direct services costs must be determined using actual costs of salaries, benefits, payroll taxes, and training of direct service staff and service-related transportation;

(ii) other program costs not included in item (i) must be determined as a specified percentage of the direct services costs as determined by item (i). The percentage used shall be determined by the commissioner based upon the average of percentages that represent the relationship of other program costs to direct services costs among the entities that provide similar services;

(iii) physical plant costs calculated based on the percentage of space within the program that is entirely devoted to treatment and programming. This does not include administrative or residential space;

(iv) assertive community treatment physical plant costs must be reimbursed as part of the costs described in item (ii); and

(v) subject to federal approval, up to an additional five percent of the total rate may be added to the program rate as a quality incentive based upon the entity meeting performance criteria specified by the commissioner;

(2) actual cost is defined as costs which are allowable, allocable, and reasonable, and consistent with federal reimbursement requirements under Code of Federal Regulations, title 48, chapter 1, part 31, relating to for-profit entities, and Office of Management and Budget Circular Number A-122, relating to nonprofit entities;

(3) the number of service units;

(4) the degree to which clients will receive services other than services under this section; and

(5) the costs of other services that will be separately reimbursed.

(d) The rate for intensive residential treatment services and assertive community treatment must exclude the medical assistance room and board rate, as defined in section 256B.056, subdivision 5d, and services not covered under this section, such as partial hospitalization, home care, and inpatient services.

(e) Physician services that are not separately billed may be included in the rate to the extent that a psychiatrist, or other health care professional providing physician services within their scope of practice, is a member of the intensive residential treatment services treatment team. Physician services, whether billed separately or included in the rate, may be delivered by telehealth. For purposes of this paragraph, "telehealth" has the meaning given to "mental health telehealth" in section 256B.0625, subdivision 46, when telehealth is used to provide intensive residential treatment services.

(f) When services under this section are provided by an assertive community treatment provider, case management functions must be an integral part of the team.

(g) The rate for a provider must not exceed the rate charged by that provider for the same service to other payors.

(h) The rates for existing programs must be established prospectively based upon the expenditures and utilization over a prior 12-month period using the criteria established in paragraph (c). The rates for new programs must be established based upon estimated expenditures and estimated utilization using the criteria established in paragraph (c).

(i) Effective for the rate years beginning on and after January 1, 2024, rates for assertive community treatment, adult residential crisis stabilization services, and intensive residential treatment services must be annually adjusted for inflation using the Centers for Medicare and Medicaid Services Medicare Economic Index, as forecasted in the ~~fourth~~ third quarter of the calendar year before the rate year. The inflation adjustment must be based on the 12-month period from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined.

(j) Entities who discontinue providing services must be subject to a settle-up process whereby actual costs and reimbursement for the previous 12 months are compared. In the event that the entity was paid more than the entity's actual costs plus any applicable performance-related funding due the provider, the excess payment must be reimbursed to the department. If a provider's revenue is less than actual allowed costs due to lower utilization than projected, the commissioner may reimburse the provider to recover its actual allowable costs. The resulting adjustments by the commissioner must be proportional to the percent of total units of service reimbursed by the commissioner and must reflect a difference of greater than five percent.

(k) A provider may request of the commissioner a review of any rate-setting decision made under this subdivision.

Sec. 19. Minnesota Statutes 2022, section 256B.0623, subdivision 5, is amended to read:

Subd. 5. **Qualifications of provider staff.** Adult rehabilitative mental health services must be provided by qualified individual provider staff of a certified provider entity. Individual provider staff must be qualified as:

(1) a mental health professional who is qualified according to section 245I.04, subdivision 2;

(2) a certified rehabilitation specialist who is qualified according to section 245I.04, subdivision 8;

(3) a clinical trainee who is qualified according to section 245I.04, subdivision 6;

(4) a mental health practitioner qualified according to section 245I.04, subdivision 4;

(5) a mental health certified peer specialist who is qualified according to section 245I.04, subdivision 10; ~~or~~

(6) a mental health rehabilitation worker who is qualified according to section 245I.04, subdivision 14~~.~~; or

(7) a licensed occupational therapist, as defined in section 148.6402, subdivision 14.

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

Sec. 20. Minnesota Statutes 2023 Supplement, section 256B.0625, subdivision 5m, is amended to read:

Subd. 5m. **Certified community behavioral health clinic services.** (a) Medical assistance covers services provided by a not-for-profit certified community behavioral health clinic (CCBHC) that meets the requirements of section 245.735, subdivision 3.

(b) The commissioner shall reimburse CCBHCs on a per-day basis for each day that an eligible service is delivered using the CCBHC daily bundled rate system for medical assistance payments as described in paragraph (c). The commissioner shall include a quality incentive payment in the CCBHC daily bundled rate system as described in paragraph (e). There is no county share for medical assistance services when reimbursed through the CCBHC daily bundled rate system.

(c) The commissioner shall ensure that the CCBHC daily bundled rate system for CCBHC payments under medical assistance meets the following requirements:

(1) the CCBHC daily bundled rate shall be a provider-specific rate calculated for each CCBHC, based on the daily cost of providing CCBHC services and the total annual allowable CCBHC costs divided by the total annual number of CCBHC visits. For calculating the payment rate, total annual visits include visits covered by medical

assistance and visits not covered by medical assistance. Allowable costs include but are not limited to the salaries and benefits of medical assistance providers; the cost of CCBHC services provided under section 245.735, subdivision 3, paragraph (a), clauses (6) and (7); and other costs such as insurance or supplies needed to provide CCBHC services;

(2) payment shall be limited to one payment per day per medical assistance enrollee when an eligible CCBHC service is provided. A CCBHC visit is eligible for reimbursement if at least one of the CCBHC services listed under section 245.735, subdivision 3, paragraph (a), clause (6), is furnished to a medical assistance enrollee by a health care practitioner or licensed agency employed by or under contract with a CCBHC;

(3) initial CCBHC daily bundled rates for newly certified CCBHCs under section 245.735, subdivision 3, shall be established by the commissioner using a provider-specific rate based on the newly certified CCBHC's audited historical cost report data adjusted for the expected cost of delivering CCBHC services. Estimates are subject to review by the commissioner and must include the expected cost of providing the full scope of CCBHC services and the expected number of visits for the rate period;

(4) the commissioner shall rebase CCBHC rates once every two years following the last rebasing and no less than 12 months following an initial rate or a rate change due to a change in the scope of services. For CCBHCs certified after September 31, 2020, and before January 1, 2021, the commissioner shall rebase rates according to this clause beginning for dates of service provided on January 1, 2024;

(5) the commissioner shall provide for a 60-day appeals process after notice of the results of the rebasing;

(6) an entity that receives a CCBHC daily bundled rate that overlaps with another federal Medicaid rate is not eligible for the CCBHC rate methodology;

(7) payments for CCBHC services to individuals enrolled in managed care shall be coordinated with the state's phase-out of CCBHC wrap payments. The commissioner shall complete the phase-out of CCBHC wrap payments within 60 days of the implementation of the CCBHC daily bundled rate system in the Medicaid Management Information System (MMIS), for CCBHCs reimbursed under this chapter, with a final settlement of payments due made payable to CCBHCs no later than 18 months thereafter;

(8) the CCBHC daily bundled rate for each CCBHC shall be updated by trending each provider-specific rate by the Medicare Economic Index for primary care services. This update shall occur each year in between rebasing periods determined by the commissioner in accordance with clause (4). CCBHCs must provide data on costs and visits to the state annually using the CCBHC cost report established by the commissioner; and

(9) a CCBHC may request a rate adjustment for changes in the CCBHC's scope of services when such changes are expected to result in an adjustment to the CCBHC payment rate by 2.5 percent or more. The CCBHC must provide the commissioner with information regarding the changes in the scope of services, including the estimated cost of providing the new or modified services and any projected increase or decrease in the number of visits resulting from the change. Estimated costs are subject to review by the commissioner. Rate adjustments for changes in scope shall occur no more than once per year in between rebasing periods per CCBHC and are effective on the date of the annual CCBHC rate update.

(d) Managed care plans and county-based purchasing plans shall reimburse CCBHC providers at the CCBHC daily bundled rate. The commissioner shall monitor the effect of this requirement on the rate of access to the services delivered by CCBHC providers. If, for any contract year, federal approval is not received for this paragraph, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this provision. Contracts between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of

payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this provision. This paragraph expires if federal approval is not received for this paragraph at any time.

(e) The commissioner shall implement a quality incentive payment program for CCBHCs that meets the following requirements:

(1) a CCBHC shall receive a quality incentive payment upon meeting specific numeric thresholds for performance metrics established by the commissioner, in addition to payments for which the CCBHC is eligible under the CCBHC daily bundled rate system described in paragraph (c);

(2) a CCBHC must be certified and enrolled as a CCBHC for the entire measurement year to be eligible for incentive payments;

(3) each CCBHC shall receive written notice of the criteria that must be met in order to receive quality incentive payments at least 90 days prior to the measurement year; and

(4) a CCBHC must provide the commissioner with data needed to determine incentive payment eligibility within six months following the measurement year. The commissioner shall notify CCBHC providers of their performance on the required measures and the incentive payment amount within 12 months following the measurement year.

(f) All claims to managed care plans for CCBHC services as provided under this section shall be submitted directly to, and paid by, the commissioner on the dates specified no later than January 1 of the following calendar year, if:

(1) one or more managed care plans does not comply with the federal requirement for payment of clean claims to CCBHCs, as defined in Code of Federal Regulations, title 42, section 447.45(b), and the managed care plan does not resolve the payment issue within 30 days of noncompliance; and

(2) the total amount of clean claims not paid in accordance with federal requirements by one or more managed care plans is 50 percent of, or greater than, the total CCBHC claims eligible for payment by managed care plans.

If the conditions in this paragraph are met between January 1 and June 30 of a calendar year, claims shall be submitted to and paid by the commissioner beginning on January 1 of the following year. If the conditions in this paragraph are met between July 1 and December 31 of a calendar year, claims shall be submitted to and paid by the commissioner beginning on July 1 of the following year.

(g) Peer services provided by a CCBHC certified under section 245.735 are a covered service under medical assistance when a licensed mental health professional or alcohol and drug counselor determines that peer services are medically necessary. Eligibility under this subdivision for peer services provided by a CCBHC supersede eligibility standards under sections 256B.0615, 256B.0616, and 245G.07, subdivision 2, clause (8).

Sec. 21. Minnesota Statutes 2022, section 256B.0625, subdivision 20, is amended to read:

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

(b) Entities meeting program standards set out in rules governing family community support services as defined in section 245.4871, subdivision 17, are eligible for medical assistance reimbursement for case management services for children with severe emotional disturbance when these services meet the program standards in Minnesota Rules, parts 9520.0900 to 9520.0926 and 9505.0322, excluding subparts 6 and 10.

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

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

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

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

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

(f) Payment for mental health case management provided by vendors who contract with a county must be calculated in accordance with section 256B.076, subdivision 2. Payment for mental health case management provided by vendors who contract with a Tribe must be based on a monthly rate negotiated by the Tribe. The rate must not exceed the rate charged by the vendor for the same service to other payers. If the service is provided by a team of contracted vendors, the team shall determine how to distribute the rate among its members. No reimbursement received by contracted vendors shall be returned to the county or tribe, except to reimburse the county or tribe for advance funding provided by the county or tribe to the vendor.

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

(h) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs for mental health case management shall be provided by the recipient's county of responsibility, as defined in sections 256G.01 to 256G.12, from sources other than federal funds or funds used to match other federal funds. If the service is provided by a tribal agency, the nonfederal share, if any, shall be provided by the recipient's tribe. When this service is paid by the state without a federal share through fee-for-service, 50 percent of the cost shall be provided by the recipient's county of responsibility.

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

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

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

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

(2) programming the information systems.

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

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

(n) If the recipient is a resident of a nursing facility, intermediate care facility, or hospital, and the recipient's institutional care is paid by medical assistance, payment for case management services under this subdivision is limited to the lesser of:

(1) the last 180 days of the recipient's residency in that facility and may not exceed more than six months in a calendar year; or

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

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

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

Sec. 22. Minnesota Statutes 2023 Supplement, section 256B.0671, subdivision 5, is amended to read:

Subd. 5. **Child and family psychoeducation services.** (a) Medical assistance covers child and family psychoeducation services provided to a child ~~up to~~ under age 21 ~~with~~ and the child's family members when determined to be medically necessary due to a ~~diagnosed~~ mental health condition ~~when~~ or diagnosed mental illness identified in the child's individual treatment plan and provided by a mental health professional who is qualified under section 245I.04, subdivision 2, and practicing within the scope of practice under section 245I.04, subdivision 3; a mental health practitioner who is qualified under section 245I.04, subdivision 4, and practicing within the scope of practice under section 245I.04, subdivision 5; or a clinical trainee who ~~has determined it medically necessary to involve family members in the child's care~~ is qualified under section 245I.04, subdivision 6, and practicing within the scope of practice under section 245I.04, subdivision 7.

(b) " Child and family psychoeducation services" means information or demonstration provided to an individual or family as part of an individual, family, multifamily group, or peer group session to explain, educate, and support the child and family in understanding a child's symptoms of mental illness, the impact on the child's development, and needed components of treatment and skill development so that the individual, family, or group can help the child to prevent relapse, prevent the acquisition of comorbid disorders, and achieve optimal mental health and long-term resilience.

(c) Child and family psychoeducation services include individual, family, or group skills development or training to:

(1) support the development of psychosocial skills that are medically necessary to support the child to an age-appropriate developmental trajectory when the child's development was disrupted by a mental health condition or diagnosed mental illness; or

(2) enable the child to self-monitor, compensate for, cope with, counteract, or replace skills deficits or maladaptive skills acquired over the course of the child's mental health condition or mental illness.

(d) Skills development or training delivered to a child or the child's family under this subdivision must be targeted to the specific deficits related to the child's mental health condition or mental illness and must be prescribed in the child's individual treatment plan. Group skills training may be provided to multiple recipients who, because of the nature of their emotional, behavioral, or social functional ability, may benefit from interaction in a group setting.

Sec. 23. Minnesota Statutes 2022, section 256B.0943, subdivision 12, is amended to read:

Subd. 12. **Excluded services.** The following services are not eligible for medical assistance payment as children's therapeutic services and supports:

(1) service components of children's therapeutic services and supports simultaneously provided by more than one provider entity unless prior authorization is obtained;

(2) treatment by multiple providers within the same agency at the same clock time, unless one service is delivered to the child and the other service is delivered to the child's family or treatment team without the child present;

(3) children's therapeutic services and supports provided in violation of medical assistance policy in Minnesota Rules, part 9505.0220;

(4) mental health behavioral aide services provided by a personal care assistant who is not qualified as a mental health behavioral aide and employed by a certified children's therapeutic services and supports provider entity;

(5) service components of CTSS that are the responsibility of a residential or program license holder, including foster care providers under the terms of a service agreement or administrative rules governing licensure; and

(6) adjunctive activities that may be offered by a provider entity but are not otherwise covered by medical assistance, including:

(i) a service that is primarily recreation oriented or that is provided in a setting that is not medically supervised. This includes sports activities, exercise groups, activities such as craft hours, leisure time, social hours, meal or snack time, trips to community activities, and tours;

(ii) a social or educational service that does not have or cannot reasonably be expected to have a therapeutic outcome related to the client's emotional disturbance;

(iii) prevention or education programs provided to the community; and

(iv) treatment for clients with primary diagnoses of alcohol or other drug abuse.

Sec. 24. Minnesota Statutes 2022, section 256B.0947, subdivision 5, is amended to read:

Subd. 5. **Standards for intensive nonresidential rehabilitative providers.** (a) Services must meet the standards in this section and chapter 245I as required in section 245I.011, subdivision 5.

(b) The treatment team must have specialized training in providing services to the specific age group of youth that the team serves. An individual treatment team must serve youth who are: (1) at least eight years of age or older and under 16 years of age, or (2) at least 14 years of age or older and under 21 years of age.

(c) The treatment team for intensive nonresidential rehabilitative mental health services comprises both permanently employed core team members and client-specific team members as follows:

(1) Based on professional qualifications and client needs, clinically qualified core team members are assigned on a rotating basis as the client's lead worker to coordinate a client's care. The core team must comprise at least four full-time equivalent direct care staff and must minimally include:

(i) a mental health professional who serves as team leader to provide administrative direction and treatment supervision to the team;

(ii) an advanced-practice registered nurse with certification in psychiatric or mental health care or a board-certified child and adolescent psychiatrist, either of which must be credentialed to prescribe medications;

~~(iii) a licensed alcohol and drug counselor who is also trained in mental health interventions; and~~

~~(iv)~~ (iii) a mental health certified peer specialist who is qualified according to section 245I.04, subdivision 10, and is also a former children's mental health consumer~~.~~; and

(iv) a co-occurring disorder specialist who meets the requirements under section 256B.0622, subdivision 7a, paragraph (a), clause (4), who will provide or facilitate the provision of co-occurring disorder treatment to clients.

(2) The core team may also include any of the following:

(i) additional mental health professionals;

(ii) a vocational specialist;

(iii) an educational specialist with knowledge and experience working with youth regarding special education requirements and goals, special education plans, and coordination of educational activities with health care activities;

(iv) a child and adolescent psychiatrist who may be retained on a consultant basis;

(v) a clinical trainee qualified according to section 245I.04, subdivision 6;

(vi) a mental health practitioner qualified according to section 245I.04, subdivision 4;

(vii) a case management service provider, as defined in section 245.4871, subdivision 4;

(viii) a housing access specialist; and

(ix) a family peer specialist as defined in subdivision 2, paragraph (j).

(3) A treatment team may include, in addition to those in clause (1) or (2), ad hoc members not employed by the team who consult on a specific client and who must accept overall clinical direction from the treatment team for the duration of the client's placement with the treatment team and must be paid by the provider agency at the rate for a typical session by that provider with that client or at a rate negotiated with the client-specific member. Client-specific treatment team members may include:

(i) the mental health professional treating the client prior to placement with the treatment team;

(ii) the client's current substance use counselor, if applicable;

(iii) a lead member of the client's individualized education program team or school-based mental health provider, if applicable;

(iv) a representative from the client's health care home or primary care clinic, as needed to ensure integration of medical and behavioral health care;

(v) the client's probation officer or other juvenile justice representative, if applicable; and

(vi) the client's current vocational or employment counselor, if applicable.

(d) The treatment supervisor shall be an active member of the treatment team and shall function as a practicing clinician at least on a part-time basis. The treatment team shall meet with the treatment supervisor at least weekly to discuss recipients' progress and make rapid adjustments to meet recipients' needs. The team meeting must include client-specific case reviews and general treatment discussions among team members. Client-specific case reviews and planning must be documented in the individual client's treatment record.

(e) The staffing ratio must not exceed ten clients to one full-time equivalent treatment team position.

(f) The treatment team shall serve no more than 80 clients at any one time. Should local demand exceed the team's capacity, an additional team must be established rather than exceed this limit.

(g) Nonclinical staff shall have prompt access in person or by telephone to a mental health practitioner, clinical trainee, or mental health professional. The provider shall have the capacity to promptly and appropriately respond to emergent needs and make any necessary staffing adjustments to ensure the health and safety of clients.

(h) The intensive nonresidential rehabilitative mental health services provider shall participate in evaluation of the assertive community treatment for youth (Youth ACT) model as conducted by the commissioner, including the collection and reporting of data and the reporting of performance measures as specified by contract with the commissioner.

(i) A regional treatment team may serve multiple counties.

Sec. 25. Minnesota Statutes 2023 Supplement, section 256B.0947, subdivision 7, is amended to read:

Subd. 7. **Medical assistance payment and rate setting.** (a) Payment for services in this section must be based on one daily encounter rate per provider inclusive of the following services received by an eligible client in a given calendar day: all rehabilitative services, supports, and ancillary activities under this section, staff travel time to provide rehabilitative services under this section, and crisis response services under section 256B.0624.

(b) Payment must not be made to more than one entity for each client for services provided under this section on a given day. If services under this section are provided by a team that includes staff from more than one entity, the team shall determine how to distribute the payment among the members.

(c) The commissioner shall establish regional cost-based rates for entities that will bill medical assistance for nonresidential intensive rehabilitative mental health services. In developing these rates, the commissioner shall consider:

(1) the cost for similar services in the health care trade area;

(2) actual costs incurred by entities providing the services;

(3) the intensity and frequency of services to be provided to each client;

(4) the degree to which clients will receive services other than services under this section; and

(5) the costs of other services that will be separately reimbursed.

(d) The rate for a provider must not exceed the rate charged by that provider for the same service to other payers.

(e) Effective for the rate years beginning on and after January 1, 2024, rates must be annually adjusted for inflation using the Centers for Medicare and Medicaid Services Medicare Economic Index, as forecasted in the ~~fourth~~ third quarter of the calendar year before the rate year. The inflation adjustment must be based on the 12-month period from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined.

Sec. 26. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; CHILDREN'S RESIDENTIAL FACILITY RULEMAKING.**

(a) The commissioner of human services must use the expedited rulemaking process and comply with all requirements under Minnesota Statutes, section 14.389, to adopt the amendments required under this section. Notwithstanding Laws 1995, chapter 226, article 3, sections 50, 51, and 60, or any other law to the contrary, joint rulemaking authority with the commissioner of corrections does not apply to rule amendments applicable only to the commissioner of human services. An amendment to jointly administered rule parts must be related to requirements under this section or to amendments that are necessary for consistency with this section.

(b) The commissioner of human services must amend Minnesota Rules, chapter 2960, to replace all instances of the term "clinical supervision" with the term "treatment supervision."

(c) The commissioner of human services must amend Minnesota Rules, part 2960.0020, to replace all instances of the term "clinical supervisor" with the term "treatment supervisor."

(d) The commissioner of human services must amend Minnesota Rules, part 2960.0020, to add the definition of "licensed prescriber" to mean an individual who is authorized to prescribe legend drugs under Minnesota Statutes, section 151.37.

(e) The commissioner of human services must amend Minnesota Rules, parts 2960.0020 to 2960.0710, to replace all instances of "physician" with "licensed prescriber." Amendments to rules under this paragraph must apply only to the Department of Human Services.

(f) The commissioner of human services must amend Minnesota Rules, part 2960.0620, subpart 2, to strike all of the current language and insert the following language: "If a resident is prescribed a psychotropic medication, the license holder must monitor for side effects of the medication. Within 24 hours of admission, a registered nurse or licensed prescriber must assess the resident for and document any current side effects and document instructions for how frequently the license holder must monitor for side effects of the psychotropic medications the resident is taking. When a resident begins taking a new psychotropic medication or stops taking a psychotropic medication, the license holder must monitor for side effects according to the instructions of the registered nurse or licensed prescriber. The license holder must monitor for side effects using standardized checklists, rating scales, or other tools according to the instructions of the registered nurse or licensed prescriber. The license holder must provide the results of the checklist, rating scale, or other tool to the licensed prescriber for review."

(g) The commissioner of human services must amend Minnesota Rules, part 2960.0630, subpart 2, to allow license holders to use the ancillary meeting process under Minnesota Statutes, section 245I.23, subdivision 14, paragraph (c), if a staff member cannot participate in a weekly clinical supervision session.

(h) The commissioner of human services must amend Minnesota Rules, part 2960.0630, subpart 3, to strike item D.

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

Sec. 27. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; MEDICAL ASSISTANCE CHILDREN'S RESIDENTIAL MENTAL HEALTH CRISIS STABILIZATION.**

(a) The commissioner of human services must consult with providers, advocates, Tribal Nations, counties, people with lived experience as or with a child in a mental health crisis, and other interested community members to develop a covered benefit under medical assistance to provide residential mental health crisis stabilization for children. The benefit must:

(1) consist of evidence-based promising practices or culturally responsive treatment services for children under the age of 21 experiencing a mental health crisis;

(2) embody an integrative care model that supports individuals experiencing a mental health crisis who may also be experiencing co-occurring conditions;

(3) qualify for federal financial participation; and

(4) include services that support children and families, including but not limited to:

(i) an assessment of the child's immediate needs and factors that led to the mental health crisis;

(ii) individualized care to address immediate needs and restore the child to a precrisis level of functioning;

(iii) 24-hour on-site staff and assistance;

(iv) supportive counseling and clinical services;

(v) skills training and positive support services, as identified in the child's individual crisis stabilization plan;

(vi) referrals to other service providers in the community as needed and to support the child's transition from residential crisis stabilization services;

(vii) development of an individualized and culturally responsive crisis response action plan; and

(viii) assistance to access and store medication.

(b) When developing the new benefit, the commissioner must make recommendations for providers to be reimbursed for room and board.

(c) The commissioner must consult with or contract with rate-setting experts to develop a prospective data-based rate methodology for the children's residential mental health crisis stabilization benefit.

(d) No later than January 15, 2025, the commissioner must submit to the chairs and ranking minority members of the legislative committees with jurisdiction over human services policy and finance a report detailing for the children's residential mental health crisis stabilization benefit the proposed:

(1) eligibility criteria, clinical and service requirements, provider standards, licensing requirements, and reimbursement rates;

(2) the process for community engagement, community input, and crisis models studied in other states;

(3) a deadline for the commissioner to submit a state plan amendment to the Centers for Medicare and Medicaid Services; and

(4) draft legislation with the statutory changes necessary to implement the benefit.

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

Sec. 28. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; MENTAL HEALTH PROCEDURE CODES.**

The commissioner of human services must develop recommendations, in consultation with external partners and medical coding and compliance experts, on simplifying mental health procedure codes and the feasibility of converting mental health procedure codes to the current procedural terminology (CPT) code structure. By October 1, 2025, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over mental health on the recommendations and methodology to simplify and restructure mental health procedure codes with corresponding resource-based relative value scale (RBRVS) values.

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

Sec. 29. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; RESPITE CARE ACCESS.**

The commissioner of human services, in coordination with interested parties, must develop proposals by December 31, 2025, to increase access to licensed respite foster care homes that take into consideration the new rule directing title IV-E agencies to adopt one set of licensing or approval standards for all relative or kinship foster family homes that is different from the licensing or approval standards used for nonrelative or nonkinship foster family homes, as provided by the Federal Register, volume 88, page 66700.

Sec. 30. **MENTAL HEALTH SERVICES FORMULA-BASED ALLOCATION.**

The commissioner of human services shall consult with the commissioner of management and budget, counties, Tribes, mental health providers, and advocacy organizations to develop recommendations for moving from the children's and adult mental health grant funding structure to a formula-based allocation structure for mental health services. The recommendations must consider formula-based allocations for grants for respite care, school-linked behavioral health, mobile crisis teams, and first episode of psychosis programs.

Sec. 31. **REVISOR INSTRUCTION.**

The revisor of statutes, in consultation with the Office of Senate Counsel, Research and Fiscal Analysis; the House Research Department; and the commissioner of human services, shall prepare legislation for the 2025 legislative session to recodify Minnesota Statutes, section 256B.0622, to move provisions related to assertive community treatment and intensive residential treatment services into separate sections of statute. The revisor shall correct any cross-references made necessary by this recodification.

Sec. 32. **REPEALER.**

Minnesota Rules, part 2960.0620, subpart 3, is repealed.

ARTICLE 10
DEPARTMENT OF HUMAN SERVICES OFFICE OF INSPECTOR GENERAL

Section 1. Minnesota Statutes 2023 Supplement, section 13.46, subdivision 4, as amended by Laws 2024, chapter 80, article 8, section 4, is amended to read:

Subd. 4. **Licensing data.** (a) As used in this subdivision:

(1) "licensing data" are all data collected, maintained, used, or disseminated by the welfare system pertaining to persons licensed or registered or who apply for licensure or registration or who formerly were licensed or registered under the authority of the commissioner of human services;

(2) "client" means a person who is receiving services from a licensee or from an applicant for licensure; and

(3) "personal and personal financial data" are Social Security numbers, identity of and letters of reference, insurance information, reports from the Bureau of Criminal Apprehension, health examination reports, and social/home studies.

(b)(1)(i) Except as provided in paragraph (c), the following data on applicants, certification holders, license holders, and former licensees are public: name, address, telephone number of licensees, email addresses except for family child foster care, date of receipt of a completed application, dates of licensure, licensed capacity, type of client preferred, variances granted, record of training and education in child care and child development, type of dwelling, name and relationship of other family members, previous license history, class of license, the existence and status of complaints, and the number of serious injuries to or deaths of individuals in the licensed program as reported to the commissioner of human services; the commissioner of children, youth, and families; the local social services agency; or any other county welfare agency. For purposes of this clause, a serious injury is one that is treated by a physician.

(ii) Except as provided in item (v), when a correction order, an order to forfeit a fine, an order of license suspension, an order of temporary immediate suspension, an order of license revocation, an order of license denial, or an order of conditional license has been issued, or a complaint is resolved, the following data on current and

former licensees and applicants are public: the general nature of the complaint or allegations leading to the temporary immediate suspension; the substance and investigative findings of the licensing or maltreatment complaint, licensing violation, or substantiated maltreatment; the existence of settlement negotiations; the record of informal resolution of a licensing violation; orders of hearing; findings of fact; conclusions of law; specifications of the final correction order, fine, suspension, temporary immediate suspension, revocation, denial, or conditional license contained in the record of licensing action; whether a fine has been paid; and the status of any appeal of these actions.

(iii) When a license denial under section 142A.15 or 245A.05 or a sanction under section 142B.18 or 245A.07 is based on a determination that a license holder, applicant, or controlling individual is responsible for maltreatment under section 626.557 or chapter 260E, the identity of the applicant, license holder, or controlling individual as the individual responsible for maltreatment is public data at the time of the issuance of the license denial or sanction.

(iv) When a license denial under section 142A.15 or 245A.05 or a sanction under section 142B.18 or 245A.07 is based on a determination that a license holder, applicant, or controlling individual is disqualified under chapter 245C, the identity of the license holder, applicant, or controlling individual as the disqualified individual is public data at the time of the issuance of the licensing sanction or denial. If the applicant, license holder, or controlling individual requests reconsideration of the disqualification and the disqualification is affirmed, the reason for the disqualification and the reason to not set aside the disqualification are private data.

(v) A correction order or fine issued to a child care provider for a licensing violation is private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9, if the correction order or fine is seven years old or older.

(2) For applicants who withdraw their application prior to licensure or denial of a license, the following data are public: the name of the applicant, the city and county in which the applicant was seeking licensure, the dates of the commissioner's receipt of the initial application and completed application, the type of license sought, and the date of withdrawal of the application.

(3) For applicants who are denied a license, the following data are public: the name and address of the applicant, the city and county in which the applicant was seeking licensure, the dates of the commissioner's receipt of the initial application and completed application, the type of license sought, the date of denial of the application, the nature of the basis for the denial, the existence of settlement negotiations, the record of informal resolution of a denial, orders of hearings, findings of fact, conclusions of law, specifications of the final order of denial, and the status of any appeal of the denial.

(4) When maltreatment is substantiated under section 626.557 or chapter 260E and the victim and the substantiated perpetrator are affiliated with a program licensed under chapter 142B or 245A; the commissioner of human services; commissioner of children, youth, and families; local social services agency; or county welfare agency may inform the license holder where the maltreatment occurred of the identity of the substantiated perpetrator and the victim.

(5) Notwithstanding clause (1), for child foster care, only the name of the license holder and the status of the license are public if the county attorney has requested that data otherwise classified as public data under clause (1) be considered private data based on the best interests of a child in placement in a licensed program.

(c) The following are private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9: personal and personal financial data on family day care program and family foster care program applicants and licensees and their family members who provide services under the license.

(d) The following are private data on individuals: the identity of persons who have made reports concerning licensees or applicants that appear in inactive investigative data, and the records of clients or employees of the licensee or applicant for licensure whose records are received by the licensing agency for purposes of review or in anticipation of a contested matter. The names of reporters of complaints or alleged violations of licensing standards under chapters 142B, 245A, 245B, 245C, and 245D, and applicable rules and alleged maltreatment under section 626.557 and chapter 260E, are confidential data and may be disclosed only as provided in section 260E.21, subdivision 4; 260E.35; or 626.557, subdivision 12b.

(e) Data classified as private, confidential, nonpublic, or protected nonpublic under this subdivision become public data if submitted to a court or administrative law judge as part of a disciplinary proceeding in which there is a public hearing concerning a license which has been suspended, immediately suspended, revoked, or denied.

(f) Data generated in the course of licensing investigations that relate to an alleged violation of law are investigative data under subdivision 3.

(g) Data that are not public data collected, maintained, used, or disseminated under this subdivision that relate to or are derived from a report as defined in section 260E.03, or 626.5572, subdivision 18, are subject to the destruction provisions of sections 260E.35, subdivision 6, and 626.557, subdivision 12b.

(h) Upon request, not public data collected, maintained, used, or disseminated under this subdivision that relate to or are derived from a report of substantiated maltreatment as defined in section 626.557 or chapter 260E may be exchanged with the Department of Health for purposes of completing background studies pursuant to section 144.057 and with the Department of Corrections for purposes of completing background studies pursuant to section 241.021.

(i) Data on individuals collected according to licensing activities under chapters 142B, 245A, and 245C, data on individuals collected by the commissioner of human services according to investigations under section 626.557 and chapters 142B, 245A, 245B, 245C, 245D, and 260E may be shared with the Department of Human Rights, the Department of Health, the Department of Corrections, the ombudsman for mental health and developmental disabilities, and the individual's professional regulatory board when there is reason to believe that laws or standards under the jurisdiction of those agencies may have been violated or the information may otherwise be relevant to the board's regulatory jurisdiction. Background study data on an individual who is the subject of a background study under chapter 245C for a licensed service for which the commissioner of human services or children, youth, and families is the license holder may be shared with the commissioner and the commissioner's delegate by the licensing division. Unless otherwise specified in this chapter, the identity of a reporter of alleged maltreatment or licensing violations may not be disclosed.

(j) In addition to the notice of determinations required under sections 260E.24, subdivisions 5 and 7, and 260E.30, subdivision 6, paragraphs (b), (c), (d), (e), and (f), if the commissioner of children, youth, and families or the local social services agency has determined that an individual is a substantiated perpetrator of maltreatment of a child based on sexual abuse, as defined in section 260E.03, and the commissioner or local social services agency knows that the individual is a person responsible for a child's care in another facility, the commissioner or local social services agency shall notify the head of that facility of this determination. The notification must include an explanation of the individual's available appeal rights and the status of any appeal. If a notice is given under this paragraph, the government entity making the notification shall provide a copy of the notice to the individual who is the subject of the notice.

(k) All not public data collected, maintained, used, or disseminated under this subdivision and subdivision 3 may be exchanged between the Department of Human Services, Licensing Division, and the Department of Corrections for purposes of regulating services for which the Department of Human Services and the Department of Corrections have regulatory authority.

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

Sec. 2. Minnesota Statutes 2023 Supplement, section 245A.03, subdivision 2, as amended by Laws 2024, chapter 80, article 2, section 35, and Laws 2024, chapter 85, section 52, is amended to read:

Subd. 2. **Exclusion from licensure.** (a) This chapter does not apply to:

(1) residential or nonresidential programs that are provided to a person by an individual who is related;

(2) nonresidential programs that are provided by an unrelated individual to persons from a single related family;

(3) residential or nonresidential programs that are provided to adults who do not misuse substances or have a substance use disorder, a mental illness, a developmental disability, a functional impairment, or a physical disability;

(4) sheltered workshops or work activity programs that are certified by the commissioner of employment and economic development;

(5) programs operated by a public school for children 33 months or older;

(6) nonresidential programs primarily for children that provide care or supervision for periods of less than three hours a day while the child's parent or legal guardian is in the same building as the nonresidential program or present within another building that is directly contiguous to the building in which the nonresidential program is located;

(7) nursing homes or hospitals licensed by the commissioner of health except as specified under section 245A.02;

(8) board and lodge facilities licensed by the commissioner of health that do not provide children's residential services under Minnesota Rules, chapter 2960, mental health or substance use disorder treatment;

(9) programs licensed by the commissioner of corrections;

(10) recreation programs for children or adults that are operated or approved by a park and recreation board whose primary purpose is to provide social and recreational activities;

(11) noncertified boarding care homes unless they provide services for five or more persons whose primary diagnosis is mental illness or a developmental disability;

(12) programs for children such as scouting, boys clubs, girls clubs, and sports and art programs, and nonresidential programs for children provided for a cumulative total of less than 30 days in any 12-month period;

(13) residential programs for persons with mental illness, that are located in hospitals;

(14) camps licensed by the commissioner of health under Minnesota Rules, chapter 4630;

(15) mental health outpatient services for adults with mental illness or children with emotional disturbance;

(16) residential programs serving school-age children whose sole purpose is cultural or educational exchange, until the commissioner adopts appropriate rules;

(17) community support services programs as defined in section 245.462, subdivision 6, and family community support services as defined in section 245.4871, subdivision 17;

(18) ~~settings registered under chapter 144G that provide home care services licensed by the commissioner of health to fewer than seven adults~~ assisted living facilities licensed by the commissioner of health under chapter 144G;

(19) substance use disorder treatment activities of licensed professionals in private practice as defined in section 245G.01, subdivision 17;

(20) consumer-directed community support service funded under the Medicaid waiver for persons with developmental disabilities when the individual who provided the service is:

(i) the same individual who is the direct payee of these specific waiver funds or paid by a fiscal agent, fiscal intermediary, or employer of record; and

(ii) not otherwise under the control of a residential or nonresidential program that is required to be licensed under this chapter when providing the service;

(21) a county that is an eligible vendor under section 254B.05 to provide care coordination and comprehensive assessment services;

(22) a recovery community organization that is an eligible vendor under section 254B.05 to provide peer recovery support services; or

(23) programs licensed by the commissioner of children, youth, and families in chapter 142B.

(b) For purposes of paragraph (a), clause (6), a building is directly contiguous to a building in which a nonresidential program is located if it shares a common wall with the building in which the nonresidential program is located or is attached to that building by skyway, tunnel, atrium, or common roof.

(c) Except for the home and community-based services identified in section 245D.03, subdivision 1, nothing in this chapter shall be construed to require licensure for any services provided and funded according to an approved federal waiver plan where licensure is specifically identified as not being a condition for the services and funding.

Sec. 3. Minnesota Statutes 2022, section 245A.04, is amended by adding a subdivision to read:

Subd. 7b. **Notification to commissioner of changes in key staff positions; children's residential facilities and detoxification programs.** (a) A license holder must notify the commissioner within five business days of a change or vacancy in a key staff position under paragraph (b) or (c). The license holder must notify the commissioner of the staffing change on a form approved by the commissioner and include the name of the staff person now assigned to the key staff position and the staff person's qualifications for the position. The license holder must notify the program licensor of a vacancy to discuss how the duties of the key staff position will be fulfilled during the vacancy.

(b) The key staff position for a children's residential facility licensed according to Minnesota Rules, parts 2960.0130 to 2960.0220, is a program director; and

(c) The key staff positions for a detoxification program licensed according to Minnesota Rules, parts 9530.6510 to 9530.6590, are:

(1) a program director as required by Minnesota Rules, part 9530.6560, subpart 1;

(2) a registered nurse as required by Minnesota Rules, part 9530.6560, subpart 4; and

(3) a medical director as required by Minnesota Rules, part 9530.6560, subpart 5.

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

Sec. 4. Minnesota Statutes 2022, section 245A.043, subdivision 2, is amended to read:

Subd. 2. **Change in ownership.** (a) If the commissioner determines that there is a change in ownership, the commissioner shall require submission of a new license application. This subdivision does not apply to a licensed program or service located in a home where the license holder resides. A change in ownership occurs when:

(1) except as provided in paragraph (b), the license holder sells or transfers 100 percent of the property, stock, or assets;

(2) the license holder merges with another organization;

(3) the license holder consolidates with two or more organizations, resulting in the creation of a new organization;

(4) there is a change to the federal tax identification number associated with the license holder; or

(5) except as provided in paragraph (b), all controlling individuals ~~associated with~~ for the original ~~application~~ license have changed.

(b) ~~Notwithstanding~~ For changes under paragraph (a), clauses (1) ~~and~~ or (5), no change in ownership has occurred and a new license application is not required if at least one controlling individual has been ~~listed~~ affiliated as a controlling individual for the license for at least the previous 12 months immediately preceding the change.

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

Sec. 5. Minnesota Statutes 2023 Supplement, section 245A.043, subdivision 3, is amended to read:

Subd. 3. **Standard change of ownership process.** (a) When a change in ownership is proposed and the party intends to assume operation without an interruption in service longer than 60 days after acquiring the program or service, the license holder must provide the commissioner with written notice of the proposed change on a form provided by the commissioner at least ~~60~~ 90 days before the anticipated date of the change in ownership. For purposes of this ~~subdivision and subdivision 4~~ section, "party" means the party that intends to operate the service or program.

(b) The party must submit a license application under this chapter on the form and in the manner prescribed by the commissioner at least ~~30~~ 90 days before the change in ownership is anticipated to be complete~~,~~ and must include documentation to support the upcoming change. The party must comply with background study requirements under chapter 245C and shall pay the application fee required under section 245A.10.

(c) A party that intends to assume operation without an interruption in service longer than 60 days after acquiring the program or service is exempt from the requirements of sections 245G.03, subdivision 2, paragraph (b), and 254B.03, subdivision 2, paragraphs (c) and (d).

~~(c)~~ (d) The commissioner may streamline application procedures when the party is an existing license holder under this chapter and is acquiring a program licensed under this chapter or service in the same service class as one or more licensed programs or services the party operates and those licenses are in substantial compliance. For purposes of this subdivision, "substantial compliance" means within the previous 12 months the commissioner did not (1) issue a sanction under section 245A.07 against a license held by the party, or (2) make a license held by the party conditional according to section 245A.06.

~~(d) Except when a temporary change in ownership license is issued pursuant to subdivision 4~~ (e) While the standard change of ownership process is pending, the existing license holder ~~is solely~~ remains responsible for operating the program according to applicable laws and rules until a license under this chapter is issued to the party.

~~(e)~~ (f) If a licensing inspection of the program or service was conducted within the previous 12 months and the existing license holder's license record demonstrates substantial compliance with the applicable licensing requirements, the commissioner may waive the party's inspection required by section 245A.04, subdivision 4. The party must submit to the commissioner (1) proof that the premises was inspected by a fire marshal or that the fire marshal deemed that an inspection was not warranted, and (2) proof that the premises was inspected for compliance with the building code or that no inspection was deemed warranted.

~~(f)~~ (g) If the party is seeking a license for a program or service that has an outstanding action under section 245A.06 or 245A.07, the party must submit a ~~letter~~ written plan as part of the application process identifying how the party has or will come into full compliance with the licensing requirements.

~~(g)~~ (h) The commissioner shall evaluate the party's application according to section 245A.04, subdivision 6. If the commissioner determines that the party has remedied or demonstrates the ability to remedy the outstanding actions under section 245A.06 or 245A.07 and has determined that the program otherwise complies with all applicable laws and rules, the commissioner shall issue a license or conditional license under this chapter. A conditional license issued under this section is final and not subject to reconsideration under section 245A.06, subdivision 4. The conditional license remains in effect until the commissioner determines that the grounds for the action are corrected or no longer exist.

~~(h)~~ (i) The commissioner may deny an application as provided in section 245A.05. An applicant whose application was denied by the commissioner may appeal the denial according to section 245A.05.

~~(i)~~ (j) This subdivision does not apply to a licensed program or service located in a home where the license holder resides.

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

Sec. 6. Minnesota Statutes 2022, section 245A.043, is amended by adding a subdivision to read:

Subd. 3a. **Emergency change in ownership process.** (a) In the event of a death of a license holder or sole controlling individual or a court order or other event that results in the license holder being inaccessible or unable to operate the program or service, a party may submit a request to the commissioner to allow the party to assume operation of the program or service under an emergency change in ownership process to ensure persons continue to receive services while the commissioner evaluates the party's license application.

(b) To request the emergency change of ownership process, the party must immediately:

(1) notify the commissioner of the event resulting in the inability of the license holder to operate the program and of the party's intent to assume operations; and

(2) provide the commissioner with documentation that demonstrates the party has a legal or legitimate ownership interest in the program or service if applicable and is able to operate the program or service.

(c) If the commissioner approves the party to continue operating the program or service under an emergency change in ownership process, the party must:

(1) request to be added as a controlling individual or license holder to the existing license;

(2) notify persons receiving services of the emergency change in ownership in a manner approved by the commissioner;

(3) submit an application for a new license within 30 days of approval;

(4) comply with the background study requirements under chapter 245C; and

(5) pay the application fee required under section 245A.10.

(d) While the emergency change of ownership process is pending, a party approved under this subdivision is responsible for operating the program under the existing license according to applicable laws and rules until a new license under this chapter is issued.

(e) The provisions in subdivision 3, paragraphs (c), (d), and (f) to (i) apply to this subdivision.

(f) Once a party is issued a new license or has decided not to seek a new license, the commissioner must close the existing license.

(g) This subdivision applies to any program or service licensed under this chapter.

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

Sec. 7. Minnesota Statutes 2022, section 245A.043, subdivision 4, is amended to read:

Subd. 4. **Temporary ~~change in ownership~~ transitional license.** ~~(a) After receiving the party's application pursuant to subdivision 3, upon the written request of the existing license holder and the party, the commissioner may issue a temporary change in ownership license to the party while the commissioner evaluates the party's application. Until a decision is made to grant or deny a license under this chapter, the existing license holder and the party shall both be responsible for operating the program or service according to applicable laws and rules, and the sale or transfer of the existing license holder's ownership interest in the licensed program or service does not terminate the existing license.~~

~~(b) The commissioner may issue a temporary change in ownership license when a license holder's death, divorce, or other event affects the ownership of the program and an applicant seeks to assume operation of the program or service to ensure continuity of the program or service while a license application is evaluated.~~

~~(c) This subdivision applies to any program or service licensed under this chapter.~~

If a party's application under subdivision 2 is for a satellite license for a community residential setting under section 245D.23 or day services facility under 245D.27 and if the party already holds an active license to provide services under chapter 245D, the commissioner may issue a temporary transitional license to the party for the community residential setting or day services facility while the commissioner evaluates the party's application. Until a decision is made to grant or deny a community residential setting or day services facility satellite license, the

party must be solely responsible for operating the program according to applicable laws and rules, and the existing license must be closed. The temporary transitional license expires after 12 months from the date it was issued or upon issuance of the community residential setting or day services facility satellite license, whichever occurs first.

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

Sec. 8. Minnesota Statutes 2022, section 245A.043, is amended by adding a subdivision to read:

Subd. 5. **Failure to comply.** If the commissioner finds that the applicant or license holder has not fully complied with this section, the commissioner may impose a licensing sanction under section 245A.05, 245A.06, or 245A.07.

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

Sec. 9. Minnesota Statutes 2023 Supplement, section 245A.07, subdivision 1, as amended by Laws 2024, chapter 80, article 2, section 44, is amended to read:

Subdivision 1. **Sanctions; appeals; license.** (a) In addition to making a license conditional under section 245A.06, the commissioner may suspend or revoke the license, impose a fine, or secure an injunction against the continuing operation of the program of a license holder who does not comply with applicable law or rule. When applying sanctions authorized under this section, the commissioner shall consider the nature, chronicity, or severity of the violation of law or rule and the effect of the violation on the health, safety, or rights of persons served by the program.

(b) If a license holder appeals the suspension or revocation of a license and the license holder continues to operate the program pending a final order on the appeal, the commissioner shall issue the license holder a temporary provisional license. The commissioner may include terms the license holder must follow pending a final order on the appeal. Unless otherwise specified by the commissioner, variances in effect on the date of the license sanction under appeal continue under the temporary provisional license. If a license holder fails to comply with applicable law or rule while operating under a temporary provisional license, the commissioner may impose additional sanctions under this section and section 245A.06, and may terminate any prior variance. If a temporary provisional license is set to expire, a new temporary provisional license shall be issued to the license holder upon payment of any fee required under section 245A.10. The temporary provisional license shall expire on the date the final order is issued. If the license holder prevails on the appeal, a new nonprovisional license shall be issued for the remainder of the current license period.

(c) If a license holder is under investigation and the license issued under this chapter is due to expire before completion of the investigation, the program shall be issued a new license upon completion of the reapplication requirements and payment of any applicable license fee. Upon completion of the investigation, a licensing sanction may be imposed against the new license under this section, section 245A.06, or 245A.08.

(d) Failure to reapply or closure of a license issued under this chapter by the license holder prior to the completion of any investigation shall not preclude the commissioner from issuing a licensing sanction under this section or section 245A.06 at the conclusion of the investigation.

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

Sec. 10. Minnesota Statutes 2022, section 245A.07, subdivision 6, is amended to read:

Subd. 6. **Appeal of multiple sanctions.** (a) When the license holder appeals more than one licensing action or sanction that were simultaneously issued by the commissioner, the license holder shall specify the actions or sanctions that are being appealed.

(b) If there are different timelines prescribed in statutes for the licensing actions or sanctions being appealed, the license holder must submit the appeal within the longest of those timelines specified in statutes.

(c) The appeal must be made in writing by certified mail ~~or,~~ personal service, or through the provider licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the commissioner within the prescribed timeline with the first day beginning the day after the license holder receives the certified letter. If a request is made by personal service, it must be received by the commissioner within the prescribed timeline with the first day beginning the day after the license holder receives the certified letter. If the appeal is made through the provider hub, the appeal must be received by the commissioner within the prescribed timeline with the first day beginning the day after the commissioner issued the order through the hub.

(d) When there are different timelines prescribed in statutes for the appeal of licensing actions or sanctions simultaneously issued by the commissioner, the commissioner shall specify in the notice to the license holder the timeline for appeal as specified under paragraph (b).

Sec. 11. Minnesota Statutes 2023 Supplement, section 245A.11, subdivision 7, is amended to read:

Subd. 7. **Adult foster care and community residential setting; variance for alternate overnight supervision.** (a) The commissioner may grant a variance under section 245A.04, subdivision 9, to statute or rule parts requiring a caregiver to be present in an adult foster care home or a community residential setting during normal sleeping hours to allow for alternative methods of overnight supervision. The commissioner may grant the variance if the local county licensing agency recommends the variance and the county recommendation includes documentation verifying that:

(1) the county has approved the license holder's plan for alternative methods of providing overnight supervision and determined the plan protects the residents' health, safety, and rights;

(2) the license holder has obtained written and signed informed consent from each resident or each resident's legal representative documenting the resident's or legal representative's agreement with the alternative method of overnight supervision; and

(3) the alternative method of providing overnight supervision, which may include the use of technology, is specified for each resident in the resident's: (i) individualized plan of care; (ii) ~~individual service~~ support plan under section 256B.092, subdivision 1b, if required; or (iii) individual resident placement agreement under Minnesota Rules, part 9555.5105, subpart 19, if required.

(b) To be eligible for a variance under paragraph (a), the adult foster care or community residential setting license holder must not have had a conditional license issued under section 245A.06, or any other licensing sanction issued under section 245A.07 during the prior 24 months based on failure to provide adequate supervision, health care services, or resident safety in the adult foster care home or a community residential setting.

(c) A license holder requesting a variance under this subdivision to utilize technology as a component of a plan for alternative overnight supervision may request the commissioner's review in the absence of a county recommendation. Upon receipt of such a request from a license holder, the commissioner shall review the variance request with the county.

~~(d) The variance requirements under this subdivision for alternative overnight supervision do not apply to community residential settings licensed under chapter 245D.~~

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

Sec. 12. Minnesota Statutes 2023 Supplement, section 245A.16, subdivision 1, as amended by Laws 2024, chapter 80, article 2, section 65, is amended to read:

Subdivision 1. **Delegation of authority to agencies.** (a) County agencies that have been designated by the commissioner to perform licensing functions and activities under section 245A.04; to recommend denial of applicants under section 245A.05; to issue correction orders, to issue variances, and recommend a conditional license under section 245A.06; or to recommend suspending or revoking a license or issuing a fine under section 245A.07, shall comply with rules and directives of the commissioner governing those functions and with this section. The following variances are excluded from the delegation of variance authority and may be issued only by the commissioner:

(1) dual licensure of family child foster care and family adult foster care, dual licensure of child foster residence setting and community residential setting, and dual licensure of family adult foster care and family child care;

(2) adult foster care or community residential setting maximum capacity;

(3) adult foster care or community residential setting minimum age requirement;

(4) child foster care maximum age requirement;

(5) variances regarding disqualified individuals;

(6) the required presence of a caregiver in the adult foster care residence during normal sleeping hours;

(7) variances to requirements relating to chemical use problems of a license holder or a household member of a license holder; and

(8) variances to section 142B.46 for the use of a cradleboard for a cultural accommodation.

(b) For family adult day services programs, the commissioner may authorize licensing reviews every two years after a licensee has had at least one annual review.

(c) A license issued under this section may be issued for up to two years.

(d) During implementation of chapter 245D, the commissioner shall consider:

(1) the role of counties in quality assurance;

(2) the duties of county licensing staff; and

(3) the possible use of joint powers agreements, according to section 471.59, with counties through which some licensing duties under chapter 245D may be delegated by the commissioner to the counties.

Any consideration related to this paragraph must meet all of the requirements of the corrective action plan ordered by the federal Centers for Medicare and Medicaid Services.

(e) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or successor provisions; and section 245D.061 or successor provisions, for family child foster care programs providing out-of-home respite, as identified in section 245D.03, subdivision 1, paragraph (b), clause (1), is excluded from the delegation of authority to county agencies.

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

Sec. 13. Minnesota Statutes 2023 Supplement, section 245A.211, subdivision 4, is amended to read:

Subd. 4. **Contraindicated physical restraints.** A license or certification holder must not implement a restraint on a person receiving services in a program in a way that is contraindicated for any of the person's known medical or psychological conditions. Prior to using restraints on a person~~, the license or certification holder must assess and document a determination of any~~ with a known medical or psychological conditions that restraints are contraindicated for, the license or certification holder must document the contraindication and the type of restraints that will not be used on the person based on this determination.

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

Sec. 14. Minnesota Statutes 2023 Supplement, section 245A.242, subdivision 2, is amended to read:

Subd. 2. **Emergency overdose treatment.** (a) A license holder must maintain a supply of opiate antagonists as defined in section 604A.04, subdivision 1, available for emergency treatment of opioid overdose and must have a written standing order protocol by a physician who is licensed under chapter 147, advanced practice registered nurse who is licensed under chapter 148, or physician assistant who is licensed under chapter 147A, that permits the license holder to maintain a supply of opiate antagonists on site. A license holder must require staff to undergo training in the specific mode of administration used at the program, which may include intranasal administration, intramuscular injection, or both.

(b) Notwithstanding any requirements to the contrary in Minnesota Rules, chapters 2960 and 9530, and Minnesota Statutes, chapters 245F, 245G, and 245I:

(1) emergency opiate antagonist medications are not required to be stored in a locked area and staff and adult clients may carry this medication on them and store it in an unlocked location;

(2) staff persons who only administer emergency opiate antagonist medications only require the training required by paragraph (a), which any knowledgeable trainer may provide. The trainer is not required to be a registered nurse or part of an accredited educational institution; and

(3) nonresidential substance use disorder treatment programs that do not administer client medications beyond emergency opiate antagonist medications are not required to have the policies and procedures required in section 245G.08, subdivisions 5 and 6, and must instead describe the program's procedures for administering opiate antagonist medications in the license holder's description of health care services under section 245G.08, subdivision 1.

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

Sec. 15. Minnesota Statutes 2022, section 245A.52, subdivision 2, is amended to read:

Subd. 2. **Door to attached garage.** ~~Notwithstanding Minnesota Rules, part 9502.0425, subpart 5, day care residences with an attached garage are not required to have a self-closing door to the residence. The door to the residence may be~~ (a) If there is an opening between an attached garage and a day care residence, there must be a door that is:

(1) a solid wood bonded-core door at least 1-3/8 inches thick;

(2) a steel insulated door ~~if the door is~~ at least 1-3/8 inches thick~~.~~; or

(3) a door with a fire protection rating of 20 minutes.

(b) The separation wall on the garage side between the residence and garage must consist of 1/2-inch-thick gypsum wallboard or its equivalent.

Sec. 16. Minnesota Statutes 2023 Supplement, section 245C.02, subdivision 13e, is amended to read:

Subd. 13e. **NETStudy 2.0.** (a) "NETStudy 2.0" means the commissioner's system that replaces both NETStudy and the department's internal background study processing system. NETStudy 2.0 is designed to enhance protection of children and vulnerable adults by improving the accuracy of background studies through fingerprint-based criminal record checks and expanding the background studies to include a review of information from the Minnesota Court Information System and the national crime information database. NETStudy 2.0 is also designed to increase efficiencies in and the speed of the hiring process by:

(1) providing access to and updates from public web-based data related to employment eligibility;

(2) decreasing the need for repeat studies through electronic updates of background study subjects' criminal records;

(3) supporting identity verification using subjects' Social Security numbers and photographs;

(4) using electronic employer notifications;

(5) issuing immediate verification of subjects' eligibility to provide services as more studies are completed under the NETStudy 2.0 system; and

(6) providing electronic access to certain notices for entities and background study subjects.

(b) Information obtained by entities from public web-based data through NETStudy 2.0 under paragraph (a), clause (1), or any other source that is not direct correspondence from the commissioner is not a notice of disqualification from the commissioner under this chapter.

Sec. 17. Minnesota Statutes 2023 Supplement, section 245C.033, subdivision 3, is amended to read:

Subd. 3. **Procedure; maltreatment and state licensing agency data.** (a) For requests paid directly by the guardian or conservator, requests for maltreatment and state licensing agency data checks must be submitted by the guardian or conservator to the commissioner on the form or in the manner prescribed by the commissioner. Upon receipt of a signed informed consent and payment under section 245C.10, the commissioner shall complete the maltreatment and state licensing agency checks. Upon completion of the checks, the commissioner shall provide the requested information to the courts on the form or in the manner prescribed by the commissioner.

(b) For requests paid by the court based on the in forma pauperis status of the guardian or conservator, requests for maltreatment and state licensing agency data checks must be submitted by the court to the commissioner on the form or in the manner prescribed by the commissioner. The form will serve as certification that the individual has been granted in forma pauperis status. Upon receipt of a signed data request consent form from the court, the commissioner shall initiate the maltreatment and state licensing agency checks. Upon completion of the checks, the commissioner shall provide the requested information to the courts on the form or in the manner prescribed by the commissioner.

Sec. 18. **[245C.041] EMERGENCY WAIVER TO TEMPORARILY MODIFY BACKGROUND STUDY REQUIREMENTS.**

(a) In the event of an emergency identified by the commissioner, the commissioner may temporarily waive or modify provisions in this chapter, except that the commissioner shall not waive or modify:

(1) disqualification standards in section 245C.14 or 245C; or

(2) any provision regarding the scope of individuals required to be subject to a background study conducted under this chapter.

(b) For the purposes of this section, an emergency may include, but is not limited to a public health emergency, environmental emergency, natural disaster, or other unplanned event that the commissioner has determined prevents the requirements in this chapter from being met. This authority shall not exceed the amount of time needed to respond to the emergency and reinstate the requirements of this chapter. The commissioner has the authority to establish the process and time frame for returning to full compliance with this chapter. The commissioner shall determine the length of time an emergency study is valid.

(c) At the conclusion of the emergency, entities must submit a new, compliant background study application and fee for each individual who was the subject of background study affected by the powers created in this section, referred to as an "emergency study" to have a new study that fully complies with this chapter within a time frame and notice period established by the commissioner.

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

Sec. 19. Minnesota Statutes 2022, section 245C.05, subdivision 5, is amended to read:

Subd. 5. **Fingerprints and photograph.** (a) Notwithstanding paragraph ~~(b)~~ (c), for background studies conducted by the commissioner for child foster care, children's residential facilities, adoptions, or a transfer of permanent legal and physical custody of a child, the subject of the background study, who is 18 years of age or older, shall provide the commissioner with a set of classifiable fingerprints obtained from an authorized agency for a national criminal history record check.

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

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

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

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

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

~~(f)~~ (g) For any background study conducted under this chapter, the subject shall provide the commissioner with a set of classifiable fingerprints when the commissioner has reasonable cause to require a national criminal history record check as defined in section 245C.02, subdivision 15a.

Sec. 20. Minnesota Statutes 2023 Supplement, section 245C.08, subdivision 1, is amended to read:

Subdivision 1. **Background studies conducted by Department of Human Services.** (a) For a background study conducted by the Department of Human Services, the commissioner shall review:

(1) information related to names of substantiated perpetrators of maltreatment of vulnerable adults that has been received by the commissioner as required under section 626.557, subdivision 9c, paragraph (j);

(2) the commissioner's records relating to the maltreatment of minors in licensed programs, and from findings of maltreatment of minors as indicated through the social service information system;

(3) information from juvenile courts as required ~~in subdivision 4 for individuals listed in section 245C.03, subdivision 1, paragraph (a),~~ for studies under this chapter when there is reasonable cause;

(4) information from the Bureau of Criminal Apprehension, including information regarding a background study subject's registration in Minnesota as a predatory offender under section 243.166;

(5) except as provided in clause (6), information received as a result of submission of fingerprints for a national criminal history record check, as defined in section 245C.02, subdivision 13c, when the commissioner has reasonable cause for a national criminal history record check as defined under section 245C.02, subdivision 15a, or as required under section 144.057, subdivision 1, clause (2);

(6) for a background study related to a child foster family setting application for licensure, foster residence settings, children's residential facilities, a transfer of permanent legal and physical custody of a child under sections 260C.503 to 260C.515, or adoptions, and for a background study required for family child care, certified license-exempt child care, child care centers, and legal nonlicensed child care authorized under chapter 119B, the commissioner shall also review:

(i) information from the child abuse and neglect registry for any state in which the background study subject has resided for the past five years;

(ii) when the background study subject is 18 years of age or older, or a minor under section 245C.05, subdivision 5a, paragraph (c), information received following submission of fingerprints for a national criminal history record check; and

(iii) when the background study subject is 18 years of age or older or a minor under section 245C.05, subdivision 5a, paragraph (d), for licensed family child care, certified license-exempt child care, licensed child care centers, and legal nonlicensed child care authorized under chapter 119B, information obtained using non-fingerprint-based data including information from the criminal and sex offender registries for any state in which the background study subject resided for the past five years and information from the national crime information database and the national sex offender registry;

(7) for a background study required for family child care, certified license-exempt child care centers, licensed child care centers, and legal nonlicensed child care authorized under chapter 119B, the background study shall also include, to the extent practicable, a name and date-of-birth search of the National Sex Offender Public website; and

(8) for a background study required for treatment programs for sexual psychopathic personalities or sexually dangerous persons, the background study shall only include a review of the information required under paragraph (a), clauses (1) to (4).

(b) Except as otherwise provided in this paragraph, notwithstanding expungement by a court, the commissioner may consider information obtained under paragraph (a), clauses (3) and (4), unless:

(1) the commissioner received notice of the petition for expungement and the court order for expungement is directed specifically to the commissioner; or

(2) the commissioner received notice of the expungement order issued pursuant to section 609A.017, 609A.025, or 609A.035, and the order for expungement is directed specifically to the commissioner.

The commissioner may not consider information obtained under paragraph (a), clauses (3) and (4), or from any other source that identifies a violation of chapter 152 without determining if the offense involved the possession of marijuana or tetrahydrocannabinol and, if so, whether the person received a grant of expungement or order of expungement, or the person was resentenced to a lesser offense. If the person received a grant of expungement or order of expungement, the commissioner may not consider information related to that violation but may consider any other relevant information arising out of the same incident.

(c) The commissioner shall also review criminal case information received according to section 245C.04, subdivision 4a, from the Minnesota court information system that relates to individuals who have already been studied under this chapter and who remain affiliated with the agency that initiated the background study.

(d) When the commissioner has reasonable cause to believe that the identity of a background study subject is uncertain, the commissioner may require the subject to provide a set of classifiable fingerprints for purposes of completing a fingerprint-based record check with the Bureau of Criminal Apprehension. Fingerprints collected under this paragraph shall not be saved by the commissioner after they have been used to verify the identity of the background study subject against the particular criminal record in question.

(e) The commissioner may inform the entity that initiated a background study under NETStudy 2.0 of the status of processing of the subject's fingerprints.

Sec. 21. Minnesota Statutes 2022, section 245C.08, subdivision 4, is amended to read:

Subd. 4. **Juvenile court records.** (a) For a background study conducted by the Department of Human Services, the commissioner shall review records from the juvenile courts for an individual studied under ~~section 245C.03, subdivision 1, paragraph (a),~~ this chapter when the commissioner has reasonable cause.

~~(b) For a background study conducted by a county agency for family child care before the implementation of NETStudy 2.0, the commissioner shall review records from the juvenile courts for individuals listed in section 245C.03, subdivision 1, who are ages 13 through 23 living in the household where the licensed services will be provided. The commissioner shall also review records from juvenile courts for any other individual listed under section 245C.03, subdivision 1, when the commissioner has reasonable cause.~~

~~(c)~~ (b) The juvenile courts shall help with the study by giving the commissioner existing juvenile court records relating to delinquency proceedings held on individuals ~~described in section 245C.03, subdivision 1, paragraph (a),~~ who are subjects of studies under this chapter when requested pursuant to this subdivision.

~~(d)~~ (c) For purposes of this chapter, a finding that a delinquency petition is proven in juvenile court shall be considered a conviction in state district court.

~~(e)~~ (d) Juvenile courts shall provide orders of involuntary and voluntary termination of parental rights under section 260C.301 to the commissioner upon request for purposes of conducting a background study under this chapter.

Sec. 22. Minnesota Statutes 2023 Supplement, section 245C.10, subdivision 15, is amended to read:

Subd. 15. **Guardians and conservators.** (a) The commissioner shall recover the cost of conducting maltreatment and state licensing agency checks for guardians and conservators under section 245C.033 through a fee of no more than $50. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting maltreatment and state licensing agency checks.

(b) The fee must be paid directly to and in the manner prescribed by the commissioner before any maltreatment and state licensing agency checks under section 245C.033 may be conducted.

(c) Notwithstanding paragraph (b), the court shall pay the fee for an applicant who has been granted in forma pauperis status upon receipt of the invoice from the commissioner.

Sec. 23. Minnesota Statutes 2022, section 245C.10, subdivision 18, is amended to read:

Subd. 18. **Applicants, licensees, and other occupations regulated by commissioner of health.** The applicant or license holder is responsible for paying to the Department of Human Services all fees associated with the preparation of the fingerprints, the criminal records check consent form, and, through a fee of no more than $44 per study, the criminal background check.

Sec. 24. Minnesota Statutes 2022, section 245C.14, is amended by adding a subdivision to read:

Subd. 5. **Basis for disqualification.** Information obtained by entities from public web-based data through NETStudy 2.0 or any other source that is not direct correspondence from the commissioner is not a notice of disqualification from the commissioner under this chapter.

Sec. 25. Minnesota Statutes 2022, section 245C.22, subdivision 4, is amended to read:

Subd. 4. **Risk of harm; set aside.** (a) The commissioner may set aside the disqualification if the commissioner finds that the individual has submitted sufficient information to demonstrate that the individual does not pose a risk of harm to any person served by the applicant, license holder, or other entities as provided in this chapter.

(b) In determining whether the individual has met the burden of proof by demonstrating the individual does not pose a risk of harm, the commissioner shall consider:

(1) the nature, severity, and consequences of the event or events that led to the disqualification;

(2) whether there is more than one disqualifying event;

(3) the age and vulnerability of the victim at the time of the event;

(4) the harm suffered by the victim;

(5) vulnerability of persons served by the program;

(6) the similarity between the victim and persons served by the program;

(7) the time elapsed without a repeat of the same or similar event;

(8) documentation of successful completion by the individual studied of training or rehabilitation pertinent to the event; and

(9) any other information relevant to reconsideration.

(c) For an individual seeking a child foster care license who is a relative of the child, the commissioner shall consider the importance of maintaining the child's relationship with relatives as an additional significant factor in determining whether a background study disqualification should be set aside.

~~(c)~~ (d) If the individual requested reconsideration on the basis that the information relied upon to disqualify the individual was incorrect or inaccurate and the commissioner determines that the information relied upon to disqualify the individual is correct, the commissioner must also determine if the individual poses a risk of harm to persons receiving services in accordance with paragraph (b).

~~(d)~~ (e) For an individual seeking employment in the substance use disorder treatment field, the commissioner shall set aside the disqualification if the following criteria are met:

(1) the individual is not disqualified for a crime of violence as listed under section 624.712, subdivision 5, except for the following crimes: crimes listed under section 152.021, subdivision 2 or 2a; 152.022, subdivision 2; 152.023, subdivision 2; 152.024; or 152.025;

(2) the individual is not disqualified under section 245C.15, subdivision 1;

(3) the individual is not disqualified under section 245C.15, subdivision 4, paragraph (b);

(4) the individual provided documentation of successful completion of treatment, at least one year prior to the date of the request for reconsideration, at a program licensed under chapter 245G, and has had no disqualifying crimes or conduct under section 245C.15 after the successful completion of treatment;

(5) the individual provided documentation demonstrating abstinence from controlled substances, as defined in section 152.01, subdivision 4, for the period of one year prior to the date of the request for reconsideration; and

(6) the individual is seeking employment in the substance use disorder treatment field.

Sec. 26. Minnesota Statutes 2022, section 245C.24, subdivision 2, is amended to read:

Subd. 2. **Permanent bar to set aside a disqualification.** (a) Except as provided in paragraphs (b) to ~~(f)~~ (g), the commissioner may not set aside the disqualification of any individual disqualified pursuant to this chapter, regardless of how much time has passed, if the individual was disqualified for a crime or conduct listed in section 245C.15, subdivision 1.

(b) For an individual in the substance use disorder or corrections field who was disqualified for a crime or conduct listed under section 245C.15, subdivision 1, and whose disqualification was set aside prior to July 1, 2005, the commissioner must consider granting a variance pursuant to section 245C.30 for the license holder for a program dealing primarily with adults. A request for reconsideration evaluated under this paragraph must include a letter of recommendation from the license holder that was subject to the prior set-aside decision addressing the individual's quality of care to children or vulnerable adults and the circumstances of the individual's departure from that service.

(c) If an individual who requires a background study for nonemergency medical transportation services under section 245C.03, subdivision 12, was disqualified for a crime or conduct listed under section 245C.15, subdivision 1, and if more than 40 years have passed since the discharge of the sentence imposed, the commissioner may consider granting a set-aside pursuant to section 245C.22. A request for reconsideration evaluated under this paragraph must include a letter of recommendation from the employer. This paragraph does not apply to a person disqualified based on a violation of sections 243.166; 609.185 to 609.205; 609.25; 609.342 to 609.3453; 609.352; 617.23, subdivision 2, clause (1), or 3, clause (1); 617.246; or 617.247.

(d) When a licensed foster care provider adopts an individual who had received foster care services from the provider for over six months, and the adopted individual is required to receive a background study under section 245C.03, subdivision 1, paragraph (a), clause (2) or (6), the commissioner may grant a variance to the license holder under section 245C.30 to permit the adopted individual with a permanent disqualification to remain affiliated with the license holder under the conditions of the variance when the variance is recommended by the county of responsibility for each of the remaining individuals in placement in the home and the licensing agency for the home.

(e) For an individual 18 years of age or older affiliated with a licensed family foster setting, the commissioner must not set aside or grant a variance for the disqualification of any individual disqualified pursuant to this chapter, regardless of how much time has passed, if the individual was disqualified for a crime or conduct listed in section 245C.15, subdivision 4a, paragraphs (a) and (b).

(f) In connection with a family foster setting license, the commissioner may grant a variance to the disqualification for an individual who is under 18 years of age at the time the background study is submitted.

(g) In connection with foster residence settings and children's residential facilities, the commissioner must not set aside or grant a variance for the disqualification of any individual disqualified pursuant to this chapter, regardless of how much time has passed, if the individual was disqualified for a crime or conduct listed in section 245C.15, subdivision 4a, paragraph (a) or (b).

Sec. 27. Minnesota Statutes 2022, section 245C.24, subdivision 5, is amended to read:

Subd. 5. **Five-year bar to set aside or variance disqualification; children's residential facilities, foster residence settings.** The commissioner shall not set aside or grant a variance for the disqualification of an individual in connection with a license for a children's residential facility or foster residence setting who was convicted of a felony within the past five years for: (1) physical assault or battery; or (2) a drug-related offense.

Sec. 28. Minnesota Statutes 2022, section 245C.24, subdivision 6, is amended to read:

Subd. 6. **Five-year bar to set aside disqualification; family foster setting.** (a) The commissioner shall not set aside or grant a variance for the disqualification of an individual 18 years of age or older in connection with a foster family setting license if within five years preceding the study the individual is convicted of a felony in section 245C.15, subdivision 4a, paragraph (d).

(b) In connection with a foster family setting license, the commissioner may set aside or grant a variance to the disqualification for an individual who is under 18 years of age at the time the background study is submitted.

(c) In connection with a foster family setting license, the commissioner may set aside or grant a variance to the disqualification for an individual who is under 18 years of age at the time the background study is submitted.

Sec. 29. Minnesota Statutes 2022, section 245C.30, is amended by adding a subdivision to read:

Subd. 1b. **Child foster care variances.** For an individual seeking a child foster care license who is a relative of the child, the commissioner shall consider the importance of maintaining the child's relationship with relatives as an additional significant factor in determining whether the individual should be granted a variance.

Sec. 30. Minnesota Statutes 2022, section 245F.09, subdivision 2, is amended to read:

Subd. 2. **Protective procedures plan.** A license holder must have a written policy and procedure that establishes the protective procedures that program staff must follow when a patient is in imminent danger of harming self or others. The policy must be appropriate to the type of facility and the level of staff training. The protective procedures policy must include:

(1) an approval signed and dated by the program director and medical director prior to implementation. Any changes to the policy must also be approved, signed, and dated by the current program director and the medical director prior to implementation;

(2) which protective procedures the license holder will use to prevent patients from imminent danger of harming self or others;

(3) the emergency conditions under which the protective procedures are permitted to be used, if any;

(4) the patient's health conditions that limit the specific procedures that may be used and alternative means of ensuring safety;

(5) emergency resources the program staff must contact when a patient's behavior cannot be controlled by the procedures established in the policy;

(6) the training that staff must have before using any protective procedure;

(7) documentation of approved therapeutic holds;

(8) the use of law enforcement personnel as described in subdivision 4;

(9) standards governing emergency use of seclusion. Seclusion must be used only when less restrictive measures are ineffective or not feasible. The standards in items (i) to (vii) must be met when seclusion is used with a patient:

(i) seclusion must be employed solely for the purpose of preventing a patient from imminent danger of harming self or others;

(ii) seclusion rooms must be equipped in a manner that prevents patients from self-harm using projections, windows, electrical fixtures, or hard objects, and must allow the patient to be readily observed without being interrupted;

(iii) seclusion must be authorized by the program director, a licensed physician, a registered nurse, or a licensed physician assistant. If one of these individuals is not present in the facility, the program director or a licensed physician, registered nurse, or physician assistant must be contacted and authorization must be obtained within 30 minutes of initiating seclusion, according to written policies;

(iv) patients must not be placed in seclusion for more than 12 hours at any one time;

(v) once the condition of a patient in seclusion has been determined to be safe enough to end continuous observation, a patient in seclusion must be observed at a minimum of every 15 minutes for the duration of seclusion and must always be within hearing range of program staff;

(vi) a process for program staff to use to remove a patient to other resources available to the facility if seclusion does not sufficiently assure patient safety; and

(vii) a seclusion area may be used for other purposes, such as intensive observation, if the room meets normal standards of care for the purpose and if the room is not locked; and

(10) physical holds may only be used when less restrictive measures are not feasible. The standards in items (i) to (iv) must be met when physical holds are used with a patient:

(i) physical holds must be employed solely for preventing a patient from imminent danger of harming self or others;

(ii) physical holds must be authorized by the program director, a licensed physician, a registered nurse, or a physician assistant. If one of these individuals is not present in the facility, the program director or a licensed physician, registered nurse, or physician assistant must be contacted and authorization must be obtained within 30 minutes of initiating a physical hold, according to written policies;

(iii) the patient's health concerns must be considered in deciding whether to use physical holds and which holds are appropriate for the patient; and

(iv) only approved holds may be utilized. Prone and contraindicated holds are not allowed according to section 245A.211 and must not be authorized.

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

Sec. 31. Minnesota Statutes 2022, section 245F.14, is amended by adding a subdivision to read:

Subd. 8. **Notification to commissioner of changes in key staff positions.** A license holder must notify the commissioner within five business days of a change or vacancy in a key staff position. The key positions are a program director as required by subdivision 1, a registered nurse as required by subdivision 4, and a medical director

as required by subdivision 5. The license holder must notify the commissioner of the staffing change on a form approved by the commissioner and include the name of the staff person now assigned to the key staff position and the staff person's qualifications for the position. The license holder must notify the program licensor of a vacancy to discuss how the duties of the key staff position will be fulfilled during the vacancy.

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

Sec. 32. Minnesota Statutes 2022, section 245F.17, is amended to read:

245F.17 PERSONNEL FILES.

A license holder must maintain a separate personnel file for each staff member. At a minimum, the file must contain:

(1) a completed application for employment signed by the staff member that contains the staff member's qualifications for employment and documentation related to the applicant's background study data, as defined in chapter 245C;

(2) documentation of the staff member's current professional license or registration, if relevant;

(3) documentation of orientation and subsequent training; and

~~(4) documentation of a statement of freedom from substance use problems; and~~

~~(5)~~ (4) an annual job performance evaluation.

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

Sec. 33. Minnesota Statutes 2022, section 245G.07, subdivision 4, is amended to read:

Subd. 4. **Location of service provision.** ~~The license holder may provide services at any of the license holder's licensed locations or at another suitable location including a school, government building, medical or behavioral health facility, or social service organization, upon notification and approval of the commissioner. If services are provided off site from the licensed site, the reason for the provision of services remotely must be documented. The license holder may provide additional services under subdivision 2, clauses (2) to (5), off site if the license holder includes a policy and procedure detailing the off-site location as a part of the treatment service description and the program abuse prevention plan.~~

(a) The license holder must provide all treatment services a client receives at one of the license holder's substance use disorder treatment licensed locations or at a location allowed under paragraphs (b) to (f). If the services are provided at the locations in paragraphs (b) to (d), the license holder must document in the client record the location services were provided.

(b) The license holder may provide nonresidential individual treatment services at a client's home or place of residence.

(c) If the license holder provides treatment services by telehealth, the services must be provided according to this paragraph:

(1) the license holder must maintain a licensed physical location in Minnesota where the license holder must offer all treatment services in subdivision 1, paragraph (a), clauses (1) to (4), physically in-person to each client;

(2) the license holder must meet all requirements for the provision of telehealth in sections 254B.05, subdivision 5, paragraph (f), and 256B.0625, subdivision 3b. The license holder must document all items in section 256B.0625, subdivision 3b, paragraph (c), for each client receiving services by telehealth, regardless of payment type or whether the client is a medical assistance enrollee;

(3) the license holder may provide treatment services by telehealth to clients individually;

(4) the license holder may provide treatment services by telehealth to a group of clients that are each in a separate physical location;

(5) the license holder must not provide treatment services remotely by telehealth to a group of clients meeting together in person, unless permitted under clause (7);

(6) clients and staff may join an in-person group by telehealth if a staff member qualified to provide the treatment service is physically present with the group of clients meeting together in person; and

(7) the qualified professional providing a residential group treatment service by telehealth must be physically present on-site at the licensed residential location while the service is being provided. If weather conditions prohibit a qualified professional from traveling to the residential program and another qualified professional is not available to provide the service, a qualified professional may provide a residential group treatment service by telehealth from a location away from the licensed residential location.

(d) The license holder may provide the additional treatment services under subdivision 2, clauses (2) to (6) and (8), away from the licensed location at a suitable location appropriate to the treatment service.

(e) Upon written approval from the commissioner for each satellite location, the license holder may provide nonresidential treatment services at satellite locations that are in a school, jail, or nursing home. A satellite location may only provide services to students of the school, inmates of the jail, or residents of the nursing home. Schools, jails, and nursing homes are exempt from the licensing requirements in section 245A.04, subdivision 2a, to document compliance with building codes, fire and safety codes, health rules, and zoning ordinances.

(f) The commissioner may approve other suitable locations as satellite locations for nonresidential treatment services. The commissioner may require satellite locations under this paragraph to meet all applicable licensing requirements. The license holder may not have more than two satellite locations per license under this paragraph.

(g) The license holder must provide the commissioner access to all files, documentation, staff persons, and any other information the commissioner requires at the main licensed location for all clients served at any location under paragraphs (b) to (f).

(h) Notwithstanding sections 245A.65, subdivision 2, and 626.557, subdivision 14, a program abuse prevention plan is not required for satellite or other locations under paragraphs (b) to (e). An individual abuse prevention plan is still required for any client that is a vulnerable adult as defined in section 626.5572, subdivision 21.

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

Sec. 34. Minnesota Statutes 2022, section 245G.08, subdivision 5, is amended to read:

Subd. 5. **Administration of medication and assistance with self-medication.** (a) A license holder must meet the requirements in this subdivision if a service provided includes the administration of medication.

(b) A staff member, other than a licensed practitioner or nurse, who is delegated by a licensed practitioner or a registered nurse the task of administration of medication or assisting with self-medication, must:

(1) successfully complete a medication administration training program for unlicensed personnel through an accredited Minnesota postsecondary educational institution. A staff member's completion of the course must be documented in writing and placed in the staff member's personnel file;

(2) be trained according to a formalized training program that is taught by a registered nurse and offered by the license holder. ~~The training must include the process for administration of naloxone, if naloxone is kept on site.~~ A staff member's completion of the training must be documented in writing and placed in the staff member's personnel records; or

(3) demonstrate to a registered nurse competency to perform the delegated activity. A registered nurse must be employed or contracted to develop the policies and procedures for administration of medication or assisting with self-administration of medication, or both.

(c) A registered nurse must provide supervision as defined in section 148.171, subdivision 23. The registered nurse's supervision must include, at a minimum, monthly on-site supervision or more often if warranted by a client's health needs. The policies and procedures must include:

(1) a provision that a delegation of administration of medication is limited to a method a staff member has been trained to administer and limited to:

(i) a medication that is administered orally, topically, or as a suppository, an eye drop, an ear drop, an inhalant, or an intranasal; and

(ii) an intramuscular injection of ~~naloxone~~ an opiate antagonist as defined in section 604A.04, subdivision 1, or epinephrine;

(2) a provision that each client's file must include documentation indicating whether staff must conduct the administration of medication or the client must self-administer medication, or both;

(3) a provision that a client may carry emergency medication such as nitroglycerin as instructed by the client's physician, advanced practice registered nurse, or physician assistant;

(4) a provision for the client to self-administer medication when a client is scheduled to be away from the facility;

(5) a provision that if a client self-administers medication when the client is present in the facility, the client must self-administer medication under the observation of a trained staff member;

(6) a provision that when a license holder serves a client who is a parent with a child, the parent may only administer medication to the child under a staff member's supervision;

(7) requirements for recording the client's use of medication, including staff signatures with date and time;

(8) guidelines for when to inform a nurse of problems with self-administration of medication, including a client's failure to administer, refusal of a medication, adverse reaction, or error; and

(9) procedures for acceptance, documentation, and implementation of a prescription, whether written, verbal, telephonic, or electronic.

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

Sec. 35. Minnesota Statutes 2022, section 245G.08, subdivision 6, is amended to read:

Subd. 6. **Control of drugs.** A license holder must have and implement written policies and procedures developed by a registered nurse that contain:

(1) a requirement that each drug must be stored in a locked compartment. A Schedule II drug, as defined by section 152.02, subdivision 3, must be stored in a separately locked compartment, permanently affixed to the physical plant or medication cart;

(2) a system which accounts for all scheduled drugs each shift;

(3) a procedure for recording the client's use of medication, including the signature of the staff member who completed the administration of the medication with the time and date;

(4) a procedure to destroy a discontinued, outdated, or deteriorated medication;

(5) a statement that only authorized personnel are permitted access to the keys to a locked compartment;

(6) a statement that no legend drug supply for one client shall be given to another client; and

(7) a procedure for monitoring the available supply of ~~naloxone~~ an opiate antagonist as defined in section 604A.04, subdivision 1, on site~~,~~ and replenishing the ~~naloxone~~ supply when needed~~, and destroying naloxone according to clause (4)~~.

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

Sec. 36. Minnesota Statutes 2022, section 245G.10, is amended by adding a subdivision to read:

Subd. 6. **Notification to commissioner of changes in key staff positions.** A license holder must notify the commissioner within five business days of a change or vacancy in a key staff position. The key positions are a treatment director as required by subdivision 1, an alcohol and drug counselor supervisor as required by subdivision 2, and a registered nurse as required by section 245G.08, subdivision 5, paragraph (c). The license holder must notify the commissioner of the staffing change on a form approved by the commissioner and include the name of the staff person now assigned to the key staff position and the staff person's qualifications for the position. The license holder must notify the program licensor of a vacancy to discuss how the duties of the key staff position will be fulfilled during the vacancy.

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

Sec. 37. 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" or "take-home" means the use of a medication for the treatment of opioid use disorder dispensed for use by a client outside of the program setting.

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

Sec. 38. 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~~ their individualized take-home doses as ordered for days that the clinic is closed for business, on one weekend day (e.g., Sunday) and state and federal holidays, no matter their length of time in treatment, as allowed under Code of Federal Regulations, title 42, part 8.12 (i)(1).

(b) For take-home doses beyond those allowed by paragraph (a), a practitioner ~~with authority to prescribe~~ must review and document the criteria in ~~this paragraph and paragraph (c)~~ the Code of Federal Regulations, title 42, part 8.12 (i)(2), when determining whether dispensing medication for a client's unsupervised use is safe and 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 by a practitioner in the client's medical record.

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

Sec. 39. Minnesota Statutes 2022, section 245G.22, subdivision 7, is amended to read:

Subd. 7. **Restrictions for unsupervised use of methadone hydrochloride.** (a) If a ~~medical director or prescribing~~ practitioner assesses ~~and~~, determines, and documents that a client meets the criteria in subdivision 6 ~~and may be dispensed a medication used for the treatment of opioid addiction, the restrictions in this subdivision must be followed when the medication to be dispensed is methadone hydrochloride. The results of the assessment must be contained in the client file. The number of unsupervised use medication doses per week in paragraphs (b) to (d) is in addition to the number of unsupervised use medication doses a client may receive for days the clinic is closed for business as allowed by subdivision 6, paragraph (a)~~ and that a patient is safely able to manage unsupervised doses of methadone, the number of take-home doses the client receives must be limited by the number allowed by the Code of Federal Regulations, title 42, part 8.12 (i)(3).

~~(b) During the first 90 days of treatment, the unsupervised use medication supply must be limited to a maximum of a single dose each week and the client shall ingest all other doses under direct supervision.~~

~~(c) In the second 90 days of treatment, the unsupervised use medication supply must be limited to two doses per week.~~

~~(d) In the third 90 days of treatment, the unsupervised use medication supply must not exceed three doses per week.~~

~~(e) In the remaining months of the first year, a client may be given a maximum six day unsupervised use medication supply.~~

~~(f) After one year of continuous treatment, a client may be given a maximum two week unsupervised use medication supply.~~

~~(g) After two years of continuous treatment, a client may be given a maximum one month unsupervised use medication supply, but must make monthly visits to the program.~~

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

Sec. 40. 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. 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~~ on one weekend day and state and federal holidays, must meet the requirements under section 245G.22, subdivisions 6 and 7.

(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.

(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 the day following final enactment.

Sec. 41. Minnesota Statutes 2023 Supplement, section 256.046, subdivision 3, is amended to read:

Subd. 3. **Administrative disqualification of child care providers caring for children receiving child care assistance.** (a) The department shall pursue an administrative disqualification, if the child care provider is accused of committing an intentional program violation, in lieu of a criminal action when it has not been pursued. Intentional program violations include intentionally making false or misleading statements; intentionally misrepresenting, concealing, or withholding facts; and repeatedly and intentionally violating program regulations under chapters 119B and 245E. Intent may be proven by demonstrating a pattern of conduct that violates program rules under chapters 119B and 245E.

(b) To initiate an administrative disqualification, the commissioner must ~~mail~~ send written notice ~~by certified mail~~ using a signature-verified confirmed delivery method to the provider against whom the action is being taken. Unless otherwise specified under chapter 119B or 245E or Minnesota Rules, chapter 3400, the commissioner must ~~mail~~ send the written notice at least 15 calendar days before the adverse action's effective date. The notice shall state (1) the factual basis for the agency's determination, (2) the action the agency intends to take, (3) the dollar amount of the monetary recovery or recoupment, if known, and (4) the provider's right to appeal the agency's proposed action.

(c) The provider may appeal an administrative disqualification by submitting a written request to the Department of Human Services, Appeals Division. A provider's request must be received by the Appeals Division no later than 30 days after the date the commissioner mails the notice.

(d) The provider's appeal request must contain the following:

(1) each disputed item, the reason for the dispute, and, if applicable, an estimate of the dollar amount involved for each disputed item;

(2) the computation the provider believes to be correct, if applicable;

(3) the statute or rule relied on for each disputed item; and

(4) the name, address, and telephone number of the person at the provider's place of business with whom contact may be made regarding the appeal.

(e) On appeal, the issuing agency bears the burden of proof to demonstrate by a preponderance of the evidence that the provider committed an intentional program violation.

(f) The hearing is subject to the requirements of sections 256.045 and 256.0451. The human services judge may combine a fair hearing and administrative disqualification hearing into a single hearing if the factual issues arise out of the same or related circumstances and the provider receives prior notice that the hearings will be combined.

(g) A provider found to have committed an intentional program violation and is administratively disqualified shall be disqualified, for a period of three years for the first offense and permanently for any subsequent offense, from receiving any payments from any child care program under chapter 119B.

(h) Unless a timely and proper appeal made under this section is received by the department, the administrative determination of the department is final and binding.

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

Sec. 42. Minnesota Statutes 2023 Supplement, section 256B.064, subdivision 4, is amended to read:

Subd. 4. **Notice.** (a) The department shall serve the notice required under subdivision 2 ~~by certified mail at~~ using a signature-verified confirmed delivery method to the address submitted to the department by the individual or entity. Service is complete upon mailing.

(b) The department shall give notice in writing to a recipient placed in the Minnesota restricted recipient program under section 256B.0646 and Minnesota Rules, part 9505.2200. The department shall send the notice by first class mail to the recipient's current address on file with the department. A recipient placed in the Minnesota restricted recipient program may contest the placement by submitting a written request for a hearing to the department within 90 days of the notice being mailed.

Sec. 43. Minnesota Statutes 2022, section 260E.33, subdivision 2, as amended by Laws 2024, chapter 80, article 8, section 44, is amended to read:

Subd. 2. **Request for reconsideration.** (a) Except as provided under subdivision 5, an individual or facility that the commissioner of human services; commissioner of children, youth, and families; a local welfare agency; or the commissioner of education determines has maltreated a child, an interested person acting on behalf of the child, regardless of the determination, who contests the investigating agency's final determination regarding maltreatment

may request the investigating agency to reconsider its final determination regarding maltreatment. The request for reconsideration must be submitted in writing or submitted in the provider licensing and reporting hub to the investigating agency within 15 calendar days after receipt of notice of the final determination regarding maltreatment or, if the request is made by an interested person who is not entitled to notice, within 15 days after receipt of the notice by the parent or guardian of the child. If mailed, the request for reconsideration must be postmarked and sent to the investigating agency within 15 calendar days of the individual's or facility's receipt of the final determination. If the request for reconsideration is made by personal service, it must be received by the investigating agency within 15 calendar days after the individual's or facility's receipt of the final determination. Upon implementation of the provider licensing and reporting hub, the individual or facility must use the hub to request reconsideration. The reconsideration must be received by the commissioner within 15 calendar days of the individual's receipt of the notice of disqualification.

(b) An individual who was determined to have maltreated a child under this chapter and who was disqualified on the basis of serious or recurring maltreatment under sections 245C.14 and 245C.15 may request reconsideration of the maltreatment determination and the disqualification. The request for reconsideration of the maltreatment determination and the disqualification must be submitted within 30 calendar days of the individual's receipt of the notice of disqualification under sections 245C.16 and 245C.17. If mailed, the request for reconsideration of the maltreatment determination and the disqualification must be postmarked and sent to the investigating agency within 30 calendar days of the individual's receipt of the maltreatment determination and notice of disqualification. If the request for reconsideration is made by personal service, it must be received by the investigating agency within 30 calendar days after the individual's receipt of the notice of disqualification.

Sec. 44. Laws 2024, chapter 80, article 2, section 6, subdivision 2, is amended to read:

Subd. 2. **Change in ownership.** (a) If the commissioner determines that there is a change in ownership, the commissioner shall require submission of a new license application. This subdivision does not apply to a licensed program or service located in a home where the license holder resides. A change in ownership occurs when:

(1) except as provided in paragraph (b), the license holder sells or transfers 100 percent of the property, stock, or assets;

(2) the license holder merges with another organization;

(3) the license holder consolidates with two or more organizations, resulting in the creation of a new organization;

(4) there is a change to the federal tax identification number associated with the license holder; or

(5) except as provided in paragraph (b), all controlling individuals ~~associated with~~ for the original ~~application~~ license have changed.

(b) ~~Notwithstanding~~ For changes under paragraph (a), ~~clauses~~ clause (1) ~~and~~ or (5), no change in ownership has occurred and a new license application is not required if at least one controlling individual has been ~~listed~~ affiliated as a controlling individual for the license for at least the previous 12 months immediately preceding the change.

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

Sec. 45. Laws 2024, chapter 80, article 2, section 6, subdivision 3, is amended to read:

Subd. 3. **Standard change of ownership process.** (a) When a change in ownership is proposed and the party intends to assume operation without an interruption in service longer than 60 days after acquiring the program or service, the license holder must provide the commissioner with written notice of the proposed change on a form provided by the commissioner at least ~~60~~ 90 days before the anticipated date of the change in ownership. For purposes of this ~~subdivision and subdivision 4~~ section, "party" means the party that intends to operate the service or program.

(b) The party must submit a license application under this chapter on the form and in the manner prescribed by the commissioner at least ~~30~~ 90 days before the change in ownership is anticipated to be complete and must include documentation to support the upcoming change. The party must comply with background study requirements under chapter 245C and shall pay the application fee required under section 245A.10.

(c) The commissioner may streamline application procedures when the party is an existing license holder under this chapter and is acquiring a program licensed under this chapter or service in the same service class as one or more licensed programs or services the party operates and those licenses are in substantial compliance. For purposes of this subdivision, "substantial compliance" means within the previous 12 months the commissioner did not (1) issue a sanction under section 245A.07 against a license held by the party, or (2) make a license held by the party conditional according to section 245A.06.

(d) ~~Except when a temporary change in ownership license is issued pursuant to subdivision 4~~ While the standard change of ownership process is pending, the existing license holder ~~is solely~~ remains responsible for operating the program according to applicable laws and rules until a license under this chapter is issued to the party.

(e) If a licensing inspection of the program or service was conducted within the previous 12 months and the existing license holder's license record demonstrates substantial compliance with the applicable licensing requirements, the commissioner may waive the party's inspection required by section 245A.04, subdivision 4. The party must submit to the commissioner (1) proof that the premises was inspected by a fire marshal or that the fire marshal deemed that an inspection was not warranted, and (2) proof that the premises was inspected for compliance with the building code or that no inspection was deemed warranted.

(f) If the party is seeking a license for a program or service that has an outstanding action under section 245A.06 or 245A.07, the party must submit a letter as part of the application process identifying how the party has or will come into full compliance with the licensing requirements.

(g) The commissioner shall evaluate the party's application according to section 245A.04, subdivision 6. If the commissioner determines that the party has remedied or demonstrates the ability to remedy the outstanding actions under section 245A.06 or 245A.07 and has determined that the program otherwise complies with all applicable laws and rules, the commissioner shall issue a license or conditional license under this chapter. A conditional license issued under this section is final and not subject to reconsideration under section 142B.16, subdivision 4. The conditional license remains in effect until the commissioner determines that the grounds for the action are corrected or no longer exist.

(h) The commissioner may deny an application as provided in section 245A.05. An applicant whose application was denied by the commissioner may appeal the denial according to section 245A.05.

(i) This subdivision does not apply to a licensed program or service located in a home where the license holder resides.

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

Sec. 46. Laws 2024, chapter 80, article 2, section 6, is amended by adding a subdivision to read:

Subd. 3a. **Emergency change in ownership process.** (a) In the event of a death of a license holder or sole controlling individual or a court order or other event that results in the license holder being inaccessible or unable to operate the program or service, a party may submit a request to the commissioner to allow the party to assume operation of the program or service under an emergency change in ownership process to ensure persons continue to receive services while the commissioner evaluates the party's license application.

(b) To request the emergency change of ownership process, the party must immediately:

(1) notify the commissioner of the event resulting in the inability of the license holder to operate the program and of the party's intent to assume operations; and

(2) provide the commissioner with documentation that demonstrates the party has a legal or legitimate ownership interest in the program or service if applicable and is able to operate the program or service.

(c) If the commissioner approves the party to continue operating the program or service under an emergency change in ownership process, the party must:

(1) request to be added as a controlling individual or license holder to the existing license;

(2) notify persons receiving services of the emergency change in ownership in a manner approved by the commissioner;

(3) submit an application for a new license within 30 days of approval;

(4) comply with the background study requirements under chapter 245C; and

(5) pay the application fee required under section 142B.12.

(d) While the emergency change of ownership process is pending, a party approved under this subdivision is responsible for operating the program under the existing license according to applicable laws and rules until a new license under this chapter is issued.

(e) The provisions in subdivision 3, paragraphs (c), (g), and (h), apply to this subdivision.

(f) Once a party is issued a new license or has decided not to seek a new license, the commissioner must close the existing license.

(g) This subdivision applies to any program or service licensed under this chapter.

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

Sec. 47. Laws 2024, chapter 80, article 2, section 6, is amended by adding a subdivision to read:

Subd. 5. **Failure to comply.** If the commissioner finds that the applicant or license holder has not fully complied with this section, the commissioner may impose a licensing sanction under section 142B.15, 142B.16, or 142B.18.

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

Sec. 48. Laws 2024, chapter 80, article 2, section 10, subdivision 1, is amended to read:

Subdivision 1. **Sanctions; appeals; license.** (a) In addition to making a license conditional under section 142B.16, the commissioner may suspend or revoke the license, impose a fine, or secure an injunction against the continuing operation of the program of a license holder who:

(1) does not comply with applicable law or rule;

(2) has nondisqualifying background study information, as described in section 245C.05, subdivision 4, that reflects on the license holder's ability to safely provide care to foster children; or

(3) has an individual living in the household where the licensed services are provided or is otherwise subject to a background study, and the individual has nondisqualifying background study information, as described in section 245C.05, subdivision 4, that reflects on the license holder's ability to safely provide care to foster children.

When applying sanctions authorized under this section, the commissioner shall consider the nature, chronicity, or severity of the violation of law or rule and the effect of the violation on the health, safety, or rights of persons served by the program.

(b) If a license holder appeals the suspension or revocation of a license and the license holder continues to operate the program pending a final order on the appeal, the commissioner shall issue the license holder a temporary provisional license. Unless otherwise specified by the commissioner, variances in effect on the date of the license sanction under appeal continue under the temporary provisional license. The commissioner may include terms the license holder must follow pending a final order on the appeal. If a license holder fails to comply with applicable law or rule while operating under a temporary provisional license, the commissioner may impose additional sanctions under this section and section 142B.16 and may terminate any prior variance. If a temporary provisional license is set to expire, a new temporary provisional license shall be issued to the license holder upon payment of any fee required under section 142B.12. The temporary provisional license shall expire on the date the final order is issued. If the license holder prevails on the appeal, a new nonprovisional license shall be issued for the remainder of the current license period.

(c) If a license holder is under investigation and the license issued under this chapter is due to expire before completion of the investigation, the program shall be issued a new license upon completion of the reapplication requirements and payment of any applicable license fee. Upon completion of the investigation, a licensing sanction may be imposed against the new license under this section or section 142B.16 or 142B.20.

(d) Failure to reapply or closure of a license issued under this chapter by the license holder prior to the completion of any investigation shall not preclude the commissioner from issuing a licensing sanction under this section or section 142B.16 at the conclusion of the investigation.

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

Sec. 49. Laws 2024, chapter 80, article 2, section 10, subdivision 6, is amended to read:

Subd. 6. **Appeal of multiple sanctions.** (a) When the license holder appeals more than one licensing action or sanction that were simultaneously issued by the commissioner, the license holder shall specify the actions or sanctions that are being appealed.

(b) If there are different timelines prescribed in statutes for the licensing actions or sanctions being appealed, the license holder must submit the appeal within the longest of those timelines specified in statutes.

(c) The appeal must be made in writing by certified mail ~~or,~~ personal service, or through the provider licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the commissioner within the prescribed timeline with the first day beginning the day after the license holder receives the certified letter. If a request is made by personal service, it must be received by the commissioner within the prescribed timeline with the first day beginning the day after the license holder receives the certified letter. If the appeal is made through the provider hub, the appeal must be received by the commissioner within the prescribed timeline with the first day beginning the day after the commissioner issued the order through the hub.

(d) When there are different timelines prescribed in statutes for the appeal of licensing actions or sanctions simultaneously issued by the commissioner, the commissioner shall specify in the notice to the license holder the timeline for appeal as specified under paragraph (b).

Sec. 50. **REPEALER.**

(a) Minnesota Statutes 2022, section 245C.125, is repealed.

(b) Minnesota Statutes 2023 Supplement, section 245C.08, subdivision 2, is repealed.

(c) Minnesota Rules, part 9502.0425, subpart 5, is repealed.

(d) Laws 2024, chapter 80, article 2, section 6, subdivision 4, is repealed.

ARTICLE 11
SUBSTANCE USE DISORDER TREATMENT LICENSING

Section 1. Minnesota Statutes 2022, section 245G.11, subdivision 5, is amended to read:

Subd. 5. **Alcohol and drug counselor qualifications.** (a) An alcohol and drug counselor must either be licensed or exempt from licensure under chapter 148F.

(b) An individual who is exempt from licensure under chapter 148F, must meet one of the following additional requirements:

(1) completion of at least a baccalaureate degree with a major or concentration in social work, nursing, sociology, human services, or psychology, or licensure as a registered nurse; successful completion of a minimum of 120 hours of classroom instruction in which each of the core functions listed in chapter 148F is covered; and successful completion of 440 hours of supervised experience as an alcohol and drug counselor, either as a student or a staff member;

(2) completion of at least 270 hours of drug counselor training in which each of the core functions listed in chapter 148F is covered, and successful completion of 880 hours of supervised experience as an alcohol and drug counselor, either as a student or as a staff member;

(3) current certification as an alcohol and drug counselor or alcohol and drug counselor reciprocal, through the evaluation process established by the International Certification and Reciprocity Consortium Alcohol and Other Drug Abuse, Inc.;

(4) completion of a bachelor's degree including 480 hours of alcohol and drug counseling education from an accredited school or educational program and 880 hours of alcohol and drug counseling practicum; ~~or~~

(5) employment in a program formerly licensed under Minnesota Rules, parts 9530.5000 to 9530.6400, and successful completion of 6,000 hours of supervised work experience in a licensed program as an alcohol and drug counselor prior to January 1, 2005~~.~~;

(6) qualification as a mental health professional under section 245I.04, subdivision 2, and completion of training in addiction, co-occurring disorders, or substance use disorder diagnosis and treatment as required under section 245G.13, subdivision 2, paragraph (f). An individual exempt from licensure under this clause must engage in practice exclusively within the scope of practice under the individual's professional licensing statutes. This clause expires December 31, 2026;

(7) qualification as a clinical trainee under section 245I.04, subdivision 6. An individual exempt from licensure under this clause must practice under the supervision of a mental health professional who is practicing in accordance with this section. This clause expires on December 31, 2026; and

(8) licensure as a registered nurse under section 148.171, subdivision 20, and completion of training in addiction, co-occurring disorders, or substance use disorder diagnosis and treatment as required under section 245G.13, subdivision 2, paragraph (f). An individual exempt from licensure under this clause must engage in practice exclusively within the scope of practice under the individual's professional licensing statutes. This clause expires on December 31, 2026.

(c) An alcohol and drug counselor may not provide a treatment service that requires professional licensure unless the individual possesses the necessary license. For the purposes of enforcing this section, the commissioner has the authority to monitor a service provider's compliance with the relevant standards of the service provider's profession and may issue licensing actions against the license holder according to sections 245A.05, 245A.06, and 245A.07, based on the commissioner's determination of noncompliance.

Sec. 2. Minnesota Statutes 2022, section 245G.11, subdivision 7, is amended to read:

Subd. 7. **Treatment coordination provider qualifications.** (a) Treatment coordination must be provided by qualified staff. An individual is qualified to provide treatment coordination if the individual meets the qualifications of an alcohol and drug counselor under subdivision 5 or if the individual:

(1) is skilled in the process of identifying and assessing a wide range of client needs;

(2) is knowledgeable about local community resources and how to use those resources for the benefit of the client;

(3) has successfully completed ~~30 hours of classroom instruction on treatment coordination for an individual with substance use disorder~~ 15 hours of training on treatment coordination for an individual with substance use disorder; and

(4) ~~has either~~ meets one of the following criteria:

(i) has a bachelor's degree in one of the behavioral sciences or related fields and at least 1,000 hours of supervised experience working with individuals with substance use disorder; ~~or~~

(ii) is a mental health practitioner qualified under section 245I.04, subdivision 4; or

(iii) has a current certification as an alcohol and drug counselor, level I, by the Upper Midwest Indian Council on Addictive Disorders~~; and~~.

~~(5) has at least 2,000 hours of supervised experience working with individuals with substance use disorder.~~

(b) A treatment coordinator must receive at least one hour of supervision regarding individual service delivery from an alcohol and drug counselor, or a mental health professional who has substance use treatment and assessments within the scope of their practice, on a monthly basis.

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

ARTICLE 12
MISCELLANEOUS

Section 1. Minnesota Statutes 2022, section 148F.025, subdivision 2, is amended to read:

Subd. 2. **Education requirements for licensure.** An applicant for licensure must submit evidence satisfactory to the board that the applicant has:

(1) received a bachelor's or master's degree from an accredited school or educational program; and

(2) received 18 semester credits or 270 clock hours of academic course work and 880 clock hours of supervised alcohol and drug counseling practicum from an accredited school or education program. The course work and practicum do not have to be part of the bachelor's degree earned under clause (1). The academic course work must be in the following areas:

(i) an overview of the transdisciplinary foundations of alcohol and drug counseling, including theories of chemical dependency, the continuum of care, and the process of change;

(ii) pharmacology of substance abuse disorders and the dynamics of addiction, including substance use disorder treatment with medications for opioid use disorder;

(iii) professional and ethical responsibilities;

(iv) multicultural aspects of chemical dependency;

(v) co-occurring disorders; and

(vi) the core functions defined in section 148F.01, subdivision 10.

Sec. 2. Minnesota Statutes 2023 Supplement, section 245.991, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The commissioner of human services must establish the projects for assistance in transition from homelessness program to prevent or end homelessness for people with serious mental illness, substance use disorder, or co-occurring substance use disorder and ensure the commissioner achieves the goals of the housing mission statement in section 245.461, subdivision 4.

Sec. 3. 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.

(i) Notwithstanding paragraph (a), persons enrolled in MinnesotaCare are eligible for room and board services under section 254B.05, subdivision 1a, paragraph (e).

EFFECTIVE DATE. This section is effective January 1, 2025, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 4. Minnesota Statutes 2023 Supplement, section 256D.01, subdivision 1a, is amended to read:

Subd. 1a. **Standards.** (a) A principal objective in providing general assistance is to provide for single adults, childless couples, or children as defined in section 256D.02, subdivision 2b, ineligible for federal programs who are unable to provide for themselves. The minimum standard of assistance determines the total amount of the general assistance grant without separate standards for shelter, utilities, or other needs.

(b) The standard of assistance for an assistance unit consisting of a recipient who is childless and unmarried or living apart from children and spouse and who does not live with a parent or parents or a legal custodian, or consisting of a childless couple, is $350 per month effective October 1, 2024, and must be adjusted by a percentage equal to the change in the consumer price index as of January 1 every year, beginning October 1, 2025.

(c) For an assistance unit consisting of a single adult who lives with a parent or parents, the general assistance standard of assistance is $350 per month effective October 1, ~~2023~~ 2024, and must be adjusted by a percentage equal to the change in the consumer price index as of January 1 every year, beginning October 1, 2025. Benefits received by a responsible relative of the assistance unit under the Supplemental Security Income program, a workers' compensation program, the Minnesota supplemental aid program, or any other program based on the responsible relative's disability, and any benefits received by a responsible relative of the assistance unit under the Social Security retirement program, may not be counted in the determination of eligibility or benefit level for the assistance unit. Except as provided below, the assistance unit is ineligible for general assistance if the available resources or the countable income of the assistance unit and the parent or parents with whom the assistance unit lives are such that a family consisting of the assistance unit's parent or parents, the parent or parents' other family members and the assistance unit as the only or additional minor child would be financially ineligible for general assistance. For the purposes of calculating the countable income of the assistance unit's parent or parents, the calculation methods must follow the provisions under section 256P.06.

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

Sec. 5. Minnesota Statutes 2022, section 256I.04, subdivision 2f, is amended to read:

Subd. 2f. **Required services.** (a) In ~~licensed and registered~~ authorized settings under subdivision 2a, providers shall ensure that participants have at a minimum:

(1) food preparation and service for three nutritional meals a day on site;

(2) a bed, clothing storage, linen, bedding, laundering, and laundry supplies or service;

(3) housekeeping, including cleaning and lavatory supplies or service; and

(4) maintenance and operation of the building and grounds, including heat, water, garbage removal, electricity, telephone for the site, cooling, supplies, and parts and tools to repair and maintain equipment and facilities.

(b) In addition, when providers serve participants described in subdivision 1, paragraph (c), the providers are required to assist the participants in applying for continuing housing support payments before the end of the eligibility period.

Sec. 6. Minnesota Statutes 2023 Supplement, section 256I.05, subdivision 1a, is amended to read:

Subd. 1a. **Supplementary service rates.** (a) Subject to the provisions of section 256I.04, subdivision 3, the agency may negotiate a payment not to exceed $494.91 for other services necessary to provide room and board if the residence is licensed by or registered by the Department of Health, or licensed by the Department of Human

Services to provide services in addition to room and board, and if the provider of services is not also concurrently receiving funding for services for a recipient in the residence under the following programs or funding sources: (1) home and community-based waiver services under chapter 256S or section 256B.0913, 256B.092, or 256B.49; (2) personal care assistance under section 256B.0659; (3) community first services and supports under section 256B.85; or (4) services for adults with mental illness grants under section 245.73. If funding is available for other necessary services through a home and community-based waiver under chapter 256S, or section 256B.0913, 256B.092, or 256B.49; personal care assistance services under section 256B.0659; community first services and supports under section 256B.85; or services for adults with mental illness grants under section 245.73, then the housing support rate is limited to the rate set in subdivision 1. Unless otherwise provided in law, in no case may the supplementary service rate exceed $494.91. The registration and licensure requirement does not apply to establishments which are exempt from state licensure because they are located on Indian reservations and for which the tribe has prescribed health and safety requirements. Service payments under this section may be prohibited under rules to prevent the supplanting of federal funds with state funds.

~~(b) The commissioner is authorized to make cost-neutral transfers from the housing support fund for beds under this section to other funding programs administered by the department after consultation with the agency in which the affected beds are located. The commissioner may also make cost-neutral transfers from the housing support fund to agencies for beds permanently removed from the housing support census under a plan submitted by the agency and approved by the commissioner. The commissioner shall report the amount of any transfers under this provision annually to the legislature.~~

~~(c)~~ (b) Agencies must not negotiate supplementary service rates with providers of housing support that are licensed as board and lodging with special services and that do not encourage a policy of sobriety on their premises and make referrals to available community services for volunteer and employment opportunities for residents.

Sec. 7. Minnesota Statutes 2023 Supplement, section 256I.05, subdivision 11, is amended to read:

Subd. 11. **~~Transfer of emergency shelter funds~~ Cost-neutral transfers from the housing support fund.** (a) The commissioner is authorized to make cost-neutral transfers from the housing support fund for beds under this section to other funding programs administered by the department after consultation with the agency in which the affected beds are located.

(b) The commissioner may also make cost-neutral transfers from the housing support fund to agencies for beds removed from the housing support census under a plan submitted by the agency and approved by the commissioner.

~~(a)~~ (c) The commissioner shall make a cost-neutral transfer of funding from the housing support fund to the agency for emergency shelter beds removed from the housing support census under a ~~biennial~~ plan submitted by the agency and approved by the commissioner. Plans submitted under this paragraph must include anticipated and actual outcomes for persons experiencing homelessness in emergency shelters.

~~The plan~~ (d) Plans submitted under paragraph (b) or (c) must describe: (1) ~~anticipated and actual outcomes for persons experiencing homelessness in emergency shelters; (2)~~ improved efficiencies in administration; ~~(3)~~ (2) requirements for individual eligibility; and ~~(4)~~ (3) plans for quality assurance monitoring and quality assurance outcomes. The commissioner shall review ~~the~~ agency ~~plan~~ plans to monitor implementation and outcomes at least biennially, and more frequently if the commissioner deems necessary.

~~(b) The~~ (e) Funding under paragraph ~~(a)~~ (b), (c), or (d) may be used for the provision of room and board or supplemental services according to section 256I.03, subdivisions 14a and 14b. Providers must meet the requirements of section 256I.04, subdivisions 2a to 2f. Funding must be allocated annually, and the room and board portion of the allocation shall be adjusted according to the percentage change in the housing support room and board rate. ~~The room and board portion of the allocation shall be determined at the time of transfer.~~ The commissioner or agency may return beds to the housing support fund with 180 days' notice, including financial reconciliation.

Sec. 8. Minnesota Statutes 2023 Supplement, section 342.06, is amended to read:

342.06 APPROVAL OF CANNABIS FLOWER, PRODUCTS, AND CANNABINOIDS.

(a) For the purposes of this section, "product category" means a type of product that may be sold in different sizes, distinct packaging, or at various prices but is still created using the same manufacturing or agricultural processes. A new or additional stock keeping unit (SKU) or Universal Product Code (UPC) shall not prevent a product from being considered the same type as another unit. All other terms have the meanings provided in section 342.01.

(b) The office shall approve product categories of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for retail sale.

(c) The office may establish limits on the total THC of cannabis flower, cannabis products, and hemp-derived consumer products. As used in this paragraph, "total THC" means the sum of the percentage by weight of tetrahydrocannabinolic acid multiplied by 0.877 plus the percentage by weight of all tetrahydrocannabinols.

(d) The office shall not approve any cannabis product, lower-potency hemp edible, or hemp-derived consumer product that:

(1) is or appears to be a lollipop or ice cream;

(2) bears the likeness or contains characteristics of a real or fictional person, animal, or fruit;

(3) is modeled after a type or brand of products primarily consumed by or marketed to children;

(4) is substantively similar to a meat food product; poultry food product as defined in section 31A.02, subdivision 10; or a dairy product as defined in section 32D.01, subdivision 7;

(5) contains a synthetic cannabinoid;

(6) is made by applying a cannabinoid, including but not limited to an artificially derived cannabinoid, to a finished food product that does not contain cannabinoids and is sold to consumers, including but not limited to a candy or snack food; or

(7) if the product is an edible cannabis product or lower-potency hemp edible, contains an ingredient, other than a cannabinoid, that is not approved by the United States Food and Drug Administration for use in food.

(e) The office must not approve any cannabis flower, cannabis product, or hemp-derived consumer product intended to be inhaled as smoke, aerosol, or vapor from the product that:

(1) contains any added artificial, synthetic, or natural flavoring, either in the product itself or in its components or parts;

(2) presents any descriptor or depiction of flavor that would imply to an ordinary person that the product contains flavors other than the natural taste or smell of cannabis;

(3) imparts a taste or smell, other than the taste or smell of cannabis, that is distinguishable by an ordinary consumer prior to or during the consumption of the product; or

(4) imparts a cooling, a burning, a numbing, or another sensation distinguishable by an ordinary consumer to impart a flavor other than cannabis either prior to or during the consumption of the product.

(f) Notwithstanding paragraph (e), the office may approve cannabis flower, cannabis products, or hemp-derived consumer products intended to be inhaled as smoke, aerosol, or vapor that contain or impart a flavor or smell only if the additives are terpenes extracted from cannabis plants or hemp plants and are present at no greater concentrations than those found naturally occurring in the cannabis plants or hemp plants from which the tetrahydrocannabinol was extracted.

Sec. 9. Minnesota Statutes 2023 Supplement, section 342.63, is amended by adding a subdivision to read:

Subd. 7. **Content of label; products intended to be inhaled as smoke, aerosol, or vapor.** All cannabis flower, cannabis products, and hemp-derived consumer products intended to be inhaled as smoke, aerosol, or vapor and sold to customers or patients must not present, on the label or affixed on the packaging or container, any descriptor or depiction of flavor that would imply to an ordinary person that the product contains flavors other than the natural taste or smell of cannabis. A cannabis plant or hemp plant strain name that includes a descriptor of a fruit, flavor, or food term may be listed on the label or affixed to the packaging or container only in a font that does not exceed six points and in black or white type.

Sec. 10. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 256D.21, as Minnesota Statutes, section 261.004.

Sec. 11. **REPEALER.**

Minnesota Statutes 2022, sections 256D.19, subdivisions 1 and 2; 256D.20, subdivisions 1, 2, 3, and 4; and 256D.23, subdivisions 1, 2, and 3, are repealed.

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

ARTICLE 13
HUMAN SERVICES FORECAST ADJUSTMENTS

Section 1. **HUMAN SERVICES FORECAST ADJUSTMENTS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2023, chapter 61, article 9, and Laws 2023, chapter 70, article 20, to the commissioner of human services from the general fund or other named fund for the purposes specified in section 2 and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively.

	APPROPRIATIONS Available for the Year Ending June 30	
	2024	**2025**
Sec. 2. **COMMISSIONER OF HUMAN SERVICES**		
Subdivision 1. **Total Appropriation**	**$137,604,000**	**$329,432,000**

	Appropriations by Fund	
General Fund	139,746,000	325,606,000
Health Care Access Fund	10,542,000	6,224,000
Federal TANF	(12,684,000)	(2,398,000)

Subd. 2. **Forecasted Programs**

(a) **MFIP/DWP**

	Appropriations by Fund	
General Fund	(5,990,000)	(2,793,000)
Federal TANF	(12,684,000)	(2,398,000)

(b) **MFIP Child Care Assistance**	(36,726,000)	(26,004,000)
(c) **General Assistance**	(567,000)	292,000
(d) **Minnesota Supplemental Aid**	1,424,000	1,500,000
(e) **Housing Support**	11,200,000	14,667,000
(f) **Northstar Care for Children**	(3,697,000)	(11,309,000)
(g) **MinnesotaCare**	10,542,000	6,224,000

These appropriations are from the health care access fund.

(h) **Medical Assistance**	180,321,000	352,357,000
(i) **Behavioral Health Fund**	(6,219,000)	(3,104,000)

Sec. 3. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 14
APPROPRIATIONS

Section 1. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2023, chapter 70, article 20, to the agencies and for the purposes specified in this article. The appropriations are from the general fund or other named fund and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. Base adjustments mean the addition to or subtraction from the base level adjustment set in Laws 2023, chapter 70, article 20. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2024, are effective the day following final enactment unless a different effective date is explicit.

	APPROPRIATIONS Available for the Year Ending June 30 2024	2025

Sec. 2. **COMMISSIONER OF HUMAN SERVICES**

Subdivision 1. **Total Appropriation** **$(3,352,000)** **$4,420,000**

Appropriations by Fund

	2024	2025
General	(136,000)	2,944,000
Health Care Access	(3,216,000)	1,476,000

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

Subd. 2. **Central Office; Operations**

Appropriations by Fund

General	-0-	(1,039,000)
Health Care Access	-0-	572,000

(a) **Residential Mental Health Crisis Stabilization.** $204,000 in fiscal year 2025 is from the general fund to develop a covered benefit under medical assistance to provide residential mental health crisis stabilization for children and submit a report to the legislature. This is a onetime appropriation.

(b) **Base Level Adjustment.** The general fund base is increased by $331,000 in fiscal year 2026 and $252,000 in fiscal year 2027. The health care access fund base is increased by $114,000 in fiscal year 2026 and $114,000 in fiscal year 2027.

Subd. 4. **Central Office; Health Care**

Appropriations by Fund

General	-0-	400,000
Health Care Access	(3,216,000)	3,216,000

Subd. 5. **Forecasted Programs; MinnesotaCare** -0- (2,306,000)

This appropriation is from the health care access fund.

Subd. 6. **Forecasted Programs; Medical Assistance**

Appropriations by Fund		
General	-0-	1,444,000
Health Care Access	-0-	(6,000)

Subd. 7. **Grant Programs; Children's Mental Health Grants** -0- 8,112,000

Respite Care Services. $8,112,000 in fiscal year 2025 is for respite care services under Minnesota Statutes, section 245.4889, subdivision 1, paragraph (b), clause (3). Of this appropriation, $1,000,000 in fiscal year 2025 only is for grants to private child-placing agencies, as defined in Minnesota Rules, chapter 9545, to conduct recruitment and support licensing activities that are specific to increasing the availability of licensed foster homes to provide respite care services. The base for this appropriation is $8,945,000 in fiscal year 2026 and $8,945,000 in fiscal year 2027.

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

Sec. 3. **COMMISSIONER OF HEALTH**

Subdivision 1. **Total Appropriation** **$(541,000)** **$(2,446,000)**

Appropriations by Fund	2024	2025
General	(545,000)	290,000
State Government Special Revenue	4,000	(2,736,000)

The amount that may be spent for each purpose is specified in the following subdivisions.

Subd. 2. **Health Improvement**

Appropriations by Fund		
General	(545,000)	(100,000)
State Government Special Revenue	-0-	(2,880,000)

(a) **Request for Information; Evaluation of Statewide Health Care Needs and Capacity.** $150,000 in fiscal year 2025 is from the general fund for a request for information for a future evaluation of statewide health care needs and capacity and projections of future health care needs. This is a onetime appropriation.

(b) **Base Level Adjustment.** The general fund base is reduced by $43,000 in fiscal year 2026 and increased by $301,000 in fiscal year 2027.

Subd. 3. **Health Protection**

Appropriations by Fund		
General	-0-	390,000
State Government Special Revenue	-0-	144,000

(a) **Natural Organic Reduction.** $140,000 in fiscal year 2025 is from the state government special revenue fund for the licensure of natural organic reduction facilities. The base for this appropriation is $85,000 in fiscal year 2026 and $16,000 in fiscal year 2027.

(b) **Groundwater Thermal Exchange Device Permitting.** $4,000 in fiscal year 2024 and $4,000 in fiscal year 2025 are from the state government special revenue fund for costs related to issuing permits for groundwater thermal exchange devices.

(c) **Base Level Adjustment.** The general fund base is increased by $448,000 in fiscal year 2026 and $185,000 in fiscal year 2027. The state government special revenue fund base is increased by $89,000 in fiscal year 2026 and $20,000 in fiscal year 2027.

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

Sec. 4. **BOARD OF PHARMACY** **$1,500,000** **$36,000**

Appropriations by Fund		
General	1,500,000	-0-
State Government Special Revenue	-0-	36,000

(a) **Legal Costs.** $1,500,000 in fiscal year 2024 is from the general fund for legal costs of the board. This is a onetime appropriation.

(b) **Pharmacist Authority; Laboratory Tests and Vaccines.** $27,000 in fiscal year 2025 is from the state government special revenue fund for board costs related to pharmacist authority to order and perform laboratory tests and initiate, order, and administer vaccines.

(c) **Statewide Protocol; Drugs to Prevent the Acquisition of HIV.** $9,000 in fiscal year 2025 is from the state government special revenue fund for the board to develop a statewide protocol for administering drugs to prevent the acquisition of human immunodeficiency virus (HIV). This is a onetime appropriation.

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

Sec. 5. **BOARD OF DIRECTORS OF MNSURE** **$-0-** **$807,000**

Cost-Sharing Reduction Program Administration. $807,000 in fiscal year 2025 is from the general fund for MNsure information technology and administrative costs for the cost-sharing reduction program. The base for this appropriation is $506,000 in fiscal year 2026 and $0 in fiscal year 2027.

Sec. 6. **TRANSFERS.**

(a) $8,830,000 in fiscal year 2026 is transferred from the premium security plan account under Minnesota Statutes, section 62E.25, subdivision 1, to the general fund. This is a onetime transfer.

(b) $50,000 in fiscal year 2025, $50,000 in fiscal year 2026, and $50,000 in fiscal year 2027 are transferred from the health care access fund to the insulin repayment account under Minnesota Statutes, section 151.741, subdivision 5. These are onetime transfers.

Sec. 7. Laws 2023, chapter 22, section 4, subdivision 2, is amended to read:

Subd. 2. **Grants to navigators.** (a) $1,936,000 in fiscal year 2024 is appropriated from the health care access fund to the commissioner of human services for grants to organizations with a MNsure grant services navigator assister contract in good standing as of the date of enactment. The grant payment to each organization must be in proportion to the number of medical assistance and MinnesotaCare enrollees each organization assisted that resulted in a successful enrollment in the second quarter of fiscal years 2020 and 2023, as determined by MNsure's navigator payment process. This is a onetime appropriation and is available until June 30, 2025.

(b) $3,000,000 in fiscal year 2024 is appropriated from the health care access fund to the commissioner of human services for grants to organizations with a MNsure grant services navigator assister contract for successful enrollments in medical assistance and MinnesotaCare. This is a onetime appropriation and is available until June 30, 2025.

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

Sec. 8. Laws 2023, chapter 70, article 20, section 2, subdivision 5, is amended to read:

Subd. 5. **Central Office; Health Care**

	Appropriations by Fund	
General	35,807,000	31,349,000
Health Care Access	30,668,000	50,168,000

(a) **Medical assistance and MinnesotaCare accessibility improvements.** ~~$4,000,000~~ $784,000 in fiscal year 2024 ~~is~~ and $3,216,000 in fiscal year 2025 are from the general fund for interactive voice response upgrades and translation services for medical assistance and MinnesotaCare enrollees with limited English proficiency. This appropriation is available until June 30, ~~2025~~ 2027.

(b) **Transforming service delivery.** $155,000 in fiscal year 2024 and $180,000 in fiscal year 2025 are from the general fund for transforming service delivery projects.

(c) **Improving the Minnesota eligibility technology system functionality.** $1,604,000 in fiscal year 2024 and $711,000 in fiscal year 2025 are from the general fund for improving the Minnesota eligibility technology system functionality. The base for this appropriation is $1,421,000 in fiscal year 2026 and $0 in fiscal year 2027.

(d) **Actuarial and economic analyses.** $2,500,000 is from the health care access fund for actuarial and economic analyses and to prepare and submit a state innovation waiver under section 1332 of the federal Affordable Care Act for a Minnesota public option health care plan. This is a onetime appropriation and is available until June 30, 2025.

(e) **Contingent appropriation for Minnesota public option health care plan.** $22,000,000 in fiscal year 2025 is from the health care access fund to implement a Minnesota public option health care plan. This is a onetime appropriation and is available upon approval of a state innovation waiver under section 1332 of the federal Affordable Care Act. This appropriation is available until June 30, 2027.

(f) **Carryforward authority.** Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, $2,367,000 of the appropriation in fiscal year 2024 is available until June 30, 2027.

(g) **Base level adjustment.** The general fund base is $32,315,000 in fiscal year 2026 and $27,536,000 in fiscal year 2027. The health care access fund base is $28,168,000 in fiscal year 2026 and $28,168,000 in fiscal year 2027.

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

Sec. 9. Laws 2023, chapter 70, article 20, section 2, subdivision 7, is amended to read:

Subd. 7. **Central Office; Behavioral Health, Deaf and Hard of Hearing, and Housing Services**

Appropriations by Fund		
General	~~27,870,000~~	~~27,592,000~~
	27,734,000	27,728,000
Lottery Prize	163,000	163,000

(a) **Homeless management system.** $250,000 in fiscal year 2024 and $1,000,000 in fiscal year 2025 are from the general fund for a homeless management information system. The base for this appropriation is $1,140,000 in fiscal year 2026 and $1,140,000 in fiscal year 2027.

(b) **Online behavioral health program locator.** $959,000 in fiscal year 2024 and $959,000 in fiscal year 2025 are from the general fund for an online behavioral health program locator.

(c) **Integrated services for children and families.** $286,000 in fiscal year 2024 and $286,000 in fiscal year 2025 are from the general fund for integrated services for children and families projects. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, $1,797,000 of the appropriation in fiscal year 2024 is available until June 30, 2027.

(d) **Carryforward authority.** Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, $842,000 of the appropriation in fiscal year 2024 is available until June 30, 2027, $136,000 of the appropriation in fiscal year 2025 is available until June 30, 2027, and $852,000 of the appropriation in fiscal year 2025 is available until June 30, 2028.

(f) **Base level adjustment.** The general fund base is $25,243,000 in fiscal year 2026 and $24,682,000 in fiscal year 2027.

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

Sec. 10. Laws 2023, chapter 70, article 20, section 2, subdivision 29, is amended to read:

Subd. 29. **Grant Programs; Adult Mental Health Grants**	132,327,000	121,270,000

(a) **Mobile crisis grants to Tribal Nations.** $1,000,000 in fiscal year 2024 and $1,000,000 in fiscal year 2025 are for mobile crisis grants under Minnesota Statutes ~~section~~, sections 245.4661, subdivision 9, paragraph (b), clause (15), and 245.4889, subdivision 1, paragraph (b), clause (4), to Tribal Nations.

(b) **Mental health provider supervision grant program.** $1,500,000 in fiscal year 2024 and $1,500,000 in fiscal year 2025 are for the mental health provider supervision grant program under Minnesota Statutes, section 245.4663.

(c) **Minnesota State University, Mankato community behavioral health center.** $750,000 in fiscal year 2024 and $750,000 in fiscal year 2025 are for a grant to the Center for Rural Behavioral Health at Minnesota State University, Mankato to establish a community behavioral health center and training clinic. The community behavioral health center must provide comprehensive, culturally specific, trauma-informed, practice- and evidence-based, person- and family-centered mental health and substance use disorder treatment services in Blue Earth County and the surrounding region to individuals of all ages, regardless of an individual's ability to pay or place of residence. The community behavioral health center and training clinic must also provide training and workforce development opportunities to students enrolled in the university's training programs in the fields of social work, counseling and student personnel, alcohol and drug studies, psychology, and nursing. Upon request, the commissioner must make information regarding the use of this grant funding available to the chairs and ranking minority members of the legislative committees with jurisdiction over behavioral health. This is a onetime appropriation and is available until June 30, 2027.

(d) **White Earth Nation; adult mental health initiative.** $300,000 in fiscal year 2024 and $300,000 in fiscal year 2025 are for adult mental health initiative grants to the White Earth Nation. This is a onetime appropriation.

(e) **Mobile crisis grants.** $8,472,000 in fiscal year 2024 and $8,380,000 in fiscal year 2025 are for the mobile crisis grants under Minnesota Statutes, ~~section~~ sections 245.4661, subdivision 9, paragraph (b), clause (15), and 245.4889, subdivision 1, paragraph (b), clause (4). This is a onetime appropriation and is available until June 30, 2027.

(f) **Base level adjustment.** The general fund base is $121,980,000 in fiscal year 2026 and $121,980,000 in fiscal year 2027.

Sec. 11. Laws 2023, chapter 70, article 20, section 3, subdivision 2, is amended to read:

Subd. 2. **Health Improvement**

	Appropriations by Fund	
General	229,600,000	210,030,000
State Government Special Revenue	12,392,000	12,682,000
Health Care Access	49,051,000	53,290,000
Federal TANF	11,713,000	11,713,000

(a) **Studies of telehealth expansion and payment parity.** $1,200,000 in fiscal year 2024 is from the general fund for studies of telehealth expansion and payment parity. This is a onetime appropriation and is available until June 30, 2025.

(b) **Advancing equity through capacity building and resource allocation grant program.** $916,000 in fiscal year 2024 and $916,000 in fiscal year 2025 are from the general fund for grants under Minnesota Statutes, section 144.9821. This is a onetime appropriation.

(c) **Grant to Minnesota Community Health Worker Alliance.** $971,000 in fiscal year 2024 and $971,000 in fiscal year 2025 are from the general fund for Minnesota Statutes, section 144.1462.

(d) **Community solutions for healthy child development grants.** $2,730,000 in fiscal year 2024 and $2,730,000 in fiscal year 2025 are from the general fund for grants under Minnesota Statutes, section 145.9257. The base for this appropriation is $2,415,000 in fiscal year 2026 and $2,415,000 in fiscal year 2027.

(e) **Comprehensive Overdose and Morbidity Prevention Act.** $9,794,000 in fiscal year 2024 and $10,458,000 in fiscal year 2025 are from the general fund for comprehensive overdose and morbidity prevention strategies under Minnesota Statutes, section 144.0528. The base for this appropriation is $10,476,000 in fiscal year 2026 and $10,476,000 in fiscal year 2027.

(f) **Emergency preparedness and response.** $10,486,000 in fiscal year 2024 and $14,314,000 in fiscal year 2025 are from the general fund for public health emergency preparedness and response, the sustainability of the strategic stockpile, and COVID-19 pandemic response transition. The base for this appropriation is $11,438,000 in fiscal year 2026 and $11,362,000 in fiscal year 2027.

(g) **Healthy Beginnings, Healthy Families.** (1) $8,440,000 in fiscal year 2024 and $7,305,000 in fiscal year 2025 are from the general fund for grants under Minnesota Statutes, sections 145.9571 to 145.9576. The base for this appropriation is $1,500,000 in fiscal year 2026 and $1,500,000 in fiscal year 2027. (2) Of the amount in clause (1), $400,000 in fiscal year 2024 is to support the transition from implementation of activities under Minnesota Statutes, section 145.4235, to implementation of activities under Minnesota Statutes, sections 145.9571 to 145.9576. The commissioner shall award four sole-source grants of $100,000 each to Face to Face, Cradle of Hope, Division of Indian Work, and Minnesota Prison Doula Project. The amount in this clause is a onetime appropriation.

(h) **Help Me Connect.** $463,000 in fiscal year 2024 and $921,000 in fiscal year 2025 are from the general fund for the Help Me Connect program under Minnesota Statutes, section 145.988.

(i) **Home visiting.** $2,000,000 in fiscal year 2024 and $2,000,000 in fiscal year 2025 are from the general fund for home visiting under Minnesota Statutes, section 145.87, to provide home visiting to priority populations under Minnesota Statutes, section 145.87, subdivision 1, paragraph (e).

(j) **No Surprises Act enforcement.** $1,210,000 in fiscal year 2024 and $1,090,000 in fiscal year 2025 are from the general fund for implementation of the federal No Surprises Act under Minnesota Statutes, section 62Q.021, and an assessment of the feasibility of a statewide provider directory. The general fund base for this appropriation is $855,000 in fiscal year 2026 and $855,000 in fiscal year 2027.

(k) **Office of African American Health.** $1,000,000 in fiscal year 2024 and $1,000,000 in fiscal year 2025 are from the general fund for grants under the authority of the Office of African American Health under Minnesota Statutes, section 144.0756.

(l) **Office of American Indian Health.** $1,000,000 in fiscal year 2024 and $1,000,000 in fiscal year 2025 are from the general fund for grants under the authority of the Office of American Indian Health under Minnesota Statutes, section 144.0757.

(m) **Public health system transformation grants.** (1) $9,844,000 in fiscal year 2024 and $9,844,000 in fiscal year 2025 are from the general fund for grants under Minnesota Statutes, section 145A.131, subdivision 1, paragraph (f).

(2) $535,000 in fiscal year 2024 and $535,000 in fiscal year 2025 are from the general fund for grants under Minnesota Statutes, section 145A.14, subdivision 2b.

(3) $321,000 in fiscal year 2024 and $321,000 in fiscal year 2025 are from the general fund for grants under Minnesota Statutes, section 144.0759.

(n) **Health care workforce.** (1) $1,010,000 in fiscal year 2024 and $2,550,000 in fiscal year 2025 are from the health care access fund for rural training tracks and rural clinicals grants under Minnesota Statutes, sections 144.1505 and 144.1507. The base for this appropriation is $4,060,000 in fiscal year 2026 and $3,600,000 in fiscal year 2027.

(2) $420,000 in fiscal year 2024 and $420,000 in fiscal year 2025 are from the health care access fund for immigrant international medical graduate training grants under Minnesota Statutes, section 144.1911.

(3) $5,654,000 in fiscal year 2024 and $5,550,000 in fiscal year 2025 are from the health care access fund for site-based clinical training grants under Minnesota Statutes, section 144.1508. The base for this appropriation is $4,657,000 in fiscal year 2026 and $3,451,000 in fiscal year 2027.

(4) $1,000,000 in fiscal year 2024 and $1,000,000 in fiscal year 2025 are from the health care access fund for mental health for health care professional grants. This is a onetime appropriation and is available until June 30, 2027.

(5) $502,000 in fiscal year 2024 and $502,000 in fiscal year 2025 are from the health care access fund for workforce research and data analysis of shortages, maldistribution of health care providers in Minnesota, and the factors that influence decisions of health care providers to practice in rural areas of Minnesota.

(o) **School health.** $800,000 in fiscal year 2024 and $1,300,000 in fiscal year 2025 are from the general fund for grants under Minnesota Statutes, section 145.903. The base for this appropriation is $2,300,000 in fiscal year 2026 and $2,300,000 in fiscal year 2027.

(p) **Long COVID.** $3,146,000 in fiscal year 2024 and $3,146,000 in fiscal year 2025 are from the general fund for grants and to implement Minnesota Statutes, section 145.361.

(q) **Workplace safety grants.** $4,400,000 in fiscal year 2024 is from the general fund for grants to health care entities to improve employee safety or security. This is a onetime appropriation and is available until June 30, 2027. The commissioner may use up to ten percent of this appropriation for administration.

(r) **Clinical dental education innovation grants.** $1,122,000 in fiscal year 2024 and $1,122,000 in fiscal year 2025 are from the general fund for clinical dental education innovation grants under Minnesota Statutes, section 144.1913.

(s) **Emmett Louis Till Victims Recovery Program.** $500,000 in fiscal year 2024 is from the general fund for a grant to the Emmett Louis Till Victims Recovery Program. The commissioner must not use any of this appropriation for administration. This is a onetime appropriation and is available until June 30, 2025.

(t) **Center for health care affordability.** $2,752,000 in fiscal year 2024 and $3,989,000 in fiscal year 2025 are from the general fund to establish a center for health care affordability and to implement Minnesota Statutes, section 62J.312. The general fund base for this appropriation is $3,988,000 in fiscal year 2026 and $3,988,000 in fiscal year 2027.

(u) **Federally qualified health centers apprenticeship program.** $690,000 in fiscal year 2024 and $690,000 in fiscal year 2025 are from the general fund for grants under Minnesota Statutes, section 145.9272.

(v) **Alzheimer's public information program.** $80,000 in fiscal year 2024 and $80,000 in fiscal year 2025 are from the general fund for grants to community-based organizations to co-create culturally specific messages to targeted communities and to promote public awareness materials online through diverse media channels.

(w) ~~**Keeping Nurses at the Bedside Act; contingent appropriation**~~ **Nurse and Patient Safety Act.** ~~The appropriations in this paragraph are contingent upon legislative enactment of 2023 Senate File 1384 by the 93rd Legislature.~~ The appropriations in this paragraph are available until June 30, 2027.

(1) $5,317,000 in fiscal year 2024 and $5,317,000 in fiscal year 2025 are from the general fund for loan forgiveness under Minnesota Statutes, section 144.1501, for eligible nurses who have agreed to work as hospital nurses in accordance with Minnesota Statutes, section 144.1501, subdivision 2, paragraph (a), clause (7).

(2) $66,000 in fiscal year 2024 and $66,000 in fiscal year 2025 are from the general fund for loan forgiveness under Minnesota Statutes, section 144.1501, for eligible nurses who have agreed to teach in accordance with Minnesota Statutes, section 144.1501, subdivision 2, paragraph (a), clause (3).

~~(3) $545,000 in fiscal year 2024 and $879,000 in fiscal year 2025 are from the general fund to administer Minnesota Statutes, section 144.7057; to perform the evaluation duties described in Minnesota Statutes, section 144.7058; to continue prevention of violence in health care program activities; to analyze potential links between adverse events and understaffing; to convene stakeholder groups and create a best practices toolkit; and for a report on the current status of the state's nursing workforce employed by hospitals. The base for this appropriation is $624,000 in fiscal year 2026 and $454,000 in fiscal year 2027.~~

(x) **Supporting healthy development of babies.** $260,000 in fiscal year 2024 and $260,000 in fiscal year 2025 are from the general fund for a grant to the Amherst H. Wilder Foundation for the African American Babies Coalition initiative. The base for this appropriation is $520,000 in fiscal year 2026 and $0 in fiscal year 2027. Any appropriation in fiscal year 2026 is available until June 30, 2027. This paragraph expires on June 30, 2027.

(y) **Health professional education loan forgiveness.** $2,780,000 in fiscal year 2024 is from the general fund for eligible mental health professional loan forgiveness under Minnesota Statutes, section 144.1501. This is a onetime appropriation. The commissioner may use up to ten percent of this appropriation for administration.

(z) **Primary care residency expansion grant program.** $400,000 in fiscal year 2024 and $400,000 in fiscal year 2025 are from the general fund for a psychiatry resident under Minnesota Statutes, section 144.1506.

(aa) **Pediatric primary care mental health training grant program.** $1,000,000 in fiscal year 2024 and $1,000,000 in fiscal year 2025 are from the general fund for grants under Minnesota Statutes, section 144.1509. The commissioner may use up to ten percent of this appropriation for administration.

(bb) **Mental health cultural community continuing education grant program.** $500,000 in fiscal year 2024 and $500,000 in fiscal year 2025 are from the general fund for grants under Minnesota Statutes, section 144.1511. The commissioner may use up to ten percent of this appropriation for administration.

(cc) **Labor trafficking services grant program.** $500,000 in fiscal year 2024 and $500,000 in fiscal year 2025 are from the general fund for grants under Minnesota Statutes, section 144.3885.

(dd) **Palliative Care Advisory Council.** ~~$40,000~~ $44,000 in fiscal year 2024 and ~~$40,000~~ $44,000 in fiscal year 2025 are from the general fund for ~~grants~~ administration under Minnesota Statutes, section 144.059.

(ee) **Analysis of a universal health care financing system.** $1,815,000 in fiscal year 2024 and $580,000 in fiscal year 2025 are from the general fund to the commissioner to contract for an analysis of the benefits and costs of a legislative proposal for a universal health care financing system and a similar analysis of the current health care financing system. The base for this appropriation is $580,000 in fiscal year 2026 and $0 in fiscal year 2027. This appropriation is available until June 30, 2027.

(ff) **Charitable assets public interest review.** (1) The appropriations under this paragraph are contingent upon legislative enactment of 2023 House File 402 by the 93rd Legislature.

(2) $1,584,000 in fiscal year 2024 and $769,000 in fiscal year 2025 are from the general fund to review certain health care entity transactions; to conduct analyses of the impacts of health care transactions on health care cost, quality, and competition; and to

issue public reports on health care transactions in Minnesota and their impacts. The base for this appropriation is $710,000 in fiscal year 2026 and $710,000 in fiscal year 2027.

(gg) **Study of the development of a statewide registry for provider orders for life-sustaining treatment.** $365,000 in fiscal year 2024 and $365,000 in fiscal year 2025 are from the general fund for a study of the development of a statewide registry for provider orders for life-sustaining treatment. This is a onetime appropriation.

(hh) **Task Force on Pregnancy Health and Substance Use Disorders.** $199,000 in fiscal year 2024 and $100,000 in fiscal year 2025 are from the general fund for the Task Force on Pregnancy Health and Substance Use Disorders. This is a onetime appropriation and is available until June 30, 2025.

(ii) **988 Suicide and crisis lifeline.** $4,000,000 in fiscal year 2024 is from the general fund for 988 national suicide prevention lifeline grants under Minnesota Statutes, section 145.561. This is a onetime appropriation.

(jj) **Equitable Health Care Task Force.** $779,000 in fiscal year 2024 and $749,000 in fiscal year 2025 are from the general fund for the Equitable Health Care Task Force. This is a onetime appropriation.

(kk) **Psychedelic Medicine Task Force.** $338,000 in fiscal year 2024 and $171,000 in fiscal year 2025 are from the general fund for the Psychedelic Medicine Task Force. This is a onetime appropriation.

(ll) **Medical education and research costs.** $300,000 in fiscal year 2024 and $300,000 in fiscal year 2025 are from the general fund for the medical education and research costs program under Minnesota Statutes, section 62J.692.

(mm) **Special Guerilla Unit Veterans grant program.** $250,000 in fiscal year 2024 and $250,000 in fiscal year 2025 are from the general fund for a grant to the Special Guerrilla Units Veterans and Families of the United States of America to offer programming and culturally specific and specialized assistance to support the health and well-being of Special Guerilla Unit Veterans. The base for this appropriation is $500,000 in fiscal year 2026 and $0 in fiscal year 2027. Any amount appropriated in fiscal year 2026 is available until June 30, 2027. This paragraph expires June 30, 2027.

(nn) **Safe harbor regional navigator.** $300,000 in fiscal year 2024 and $300,000 in fiscal year 2025 are for a regional navigator in northwestern Minnesota. The commissioner may use up to ten percent of this appropriation for administration.

(oo) **Network adequacy.** $798,000 in fiscal year 2024 and $491,000 in fiscal year 2025 are from the general fund for reviews of provider networks under Minnesota Statutes, section 62K.10, to determine network adequacy.

(pp) **Grants to Minnesota Alliance for Volunteer Advancement.** $278,000 in fiscal year 2024 is from the general fund for a grant to the Minnesota Alliance for Volunteer Advancement to administer needs-based volunteerism subgrants targeting underresourced nonprofit organizations in greater Minnesota. Subgrants must be used to support the ongoing efforts of selected organizations to address and minimize disparities in access to human services through increased volunteerism. Subgrant applicants must demonstrate that the populations to be served by the subgrantee are underserved or suffer from or are at risk of homelessness, hunger, poverty, lack of access to health care, or deficits in education. The Minnesota Alliance for Volunteer Advancement must give priority to organizations that are serving the needs of vulnerable populations. This is a onetime appropriation and is available until June 30, 2025.

~~(pp)(1)~~ (qq)(1) **TANF Appropriations.** TANF funds must be used as follows:

(i) $3,579,000 in fiscal year 2024 and $3,579,000 in fiscal year 2025 are from the TANF fund for home visiting and nutritional services listed under Minnesota Statutes, section 145.882, subdivision 7, clauses (6) and (7). Funds must be distributed to community health boards according to Minnesota Statutes, section 145A.131, subdivision 1;

(ii) $2,000,000 in fiscal year 2024 and $2,000,000 in fiscal year 2025 are from the TANF fund for decreasing racial and ethnic disparities in infant mortality rates under Minnesota Statutes, section 145.928, subdivision 7;

(iii) $4,978,000 in fiscal year 2024 and $4,978,000 in fiscal year 2025 are from the TANF fund for the family home visiting grant program under Minnesota Statutes, section 145A.17. $4,000,000 of the funding in fiscal year 2024 and $4,000,000 in fiscal year 2025 must be distributed to community health boards under Minnesota Statutes, section 145A.131, subdivision 1. $978,000 of the funding in fiscal year 2024 and $978,000 in fiscal year 2025 must be distributed to Tribal governments under Minnesota Statutes, section 145A.14, subdivision 2a;

(iv) $1,156,000 in fiscal year 2024 and $1,156,000 in fiscal year 2025 are from the TANF fund for sexual and reproductive health services grants under Minnesota Statutes, section 145.925; and

(v) the commissioner may use up to 6.23 percent of the funds appropriated from the TANF fund each fiscal year to conduct the ongoing evaluations required under Minnesota Statutes, section 145A.17, subdivision 7, and training and technical assistance as required under Minnesota Statutes, section 145A.17, subdivisions 4 and 5.

(2) **TANF Carryforward.** Any unexpended balance of the TANF appropriation in the first year does not cancel but is available in the second year.

~~(qq)~~ (rr) **Base level adjustments.** The general fund base is $197,644,000 in fiscal year 2026 and $195,714,000 in fiscal year 2027. The health care access fund base is $53,354,000 in fiscal year 2026 and $50,962,000 in fiscal year 2027.

EFFECTIVE DATE. This section is effective the day following final enactment, except paragraph (pp) is effective retroactively from July 1, 2023.

Sec. 12. Laws 2023, chapter 70, article 20, section 12, as amended by Laws 2023, chapter 75, section 13, is amended to read:

Sec. 12. **COMMISSIONER OF MANAGEMENT AND BUDGET** **$12,932,000** **$3,412,000**

(a) **Outcomes and evaluation consultation.** $450,000 in fiscal year 2024 and $450,000 in fiscal year 2025 are for outcomes and evaluation consultation requirements.

(b) **Department of Children, Youth, and Families.** $11,931,000 in fiscal year 2024 and $2,066,000 in fiscal year 2025 are to establish the Department of Children, Youth, and Families. This is a onetime appropriation.

~~(c) **Keeping Nurses at the Bedside Act impact evaluation; contingent appropriation.** $232,000 in fiscal year 2025 is for the Keeping Nurses at the Bedside Act impact evaluation. This appropriation is contingent upon legislative enactment by the 93rd Legislature of a provision substantially similar to the impact evaluation provision in 2023 S. F. No. 2995, the third engrossment, article 3, section 22. This is a onetime appropriation and is available until June 30, 2029.~~

~~(d)~~ (c) **Health care subcabinet.** $551,000 in fiscal year 2024 and $664,000 in fiscal year 2025 are to hire an executive director for the health care subcabinet and to provide staffing and administrative support for the health care subcabinet.

~~(e)~~ (d) **Base level adjustment.** The general fund base is $1,114,000 in fiscal year 2026 and $1,114,000 in fiscal year 2027.

Sec. 13. **APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation or transfer in this article is enacted more than once during the 2024 regular session, the appropriation or transfer must be given effect once.

Sec. 14. **EXPIRATION OF UNCODIFIED LANGUAGE.**

All uncodified language contained in this article expires on June 30, 2025, unless a different expiration date is explicit.

Sec. 15. **REPEALER.**

(a) Laws 2023, chapter 70, article 20, section 2, subdivision 31, as amended by Laws 2023, chapter 75, section 12, is repealed.

(b) Laws 2023, chapter 75, section 10, is repealed.

EFFECTIVE DATE. Paragraph (b) is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state government; modifying provisions for human services health care finance, human services health care policy, health care generally, health insurance, Department of Health finance, Department of Health policy, emergency medical services, pharmacy practice, mental health, Department of Human Services Office of Inspector General; substance use disorder treatment licensing; imposing penalties; making forecast adjustments; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 62A.28, subdivision 2; 62D.02, subdivisions 4, 7; 62D.03, subdivision 1; 62D.05, subdivision 1; 62D.06, subdivision 1; 62D.12, subdivision 19; 62D.14, subdivision 1; 62D.19; 62D.20, subdivision 1; 62D.22, subdivision 5, by adding a subdivision; 62E.02, subdivision 3; 62J.49, subdivision 1; 62J.61, subdivision 5; 62M.01, subdivision 3; 62M.02, subdivisions 1a, 5, 11, 12, 21, by adding a subdivision; 62M.04, subdivision 1; 62M.05, subdivision 3a; 62M.07, subdivisions 2, 4, by adding a subdivision; 62M.10, subdivisions 7, 8; 62M.17, subdivision 2; 62Q.14; 62Q.1841, subdivision 2; 62Q.19, subdivisions 3, 5, by adding a subdivision; 62Q.73, subdivision 2; 62V.05, subdivision 12; 62V.08; 62V.11, subdivision 4; 103I.621, subdivisions 1, 2; 144.05, subdivisions 6, 7; 144.058; 144.0724, subdivisions 2, 3a, 4, 6, 7, 8, 9, 11; 144.1464, subdivisions 1, 2, 3; 144.1501, subdivision 5; 144.1911, subdivision 2; 144.292, subdivision 6; 144.293, subdivisions 2, 4, 9, 10; 144.493, by adding a subdivision; 144.494, subdivision 2; 144.551, subdivision 1; 144.555, subdivisions 1a, 1b, 2, by adding subdivisions; 144.605, by adding a subdivision; 144.7067, subdivision 2; 144A.10, subdivisions 15, 16; 144A.44, subdivision 1; 144A.471, by adding a subdivision; 144A.474, subdivision 13; 144A.70, subdivisions 3, 5, 6, 7; 144A.71, subdivision 2, by adding a subdivision; 144A.72, subdivision 1; 144A.73; 144E.001, subdivision 3a, by adding subdivisions; 144E.101, by adding a subdivision; 144E.16, subdivisions 5, 7; 144E.19, subdivision 3; 144E.27, subdivisions 3, 5, 6; 144E.28, subdivisions 3, 5, 6, 8; 144E.285, subdivisions 1, 2, 4, 6, by adding subdivisions; 144E.287; 144E.305, subdivision 3; 144G.08, subdivision 29; 144G.10, by adding a subdivision; 144G.16, subdivision 6; 146B.03, subdivision 7a; 146B.10, subdivisions 1, 3; 148F.025, subdivision 2; 149A.02, subdivisions 3, 16, 26a, 27, 35, 37c, by adding subdivisions; 149A.03; 149A.65; 149A.70, subdivisions 1, 2, 3, 5; 149A.71, subdivisions 2, 4; 149A.72, subdivisions 3, 9; 149A.73, subdivision 1; 149A.74, subdivision 1; 149A.93, subdivision 3; 149A.94, subdivisions 1, 3, 4; 151.01, subdivisions 23, 27; 151.37, by adding a subdivision; 151.74, subdivision 6; 214.025; 214.04, subdivision 2a; 214.29; 214.31; 214.355; 245.462, subdivision 6; 245.4663, subdivision 2; 245A.04, by adding a subdivision; 245A.043, subdivisions 2, 4, by adding subdivisions; 245A.07, subdivision 6; 245A.52, subdivision 2; 245C.05, subdivision 5; 245C.08, subdivision 4; 245C.10, subdivision 18; 245C.14, by adding a subdivision; 245C.22, subdivision 4; 245C.24, subdivisions 2, 5, 6; 245C.30, by adding a subdivision; 245F.09, subdivision 2; 245F.14, by adding a subdivision; 245F.17; 245G.07, subdivision 4; 245G.08, subdivisions 5, 6; 245G.10, by adding

a subdivision; 245G.11, subdivisions 5, 7; 245G.22, subdivisions 6, 7; 245I.02, subdivisions 17, 19; 245I.04, subdivision 6; 245I.10, subdivision 9; 245I.11, subdivision 1, by adding a subdivision; 245I.20, subdivision 4; 245I.23, subdivision 14; 256.9657, subdivision 8, by adding a subdivision; 256.969, by adding subdivisions; 256B.056, subdivisions 1a, 10; 256B.0622, subdivisions 2a, 3a, 7a, 7d; 256B.0623, subdivision 5; 256B.0625, subdivisions 12, 20, 32, by adding subdivisions; 256B.0757, subdivisions 4a, 4d; 256B.0943, subdivision 12; 256B.0947, subdivision 5; 256B.69, by adding a subdivision; 256I.04, subdivision 2f; 256R.02, subdivision 20; 260E.33, subdivision 2, as amended; 317A.811, subdivision 1; 334.01, by adding a subdivision; 519.05; 524.3-801, as amended; Minnesota Statutes 2023 Supplement, sections 13.46, subdivision 4, as amended; 15A.0815, subdivision 2; 43A.08, subdivision 1a; 62Q.46, subdivision 1; 62Q.522, subdivision 1; 62Q.523, subdivision 1; 144.0526, subdivision 1; 144.1501, subdivision 2; 144.1505, subdivision 2; 144.587, subdivisions 1, 4; 144A.4791, subdivision 10; 144E.101, subdivisions 6, 7, as amended; 145.561, subdivision 4; 145D.01, subdivision 1; 151.555, subdivisions 1, 4, 5, 6, 7, 8, 9, 11, 12; 151.74, subdivision 3; 152.126, subdivision 6; 245.4889, subdivision 1; 245.991, subdivision 1; 245A.03, subdivision 2, as amended; 245A.043, subdivision 3; 245A.07, subdivision 1, as amended; 245A.11, subdivision 7; 245A.16, subdivision 1, as amended; 245A.211, subdivision 4; 245A.242, subdivision 2; 245C.02, subdivision 13e; 245C.033, subdivision 3; 245C.08, subdivision 1; 245C.10, subdivision 15; 245G.22, subdivisions 2, 17; 254B.04, subdivision 1a; 256.046, subdivision 3; 256.0471, subdivision 1, as amended; 256.9631; 256.969, subdivision 2b; 256B.0622, subdivisions 7b, 8; 256B.0625, subdivisions 5m, 13e, as amended, 13f, 16; 256B.064, subdivision 4; 256B.0671, subdivision 5; 256B.0701, subdivision 6; 256B.0947, subdivision 7; 256B.764; 256D.01, subdivision 1a; 256I.05, subdivisions 1a, 11; 256L.03, subdivision 1; 270A.03, subdivision 2; 342.06; 342.63, by adding a subdivision; Laws 2020, chapter 73, section 8; Laws 2023, chapter 22, section 4, subdivision 2; Laws 2023, chapter 70, article 20, sections 2, subdivisions 5, 7, 29; 3, subdivision 2; 12, as amended; Laws 2024, chapter 80, article 2, sections 6, subdivisions 2, 3, by adding subdivisions; 10, subdivisions 1, 6; proposing coding for new law in Minnesota Statutes, chapters 62A; 62C; 62D; 62J; 62M; 62Q; 62V; 144; 144A; 144E; 145D; 149A; 151; 245C; 256B; 332; proposing coding for new law as Minnesota Statutes, chapter 332C; repealing Minnesota Statutes 2022, sections 62A.041, subdivision 3; 144.497; 144E.001, subdivision 5; 144E.01; 144E.123, subdivision 5; 144E.27, subdivisions 1, 1a; 144E.50, subdivision 3; 151.74, subdivision 16; 245C.125; 256D.19, subdivisions 1, 2; 256D.20, subdivisions 1, 2, 3, 4; 256D.23, subdivisions 1, 2, 3; 256R.02, subdivision 46; Minnesota Statutes 2023 Supplement, sections 62J.312, subdivision 6; 62Q.522, subdivisions 3, 4; 144.0528, subdivision 5; 245C.08, subdivision 2; Laws 2023, chapter 70, article 20, section 2, subdivision 31, as amended; Laws 2023, chapter 75, section 10; Laws 2024, chapter 80, article 2, section 6, subdivision 4; Minnesota Rules, parts 2960.0620, subpart 3; 9502.0425, subpart 5."

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

The report was adopted.

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

H. F. No. 4738, A bill for an act relating to health; establishing an Office of Emergency Medical Services to replace the Emergency Medical Services Regulatory Board; specifying duties for the office; transferring duties; establishing advisory councils; establishing alternative EMS response model pilot program; making conforming changes; requiring a report; appropriating money; amending Minnesota Statutes 2022, sections 62J.49, subdivision 1; 144E.001, by adding subdivisions; 144E.16, subdivision 5; 144E.19, subdivision 3; 144E.27, subdivision 5; 144E.28, subdivisions 5, 6; 144E.285, subdivision 6; 144E.287; 144E.305, subdivision 3; 214.025; 214.04, subdivision 2a; 214.29; 214.31; 214.355; Minnesota Statutes 2023 Supplement, sections 15A.0815, subdivision 2;

43A.08, subdivision 1a; 152.126, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 144E; repealing Minnesota Statutes 2022, sections 144E.001, subdivision 5; 144E.01; 144E.123, subdivision 5; 144E.50, subdivision 3.

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.

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

H. F. No. 5040, A bill for an act relating to retirement; accelerating the effective date from July 1, 2025, to July 1, 2024, for the change in the normal retirement age for the teachers retirement association from 66 to 65; reducing the employee contribution rates for two years by 0.25 percent for St. Paul Teachers Retirement Fund Association; extending the suspension of earnings limitation for retired teachers who return to teaching; authorizing eligible employees of Minnesota State Colleges and Universities who are members of the higher education individual retirement account plan to elect coverage by the Teachers Retirement Association and purchase past service credit; implementing the recommendations of the State Auditor's volunteer firefighter working group; adding a defined contribution plan and making other changes to the statewide volunteer firefighter plan; modifying requirements for electing to participate in the public employees defined contribution plan; increasing the multiplier in the benefit formula for prospective service and increasing employee and employer contribution rates for the local government correctional service retirement plan; eliminating the workers' compensation offset for the Public Employees Retirement Association general and correctional plans; clarifying eligibility for firefighters in the public employees police and fire plan; making changes of an administrative nature for plans administered by the Minnesota State Retirement System; authorizing employees on a H-1B, H-1B1, or E3 visa to purchase service credit for a prior period of employment when excluded from the general state employees retirement plan; codifying the right to return to employment and continue receiving an annuity from the State Patrol plan; adding additional positions to the list of positions eligible for the correctional state employees retirement plan coverage and permitting the purchase of past service credit; establishing a work group on correctional state employees plan eligibility; modifying the Minnesota Secure Choice retirement program by permitting participation by home and community-based services employees; modifying requirements for Minnesota Secure Choice retirement program board of directors; allowing employer matching contributions on an employee's qualified student loan payments under Secure 2.0 and modifying investment rates of return and fee disclosure requirements and other provisions for supplemental deferred compensation plans; resolving a conflict in the statute setting the plans' established date for full funding and establishing an amortization work group; restructuring statutes applicable to tax-qualified pension and retirement plans that impose requirements under the Internal Revenue Code; modifying the authority of pension fund executive directors to correct operational and other errors and requiring an annual report; changing the expiration date for state aids by requiring three years at 100 percent funded rather than one year before the state aid expires; making other administrative and conforming changes; appropriating money to the IRAP to TRA transfer account, the Teachers Retirement Association, and St. Paul Teachers Retirement Association; amending Minnesota Statutes 2022, sections 352.01, subdivision 13; 352.03, subdivision 5; 352.113, subdivision 1; 352.1155, subdivision 3; 352.12, subdivisions 1, 2, 2b, 7, 8; 352.95, subdivision 4; 353.028, subdivisions 1, 2, 3, 5; 353.03, subdivision 3a; 353.27, subdivision 4; 353.33, subdivisions 7, 7a; 353.64, subdivisions 1, 2, 4, 5a; 353.65, subdivision 3b; 353.87, subdivision 1; 353D.02, as amended; 353E.03; 353E.04, subdivision 3; 353E.06, subdivision 6; 353G.01, subdivisions 9, 9a, 11, by adding subdivisions; 353G.05, as amended; 353G.08, subdivision 2; 354.435, subdivision 4; 354.436, subdivision 3; 354A.011, subdivision 7; 354A.021, subdivisions 2, 3, 6, 7, 8, 9; 354A.05; 354A.091;

354A.094; 354A.12, subdivisions 3a, 3c, 5; 354A.31, subdivision 3a; 354A.32, subdivision 1a; 354B.20, subdivision 18, by adding subdivisions; 356.215, subdivisions 2, 3; 356.24, subdivision 3; 356.611, subdivision 2, by adding a subdivision; 356.62; 356.635, subdivisions 1, 2, by adding subdivisions; 356A.06, subdivision 5; 423A.02, subdivision 5; 423A.022, subdivision 5; 424A.001, subdivisions 4, 5, 8, 9, 10, by adding subdivisions; 424A.003; 424A.01, subdivisions 1, 2, 5; 424A.015, subdivisions 1, 5, 7; 424A.016, subdivisions 2, 6; 424A.02, subdivisions 1, 3, 7, 9; 424A.021; 424A.092, subdivision 6; 424A.093, subdivision 6; 424A.094, subdivision 1; 424A.095, subdivision 2; 424A.10; 424B.22, subdivisions 2, 10; Minnesota Statutes 2023 Supplement, sections 187.03, by adding a subdivision; 187.05, subdivision 7; 187.08, subdivisions 1, 7, 8; 352.91, subdivision 3f, as amended; 353.335, subdivision 1; 353D.01, subdivision 2; 353G.01, subdivisions 7b, 8b, 12, 12a, 14a, 15; 353G.02, subdivisions 1, 3, 4; 353G.03, subdivision 3; 353G.07; 353G.08, subdivision 1; 353G.09, subdivisions 1, 1a, 2; 353G.10; 353G.11, subdivision 2, by adding a subdivision; 353G.115; 353G.12, subdivision 2, by adding a subdivision; 353G.14; 354.05, subdivision 38; 354.06, subdivision 2; 354A.12, subdivision 1; 356.215, subdivision 11; 356.24, subdivision 1; 477B.02, subdivision 3; Laws 2021, chapter 22, article 2, section 3; Laws 2022, chapter 65, article 3, section 1, subdivisions 2, 3; Laws 2023, chapter 46, section 11; proposing coding for new law in Minnesota Statutes, chapters 352B; 353G; 354B; 356; repealing Minnesota Statutes 2022, sections 353.33, subdivision 5; 353.86; 353.87, subdivisions 2, 3, 4; 353D.071; 353G.01, subdivision 10; 356.635, subdivisions 3, 4, 5, 6, 7, 8, 9a, 10, 11, 12, 13; 424A.01, subdivision 5a; Minnesota Statutes 2023 Supplement, sections 353.335, subdivision 2; 353G.01, subdivisions 7a, 8a; 353G.02, subdivision 6; 353G.08, subdivision 3; 353G.11, subdivisions 1, 1a, 3, 4; 353G.112; 353G.121.

Reported the same back with the following amendments:

Page 3, line 3, delete "July 1, 2023" and insert "May 24, 2023, and applies to members and any former teacher if the former teacher is not receiving a retirement annuity under Minnesota Statutes, section 354.44, has returned to covered service, and has earned at least one-half year of credited service following the return to covered service, notwithstanding Minnesota Statutes, section 354.44, subdivision 9"

Page 3, after line 3, insert:

"Sec. 2. Minnesota Statutes 2022, section 354.44, subdivision 9, is amended to read:

Subd. 9. **Determining applicable law.** An annuity under this chapter must be computed under the law in effect as of the date of termination of teaching service. A former teacher who returns to covered service following a termination and who is not receiving a retirement annuity under this section must have earned at least one-half year of credited service following the return to covered service to be eligible for improved benefits resulting from any law change enacted subsequent to that termination.

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

Renumber the sections in sequence

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 5237, A bill for an act relating to education; providing for supplemental funding for prekindergarten through grade 12 education; modifying provisions for general education, education excellence, the Read Act, American Indian education, teachers, charter schools, special education, school facilities, school nutrition and libraries, early childhood education, and state agencies; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 120A.41; 122A.415, by adding a subdivision; 122A.73, subdivision 4; 124D.093, subdivisions 3, 4, 5; 124D.19, subdivision 8; 124D.957, subdivision 1; 124E.22; 126C.05, subdivision 15; 126C.10, subdivision 13a; 127A.45, subdivisions 12, 13, 14a; 127A.51; Minnesota Statutes 2023 Supplement, sections 120B.018, subdivision 6; 120B.021, subdivisions 1, 2, 3, 4; 120B.024, subdivision 1; 120B.1117; 120B.1118, subdivisions 7, 10, by adding a subdivision; 120B.12, subdivisions 1, 2, 2a, 3, 4, 4a; 120B.123, subdivisions 1, 2, 5, 7, by adding a subdivision; 120B.124, subdivisions 1, 2, by adding a subdivision; 121A.642; 122A.415, subdivision 4; 122A.73, subdivisions 2, 3; 122A.77, subdivisions 1, 2; 123B.92, subdivision 11; 124D.111, subdivision 3; 124D.151, subdivision 6; 124D.42, subdivision 8; 124D.65, subdivision 5; 124D.81, subdivision 2b; 124D.901, subdivision 3; 124D.98, subdivision 5; 124D.995, subdivision 3; 124E.13, subdivision 1; 126C.10, subdivisions 2e, 3, 3c, 13, 18a; 256B.0625, subdivision 26; 256B.0671, by adding a subdivision; Laws 2023, chapter 18, section 4, subdivisions 2, as amended, 3, as amended; Laws 2023, chapter 54, section 20, subdivisions 6, 24; Laws 2023, chapter 55, article 1, section 36, subdivisions 2, as amended, 8; article 2, section 64, subdivisions 2, as amended, 6, as amended, 14, 16, 31, 33; article 3, section 11, subdivisions 3, 4; article 5, sections 64, subdivisions 3, as amended, 5, 10, 12, 13, 15, 16; 65, subdivisions 3, 6, 7; article 7, section 18, subdivision 4, as amended; article 8, section 19, subdivisions 5, 6, as amended; proposing coding for new law in Minnesota Statutes, chapters 120B; 123B; repealing Laws 2023, chapter 55, article 10, section 4.

Reported the same back with the following amendments:

Page 80, after line 22, insert:

"Sec. 2. Minnesota Statutes 2023 Supplement, section 124D.165, subdivision 3, is amended to read:

Subd. 3. **Administration.** (a) The commissioner shall establish a schedule of tiered per-child scholarship amounts based on the results of the rate survey conducted under section 119B.02, subdivision 7, the cost of providing high-quality early care and learning to children in varying circumstances, a family's income, and geographic location.

(b) Notwithstanding paragraph (a), a program that has a four-star rating under section 124D.142 must receive, for each scholarship recipient who meets the criteria in subdivision 2a, paragraph (b) or (c), an amount not less than the cost to provide full-time care at the 75th percentile of the most recent market rate survey under section 119B.02, subdivision 7.

(c) A four-star rated program that has children eligible for a scholarship enrolled in or on a waiting list for a program beginning in July, August, or September may notify the commissioner, in the form and manner prescribed by the commissioner, each year of the program's desire to enhance program services or to serve more children than current funding provides. The commissioner may designate a predetermined number of scholarship slots for that program and notify the program of that number. For fiscal year 2018 and later, the statewide amount of funding directly designated by the commissioner must not exceed the funding directly designated for fiscal year 2017. Beginning July 1, 2016, a school district or Head Start program qualifying under this paragraph may use its established registration process to enroll scholarship recipients and may verify a scholarship recipient's family income in the same manner as for other program participants.

(d) A scholarship is awarded for a 12-month period. If the scholarship recipient has not been accepted and subsequently enrolled in a rated program within three months of the awarding of the scholarship, the scholarship cancels and the recipient must reapply in order to be eligible for another scholarship. An extension may be requested if a program is unavailable for the child within the three-month timeline. A child may not be awarded more than one scholarship in a 12-month period.

(e) A child who receives a scholarship who has not completed development screening under sections 121A.16 to 121A.19 must complete that screening within 90 days of first attending an eligible program or within 90 days after the child's third birthday if awarded a scholarship under the age of three.

(f) For fiscal year 2017 ~~and later~~ through calendar year 2025, a school district or Head Start program enrolling scholarship recipients under paragraph (c) may apply to the commissioner, in the form and manner prescribed by the commissioner, for direct payment of state aid. Upon receipt of the application, the commissioner must pay each program directly for each approved scholarship recipient enrolled under paragraph (c) according to the metered payment system or another schedule established by the commissioner.

(g) Beginning January 1, 2026, the commissioner must:

(1) make scholarship payments to eligible programs in advance of or at the beginning of the delivery of services based on an approved scholarship recipient's enrollment; and

(2) implement a process for transferring scholarship awards between eligible programs, when initiated by a scholarship recipient. Under the process, the commissioner:

(i) may adjust scholarship payment schedules for eligible programs to account for changes in a scholarship recipient's enrollment; and

(ii) must specify a period of time for which scholarship payments must continue to an eligible program for a scholarship recipient who transfers to a different eligible program.

(h) By January 1, 2026, the commissioner must have information technology systems in place that prioritize efficiency and usability for families and early childhood programs and that support the following:

(1) the ability for a family to apply for a scholarship through an online system that allows the family to upload documents that demonstrate scholarship eligibility;

(2) the administration of scholarships, including but not limited to verification of family and child eligibility, identification of programs eligible to accept scholarships, management of scholarship awards and payments, and communication with families and eligible programs; and

(3) making scholarship payments to eligible programs in advance of or at the beginning of the delivery of services for an approved scholarship recipient.

(i) In creating the information technology systems and functions under paragraph (h), the commissioner must consider the requirements for and the potential transition to the great start scholarships program under section 119B.99.

Sec. 3. Minnesota Statutes 2023 Supplement, section 124D.165, subdivision 6, is amended to read:

Subd. 6. **Early learning scholarship account.** (a) An account is established in the special revenue fund known as the "early learning scholarship account."

(b) Funds appropriated for early learning scholarships under this section must be transferred to the early learning scholarship account in the special revenue fund.

(c) Money in the account is annually appropriated to the commissioner for early learning scholarships under this section. Any returned funds are available to be regranted.

(d) Up to $2,133,000 annually is appropriated to the commissioner for costs associated with administering and monitoring early learning scholarships.

(e) The commissioner may use funds under paragraph (c) for the purpose of family outreach and distribution of scholarships.

(f) The commissioner may use ~~up to $5,000,000 in~~ funds under paragraph (c) to create and maintain the information technology systems~~, including but not limited to an online application, a case management system, attendance tracking, and a centralized payment system~~ under subdivision 3, paragraph (h). ~~Beginning July 1, 2025, the commissioner may use up to $750,000 annually in funds under paragraph (c) to maintain the information technology systems created under this paragraph.~~

(g) By December 31 of each year, the commissioner must provide a written report to the legislative committees with jurisdiction over early care and learning programs on the use of funds under paragraph (c) for purposes other than providing scholarships to eligible children."

Renumber the sections in sequence

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 5242, A bill for an act relating to transportation; appropriating money for a supplemental budget for the Department of Transportation, Department of Public Safety, and the Metropolitan Council; modifying prior appropriations; modifying various transportation- and public safety-related provisions, including but not limited to an intensive driver testing program, greenhouse gas emissions, electric-assisted bicycles, high voltage transmission, railroad safety, and transit; establishing civil penalties; establishing an advisory committee; amending Minnesota Statutes 2022, sections 13.6905, by adding a subdivision; 161.14, by adding subdivisions; 161.45, by adding subdivisions; 161.46, subdivision 1; 168.09, subdivision 7; 168.092; 168.301, subdivision 3; 168A.10, subdivision 2; 168A.11, subdivision 1; 169.011, by adding subdivisions; 169.21, subdivision 6; 169.222, subdivisions 6a, 6b; 169A.55, subdivision 4; 171.306, subdivisions 1, 8; 174.02, by adding a subdivision; 174.75, subdivisions 1, 2, by adding a subdivision; 216E.02, subdivision 1; 221.0255, subdivisions 4, 9, by adding a subdivision; 473.13, by adding a subdivision; 473.388, by adding a subdivision; 473.3927; Minnesota Statutes 2023 Supplement, sections 161.178; 161.46, subdivision 2; 168.1259, subdivision 5; 169.011, subdivision 27; 169A.44, subdivision 1; 171.0705, subdivision 2; 171.13, subdivision 1; 174.38, subdivisions 3, 6; 174.634, subdivision 2, by adding a subdivision; 219.015, subdivision 2; 473.4051, by adding a subdivision; Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 161; 168; 169; 171; 174; 219; 325F; repealing Minnesota Statutes 2022, section 168.1297; Minnesota Rules, part 7410.6180.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
TRANSPORTATION APPROPRIATIONS

Section 1. **TRANSPORTATION APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to the appropriations in Laws 2023, chapter 68, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the trunk highway fund, or another named fund, and are available for the fiscal years indicated for each purpose. Amounts for "Total Appropriation" and sums shown in the corresponding columns marked "Appropriations by Fund" are summary only and do not have legal effect. Unless specified otherwise, the amounts in fiscal year 2025 under "Appropriations by Fund" are added to the base within the meaning of Minnesota Statutes, section 16A.11, subdivision 3, by fund. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "Each year" is each of fiscal years 2024 and 2025.

	APPROPRIATIONS Available for the Year Ending June 30	
	2024	**2025**
Sec. 2. **DEPARTMENT OF TRANSPORTATION**		
Subdivision 1. **Total Appropriation**	**$-0-**	**$91,500,000**

Appropriations by Fund

	2024	2025
General	-0-	9,000,000
Trunk Highway	-0-	78,750,000
Special Revenue	-0-	3,750,000

The appropriations in this section are to the commissioner of transportation.

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

Subd. 2. **State Roads**		
(a) **Operations and Maintenance**	-0-	1,300,000

$300,000 in fiscal year 2025 is for rumble strips under Minnesota Statutes, section 161.1258.

$1,000,000 in fiscal year 2025 is for landscaping improvements under the Department of Transportation's community roadside landscape partnership program, with prioritization of tree planting as feasible.

(b) **Program Planning and Research** -0- 3,800,000

$3,000,000 in fiscal year 2025 is for implementation and development of statewide and regional travel demand modeling related to the requirements under Minnesota Statutes, section 161.178. This is a onetime appropriation and is available until June 30, 2026.

$800,000 in fiscal year 2025 is for one or more grants to metropolitan planning organizations outside the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, for modeling activities related to the requirements under Minnesota Statutes, section 161.178. This is a onetime appropriation.

Subd. 3. **Small Cities** -0- 9,000,000

$9,000,000 in fiscal year 2025 is from the general fund for the small cities assistance program under Minnesota Statutes, section 162.145. This appropriation must be allocated and distributed in the July 2024 payment. This is a onetime appropriation.

Subd. 4. **Trunk Highway 65** -0- 1,000,000

$1,000,000 in fiscal year 2025 is from the trunk highway fund for one or more grants to the city of Blaine, Anoka County, or both, for predesign and design of intersection safety improvements along marked Trunk Highway 65 from the interchange with marked U.S. Highway 10 to 99th Avenue Northeast in the city of Blaine. This is a onetime appropriation.

Subd. 5. **Mississippi Skyway Trail Bridge** -0- 3,750,000

Notwithstanding the requirements under Minnesota Statutes, section 174.38, subdivision 3, paragraph (a), this appropriation is from the active transportation account in the special revenue fund for a grant to the city of Ramsey for design, environmental analysis, site preparation, and construction of the Mississippi Skyway Trail Bridge over marked U.S. Highways 10 and 169 in Ramsey to provide for a grade-separated crossing by pedestrians and nonmotorized vehicles. This is a onetime appropriation.

Subd. 6. **High-Priority Bridge** -0- 40,000,000

This appropriation is for the acquisition, environmental analysis, predesign, design, engineering, construction, reconstruction, and improvement of trunk highway bridges, including design-build contracts, program delivery, consultant usage to support these activities, and the cost of payments to landowners for lands acquired for highway rights-of-way. Projects under this appropriation must follow eligible investment priorities identified in the Minnesota state highway investment plan under Minnesota

Statutes, section 174.03, subdivision 1c. The commissioner may use up to 17 percent of this appropriation for program delivery. This is a onetime appropriation.

Subd. 7. **Drainage Asset Management Program** -0- 4,800,000

This appropriation is for predesign, design, construction, and equipping of one or more drainage asset management projects. Drainage asset management projects may include but are not limited to repairing and replacing highway culverts, storm sewer system rehabilitations, and flood resiliency improvements. The commissioner may use up to 17 percent of this appropriation for program delivery. This is a onetime appropriation.

Subd. 8. **Truck Parking Safety Improvements** -0- 7,750,000

This appropriation is for land acquisition, predesign, design, and construction of expanded truck parking at Big Spunk in Avon and Enfield Rest Areas and for the rehabilitation or replacement of truck parking information management system equipment at Department of Transportation-owned parking rest area locations. This is a onetime appropriation.

Subd. 9. **Facilities Capital Program** -0- 20,100,000

This appropriation is for the transportation facilities capital program under Minnesota Statutes, section 174.595. This is a onetime appropriation.

Sec. 3. **METROPOLITAN COUNCIL** **$-0-** **$1,000,000**

The appropriation in this section is from the general fund to the Metropolitan Council.

$1,000,000 in fiscal year 2025 is for a grant to the Ramsey County Regional Railroad Authority for a portion of the costs of insurance coverage related to rail-related incidents occurring at Union Depot in the city of St. Paul. This is a onetime appropriation.

Sec. 4. **DEPARTMENT OF PUBLIC SAFETY**

Subdivision 1. **Total Appropriation** **$-0-** **$5,380,000**

The appropriations in this section are from the driver and vehicle services operating account in the special revenue fund to the commissioner of public safety.

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

Subd. 2. **Driver Services** -0- 4,180,000

$1,211,000 in fiscal year 2025 is for staff and related operating costs for the intensive testing program under Minnesota Statutes, section 171.307.

$2,969,000 in fiscal year 2025 is for staff and related operating costs to support testing at driver's license examination stations.

The base from the driver and vehicle services operating account in the special revenue fund is increased by $3,903,000 in fiscal year 2026 and $3,763,000 in fiscal year 2027.

Subd. 3. **Traffic Safety** -0- 1,200,000

$1,200,000 in fiscal year 2025 is for the Lights On grant program under Minnesota Statutes, section 169.515. The commissioner, through the Office of Traffic Safety, must contract with the Lights On! microgrant program to administer and operate the grant program. This is a onetime appropriation and is available until June 30, 2026.

Sec. 5. Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. **Multimodal Systems**

(a) **Aeronautics**

(1) **Airport Development and Assistance** 24,198,000 18,598,000

Appropriations by Fund

	2022	2023
General	5,600,000	-0-
Airports	18,598,000	18,598,000

This appropriation is from the state airports fund and must be spent according to Minnesota Statutes, section 360.305, subdivision 4.

$5,600,000 in fiscal year 2022 is from the general fund for a grant to the city of Karlstad for the acquisition of land, predesign, design, engineering, and construction of a primary airport runway. This appropriation is for Phase 1 of the project.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for five years after the year of the appropriation. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

If the commissioner of transportation determines that a balance remains in the state airports fund following the appropriations made in this article and that the appropriations made are insufficient for advancing airport development and assistance projects, an amount necessary to advance the projects, not to exceed the balance in the state airports fund, is appropriated in each year to the commissioner and must be spent according to Minnesota Statutes, section 360.305, subdivision 4. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning the funds appropriated. Funds appropriated under this contingent appropriation do not adjust the base for fiscal years 2024 and 2025.

(2) **Aviation Support Services** 8,332,000 8,340,000

Appropriations by Fund

	2022	2023
General	1,650,000	1,650,000
Airports	6,682,000	6,690,000

$28,000 in fiscal year 2022 and $36,000 in fiscal year 2023 are from the state airports fund for costs related to regulating unmanned aircraft systems.

(3) **Civil Air Patrol** 80,000 80,000

This appropriation is from the state airports fund for the Civil Air Patrol.

(b) **Transit and Active Transportation** 23,501,000 18,201,000

This appropriation is from the general fund.

$5,000,000 in fiscal year 2022 is for the active transportation program under Minnesota Statutes, section 174.38. This is a onetime appropriation and is available until June 30, 2025.

$300,000 in fiscal year 2022 is for a grant to the 494 Corridor Commission. The commissioner must not retain any portion of the funds appropriated under this section. The commissioner must make grant payments in full by December 31, 2021. Funds under this grant are for programming and service expansion to assist companies and commuters in telecommuting efforts and promotion of best practices. A grant recipient must provide telework resources, assistance, information, and related activities on a statewide basis. This is a onetime appropriation.

(c) **Safe Routes to School** 5,500,000 500,000

This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(d) **Passenger Rail** 10,500,000 500,000

This appropriation is from the general fund for passenger rail activities under Minnesota Statutes, sections 174.632 to 174.636.

$10,000,000 in fiscal year 2022 is for final design and construction to provide for a second daily Amtrak train service between Minneapolis and St. Paul and Chicago. The commissioner may expend funds for program delivery and administration from this amount. This is a onetime appropriation and is available until June 30, 2025.

(e) **Freight** 8,342,000 7,323,000

Appropriations by Fund

	2022	2023
General	2,464,000	1,445,000
Trunk Highway	5,878,000	5,878,000

$1,000,000 in fiscal year 2022 is from the general fund for procurement costs of a statewide freight network optimization tool. This is a onetime appropriation and is available until June 30, 2023.

$350,000 in fiscal year 2022 and $287,000 in fiscal year 2023 are from the general fund for two additional rail safety inspectors in the state rail safety inspection program under Minnesota Statutes, section 219.015. In each year, the commissioner must not increase the total assessment amount under Minnesota Statutes, section 219.015, subdivision 2, from the most recent assessment amount.

Sec. 6. **APPROPRIATION CANCELLATION.**

$8,000,000 of the appropriation in fiscal year 2024 from the general fund for Infrastructure Investment and Jobs Act (IIJA) discretionary matches under Laws 2023, chapter 68, article 1, section 2, subdivision 5, paragraph (a), is canceled to the general fund on June 29, 2024.

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

ARTICLE 2
TRANSPORTATION FINANCE

Section 1. Minnesota Statutes 2022, section 13.6905, is amended by adding a subdivision to read:

Subd. 38. **Intensive testing program data.** Data on participants in the intensive testing program are governed by section 171.307, subdivision 7.

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

Sec. 2. **[161.1258] RUMBLE STRIPS.**

(a) The commissioner must maintain transverse rumble strips in association with each stop sign that is located (1) on a trunk highway segment with a speed limit of at least 55 miles per hour, and (2) outside the limits of a statutory or home rule charter city.

(b) The commissioner must meet the requirements under paragraph (a) at each applicable location by the earlier of August 1, 2034, or the date of substantial completion of any construction, resurfacing, or reconditioning at the location.

Sec. 3. Minnesota Statutes 2022, section 161.14, is amended by adding a subdivision to read:

Subd. 105. **Mayor Dave Smiglewski Memorial Bridge.** The bridge on marked U.S. Highway 212 over the Minnesota River in the city of Granite Falls is designated as "Mayor Dave Smiglewski Memorial Bridge." Subject to section 161.139, the commissioner must adopt a suitable design to mark the bridge and erect appropriate signs.

Sec. 4. Minnesota Statutes 2022, section 161.14, is amended by adding a subdivision to read:

Subd. 106. **Gopher Gunners Memorial Bridge.** (a) The bridge on marked Trunk Highway 55 and marked Trunk Highway 62 over the Minnesota River, commonly known as the Mendota Bridge, is designated as "Gopher Gunners Memorial Bridge." Notwithstanding section 161.139, the commissioner must adopt a suitable design to mark this bridge and erect appropriate signs.

(b) The adjutant general of the Department of Military Affairs must reimburse the commissioner of transportation for costs incurred under this subdivision.

Sec. 5. Minnesota Statutes 2023 Supplement, section 161.178, is amended to read:

161.178 TRANSPORTATION GREENHOUSE GAS EMISSIONS IMPACT ASSESSMENT.

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

(b) "Applicable entity" means the commissioner with respect to a ~~capacity-expansion~~ project or portfolio for inclusion in the state transportation improvement program or a metropolitan planning organization with respect to a ~~capacity-expansion~~ project or portfolio for inclusion in the appropriate metropolitan transportation improvement program.

(c) "Assessment" means the ~~capacity-expansion~~ impact assessment under this section.

(d) "Capacity expansion project" means a project for trunk highway construction or reconstruction that:

(1) is a major highway project, as defined in section 174.56, subdivision 1, paragraph (b); and

(2) adds highway traffic capacity or provides for grade separation of motor vehicle traffic at an intersection, excluding auxiliary lanes with a length of less than 2,500 feet.

(e) "Greenhouse gas emissions" includes those emissions described in section 216H.01, subdivision 2.

Subd. 2. **Project or portfolio assessment.** (a) Prior to inclusion of a ~~capacity expansion~~ project or portfolio in the state transportation improvement program or in a metropolitan transportation improvement program, the applicable entity must perform ~~a capacity expansion~~ an impact assessment of the project or portfolio. Following the assessment, the applicable entity must determine if the project ~~conforms~~ or portfolio is proportionally in conformance with:

(1) the greenhouse gas emissions reduction targets under section 174.01, subdivision 3; and

(2) the vehicle miles traveled reduction targets established in the statewide multimodal transportation plan under section 174.03, subdivision 1a.

(b) If the applicable entity determines that the ~~capacity expansion~~ project or portfolio is not in conformance with paragraph (a), the applicable entity must:

(1) alter the scope or design of the project or any number of projects, remove one or more projects from the portfolio, or undertake a combination, and subsequently perform a revised assessment that meets the requirements under this section;

(2) interlink sufficient impact mitigation as provided in subdivision 4; or

(3) halt project development and disallow inclusion of the project or portfolio in the appropriate transportation improvement program.

Subd. 2a. **Applicable projects.** (a) For purposes of this section:

(1) prior to the date established under paragraph (b), a project or portfolio is a capacity expansion project; and

(2) on and after the date established under paragraph (b), a project or portfolio is a capacity expansion project or a collection of trunk highway and multimodal projects for a fiscal year and specific region.

(b) The commissioner must establish a date to implement impact assessments on the basis of assessing a portfolio or program of projects instead of on a project-by-project basis. The date must be:

(1) August 1, 2027, which applies to projects that first enter the appropriate transportation improvement program for fiscal year 2031 or a subsequent year; or

(2) as established by the commissioner, if the commissioner:

(i) consults with metropolitan planning organizations;

(ii) prioritizes and makes reasonable efforts to meet the date under clause (1) or an earlier date;

(iii) determines that the date established under this clause is the earliest practicable in which the necessary models and tools are sufficient for analysis under this section; and

(iv) submits a notice to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over transportation finance and policy, which must identify the date established and summarize the efforts under item (ii) and the determination under item (iii).

Subd. 3. **Assessment requirements.** (a) The commissioner must establish a process to ~~perform capacity expansion impact assessments. An assessment must provide for the determination under subdivision 2.~~ implement the requirements under this section, which includes:

(1) any necessary policies, procedures, manuals, and technical specifications;

(2) procedures to perform an impact assessment that provide for the determination under subdivision 2;

(3) in consultation with the technical advisory committee under section 161.1782, criteria for identification of a capacity expansion project; and

(4) related data reporting from local units of government on local multimodal transportation systems and local project impacts on greenhouse gas emissions and vehicle miles traveled.

(b) Analysis under an assessment must include but is not limited to estimates resulting from ~~the~~ a project or portfolio for the following:

(1) greenhouse gas emissions over a period of 20 years; ~~and~~

(2) a net change in vehicle miles traveled for the affected network~~.~~; and

(3) impacts to trunk highways and related impacts to local road systems, on a local, regional, or statewide basis, as appropriate.

Subd. 4. **Impact mitigation; interlinking.** (a) To provide for impact mitigation, the applicable entity must interlink the ~~capacity expansion~~ project or portfolio as provided in this subdivision.

(b) Impact mitigation is sufficient under subdivision 2, paragraph (b), if the ~~capacity expansion~~ project or portfolio is interlinked to ~~mitigation~~ offset actions such that the total greenhouse gas emissions reduction from the ~~mitigation~~ offset actions, after accounting for the greenhouse gas emissions otherwise resulting from the ~~capacity expansion~~ project or portfolio, is consistent with meeting the targets specified under subdivision 2, paragraph (a). Each comparison under this paragraph must be performed over equal comparison periods.

(c) ~~A mitigation~~ An offset action consists of a project, program, ~~or~~ operations modification, or mitigation plan in one or more of the following areas:

(1) transit expansion, including but not limited to regular route bus, arterial bus rapid transit, highway bus rapid transit, rail transit, and intercity passenger rail;

(2) transit service improvements, including but not limited to increased service level, transit fare reduction, and transit priority treatments;

(3) active transportation infrastructure;

(4) micromobility infrastructure and service, including but not limited to shared vehicle services;

(5) transportation demand management, including but not limited to vanpool and shared vehicle programs, remote work, and broadband access expansion;

(6) parking management, including but not limited to parking requirements reduction or elimination and parking cost adjustments;

(7) land use, including but not limited to residential and other density increases, mixed-use development, and transit-oriented development;

(8) infrastructure improvements related to traffic operations, including but not limited to roundabouts and reduced conflict intersections; ~~and~~

(9) natural systems, including but not limited to prairie restoration, reforestation, and urban green space; and

(10) as specified by the commissioner in the manner provided under paragraph (e).

(d) ~~A mitigation~~ An offset action may be identified as interlinked to the ~~capacity expansion~~ project or portfolio if:

(1) there is a specified project, program, ~~or~~ modification, or mitigation plan;

(2) the necessary funding sources are identified and sufficient amounts are committed;

(3) the mitigation is localized as provided in subdivision 5; and

(4) procedures are established to ensure that the mitigation action remains in substantially the same form or a revised form that continues to meet the calculation under paragraph (b).

(e) The commissioner may authorize additional offset actions under paragraph (c) if:

(1) the offset action is reviewed and recommended by the technical advisory committee under section 161.1782; and

(2) the commissioner determines that the offset action is directly related to reduction in the transportation sector of greenhouse gas emissions or vehicle miles traveled.

Subd. 5. **Impact mitigation; localization.** (a) ~~A mitigation~~ An offset action under subdivision 4 must be localized in the following priority order:

(1) if the offset action is for one project, within or associated with at least one of the communities impacted by the ~~capacity expansion~~ project;

(2) if clause (1) does not apply or there is not a reasonably feasible location under clause (1), in areas of persistent poverty or historically disadvantaged communities, as measured and defined in federal law, guidance, and notices of funding opportunity;

(3) if there is not a reasonably feasible location under clauses (1) and (2), in the region of the ~~capacity expansion~~ project or portfolio; or

(4) if there is not a reasonably feasible location under clauses (1) to (3), on a statewide basis.

(b) The applicable entity must include an explanation regarding the feasibility and rationale for each mitigation action located under paragraph (a), clauses (2) to (4).

Subd. 6. **Public information.** The commissioner must publish information regarding ~~capacity expansion~~ impact assessments on the department's website. The information must include:

(1) for each project evaluated separately under this section, identification of ~~capacity expansion projects~~ the project; ~~and~~

(2) for each project evaluated separately, a summary that includes an overview of the ~~expansion impact~~ assessment, the impact determination by the commissioner, and project disposition, including a review of any ~~mitigation~~ offset actions~~.~~;

(3) for each portfolio of projects, an overview of the projects, the impact determination by the commissioner, and a summary of any offset actions;

(4) a review of any interpretation of or additions to offset actions under subdivision 4;

(5) identification of the date established by the commissioner under subdivision 2a, paragraph (b); and

(6) a summary of the activities of the technical advisory committee under section 161.1782, including but not limited to any findings or recommendations made by the advisory committee.

Subd. 7. **Safety and well-being.** The requirements of this section are in addition to and must not supplant the safety and well-being goals established under section 174.01, subdivision 2, clauses (1) and (2).

EFFECTIVE DATE. This section is effective February 1, 2025. This section does not apply to a capacity expansion project that was either included in the state transportation improvement program or has been submitted for approval of the geometric layout before February 1, 2025.

Sec. 6. **[161.1782] TRANSPORTATION IMPACT ASSESSMENT; TECHNICAL ADVISORY COMMITTEE.**

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

(b) "Advisory committee" means the technical advisory committee established in this section.

(c) "Project or portfolio" is as provided in section 161.178.

Subd. 2. **Establishment.** The commissioner must establish a technical advisory committee to assist in implementation review related to the requirements under section 161.178.

Subd. 3. **Membership; appointments.** The advisory committee is composed of the following members:

(1) one member from the Department of Transportation, appointed by the commissioner of transportation;

(2) one member from the Pollution Control Agency, appointed by the commissioner of the Pollution Control Agency;

(3) one member from the Metropolitan Council, appointed by the chair of the Metropolitan Council;

(4) one member from the Center for Transportation Studies, appointed by the president of the University of Minnesota;

(5) one member representing metropolitan planning organizations outside the metropolitan area, as defined in section 473.121, subdivision 2, appointed by the Association of Metropolitan Planning Organizations; and

(6) up to four members who are not employees of the state, with no more than two who are employees of a political subdivision, appointed by the commissioner of transportation.

Subd. 4. **Membership; requirements.** (a) To be eligible for appointment to the advisory committee, an individual must have experience or expertise sufficient to provide assistance in implementation or technical review related to the requirements under section 161.178. Each appointing authority must consider appointment of individuals with expertise in travel demand modeling, emissions modeling, traffic forecasting, land use planning, or transportation-related greenhouse gas emissions assessment and analysis. In appointing the members under subdivision 3, clause (6), the commissioner must also consider technical expertise in other relevant areas, which may include but is not limited to public health or natural systems management.

(b) Members of the advisory committee serve at the pleasure of the appointing authority. Vacancies must be filled by the appointing authority.

Subd. 5. **Duties.** The advisory committee must assist the commissioner in implementation of the requirements under section 161.178 by:

(1) performing technical review and validation of processes and methodologies used for impact assessment and impact mitigation;

(2) reviewing and making recommendations on:

(i) impact assessment requirements;

(ii) models and tools for impact assessment;

(iii) methods to determine sufficiency of impact mitigation;

(iv) procedures for interlinking a project or portfolio to impact mitigation; and

(v) reporting and data collection;

(3) advising on the approach used to determine the area of influence for a project or portfolio for a geographic or transportation network area;

(4) developing recommendations on any clarifications, modifications, or additions to the offset actions authorized under section 161.178, subdivision 4; and

(5) performing other analyses or activities as requested by the commissioner.

Subd. 6. **Administration.** (a) The commissioner must provide administrative support to the advisory committee. Upon request, the commissioner must provide information and technical support to the advisory committee.

(b) Members of the advisory committee are not eligible for compensation under this section.

(c) The advisory committee is subject to the Minnesota Data Practices Act under chapter 13 and to the Minnesota Open Meeting Law under chapter 13D.

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

Sec. 7. Minnesota Statutes 2022, section 161.45, is amended by adding a subdivision to read:

Subd. 4. **High voltage transmission; placement in right-of-way.** (a) For purposes of this subdivision and subdivisions 5 to 7, "high voltage transmission line" has the meaning given in section 216E.01, subdivision 4.

(b) Notwithstanding subdivision 1, paragraph (a), high voltage transmission lines under the laws of this state or the ordinance of any city or county may be constructed, placed, or maintained across or along any trunk highway, including an interstate highway and a trunk highway that is an expressway or a freeway, except as deemed necessary by the commissioner of transportation to protect public safety or ensure the proper function of the trunk highway system.

(c) If the commissioner denies a high voltage electric line colocation request, the reasons for the denial must be submitted for review within 90 days of the commissioner's denial to the chairs and ranking minority members of the legislative committees with jurisdiction over energy and transportation, the Public Utilities Commission executive secretary, and the commissioner of commerce.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to colocation requests for a high voltage transmission line on or after that date.

Sec. 8. Minnesota Statutes 2022, section 161.45, is amended by adding a subdivision to read:

Subd. 5. **High voltage transmission; coordination required.** Upon written request, the commissioner must engage in coordination activities with a utility or transmission line developer to review requested highway corridors for potential permitted locations for transmission lines. The commissioner must assign a project coordinator within 30 days of receiving the written request. The commissioner must share all known plans with affected utilities or transmission line developers on potential future projects in the highway corridor if the potential highway project impacts the placement or siting of high voltage transmission lines.

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

Sec. 9. Minnesota Statutes 2022, section 161.45, is amended by adding a subdivision to read:

Subd. 6. **High voltage transmission; constructability report; advance notice.** (a) If the commissioner and a utility or transmission line developer identify a permittable route along a trunk highway corridor for possible colocation of transmission lines, a constructability report must be prepared by the utility or transmission line developer in consultation with the commissioner. A constructability report developed under this subdivision must be utilized by both parties to plan and approve colocation projects.

(b) A constructability report developed under this section between the commissioner and the parties seeking colocation must include terms and conditions for building the colocation project. Notwithstanding the requirements in subdivision 1, the report must be approved by the commissioner and the party or parties seeking colocation prior to the commissioner approving and issuing a permit for use of the trunk highway right-of-way.

(c) A constructability report must include an agreed upon time frame for which there will not be a request from the commissioner for relocation of the transmission line. If the commissioner determines that relocation of a transmission line in the trunk highway right-of-way is necessary, the commissioner, as much as practicable, must give a seven-year advance notice.

(d) Notwithstanding the requirements of subdivision 7 and section 161.46, subdivision 2, if the commissioner requires the relocation of a transmission line in the interstate highway right-of-way earlier than what was agreed upon in paragraph (c) in the constructability report or provides less than a seven-year notice of relocation in the agreed upon constructability report, the commissioner is responsible for 75 percent of the relocation costs.

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

Sec. 10. Minnesota Statutes 2022, section 161.45, is amended by adding a subdivision to read:

Subd. 7. **High voltage transmission; relocation reimbursement prohibited.** (a) A high voltage transmission line that receives a route permit under chapter 216E on or after July 1, 2024, is not eligible for relocation reimbursement under section 161.46, subdivision 2.

(b) If the commissioner orders relocation of a high voltage transmission line that is subject to paragraph (a):

(1) a public utility, as defined in section 216B.02, subdivision 4, may recover its portion of costs of relocating the line that the Public Utilities Commission deems prudently incurred as a transmission cost adjustment pursuant to section 216B.16, subdivision 7b; and

(2) a consumer-owned utility, as defined in section 216B.2402, subdivision 2, may recover its portion of costs of relocating the line in any manner approved by its governing board.

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

Sec. 11. Minnesota Statutes 2022, section 161.46, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms ~~shall~~ have the meanings ~~ascribed to them:~~ given.

~~(1)~~ (b) "Utility" means all publicly, privately, and cooperatively owned systems for supplying power, light, gas, telegraph, telephone, water, pipeline, or sewer service if such systems be authorized by law to use public highways for the location of its facilities.

~~(2)~~ (c) "Cost of relocation" means the entire amount paid by such utility properly attributable to such relocation after deducting therefrom any increase in the value of the new facility and any salvage value derived from the old facility.

(d) "High voltage transmission line" has the meaning given in section 216E.01, subdivision 4.

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

Sec. 12. Minnesota Statutes 2023 Supplement, section 161.46, subdivision 2, is amended to read:

Subd. 2. **Relocation of facilities; reimbursement.** ~~(a)~~ Whenever the commissioner ~~shall determine~~ determines that the relocation of any utility facility is necessitated by the construction of a project on the routes of federally aided ~~state~~ trunk highways, including urban extensions thereof, ~~which routes~~ that are included within the National System of Interstate Highways, the owner or operator of ~~such~~ the utility facility ~~shall~~ must relocate the ~~same~~ utility facility in accordance with the order of the commissioner. ~~After the completion of such relocation the cost thereof shall be ascertained and paid by the state out of trunk highway funds; provided, however, the amount to be paid by the state for such reimbursement shall not exceed the amount on which the federal government bases its reimbursement for said interstate system.~~ Except as provided in section 161.45, subdivision 6, paragraph (d), or 7, upon the completion of relocation of a utility facility, the cost of relocation must be ascertained and paid out of the trunk highway fund by the commissioner, provided the amount paid by the commissioner for reimbursement to a utility does not exceed the amount on which the federal government bases its reimbursement for the interstate highway system.

~~(b) Notwithstanding paragraph (a), on or after January 1, 2024, any entity that receives a route permit under chapter 216E for a high voltage transmission line necessary to interconnect an electric power generating facility is not eligible for relocation reimbursement unless the entity directly, or through its members or agents, provides retail electric service in this state.~~

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

Sec. 13. Minnesota Statutes 2022, section 168.09, subdivision 7, is amended to read:

Subd. 7. **Display of temporary permit.** (a) ~~A vehicle that displays a Minnesota plate issued under this chapter may display a temporary permit~~ The commissioner may issue a temporary permit under this subdivision in conjunction with the conclusion of a registration period or a recently expired registration, if:

(1) the current registration tax and all other fees and taxes have been paid in full; and

(2) ~~the plate has~~ special plates have been applied for.

~~(b) A vehicle may display a temporary permit in conjunction with expired registration, with or without a registration plate, if:~~

~~(1) the plates have been applied for;~~

~~(2) the registration tax and other fees and taxes have been paid in full; and~~

~~(3) either the vehicle is used solely as a collector vehicle while displaying the temporary permit and not used for general transportation purposes or the vehicle was issued a 21-day permit under section 168.092, subdivision 1.~~

~~(c)~~ (b) The permit is valid for a period of 60 days. The permit must be in a format prescribed by the commissioner, affixed to the rear of the vehicle where a license plate would normally be affixed, and plainly visible. The permit is valid only for the vehicle for which it was issued to allow a reasonable time for the new plates to be manufactured and delivered to the applicant. The permit may be issued only by the commissioner or by a deputy registrar under section 168.33.

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

Sec. 14. Minnesota Statutes 2022, section 168.092, is amended to read:

168.092 ~~21-DAY~~ 60-DAY TEMPORARY VEHICLE PERMIT.

Subdivision 1. **Resident buyer.** The ~~motor vehicle registrar~~ commissioner may issue a permit to a person purchasing a new or used motor vehicle in this state for the purpose of allowing the purchaser a reasonable time to register the vehicle and pay fees and taxes due on the transfer. The permit is valid for a period of ~~21~~ 60 days. The permit must be in a ~~form as the registrar may determine~~ format prescribed by the commissioner, affixed to the rear of the vehicle where a license plate would normally be affixed, and plainly visible. Each permit is valid only for the vehicle for which issued.

Subd. 2. **Dealer.** The ~~registrar~~ commissioner may issue permits to licensed dealers. When issuing a permit, the dealer ~~shall~~ must complete the permit in the manner prescribed by the department.

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

Sec. 15. Minnesota Statutes 2023 Supplement, section 168.1259, is amended to read:

168.1259 MINNESOTA PROFESSIONAL SPORTS TEAM ~~FOUNDATION~~ PHILANTHROPY PLATES.

Subdivision 1. **Definition.** For purposes of this section, "Minnesota professional sports team" means one of the following teams while its home stadium is located in Minnesota: Minnesota Vikings, Minnesota Timberwolves, Minnesota Lynx, Minnesota Wild, Minnesota Twins, or Minnesota United.

Subd. 2. **General requirements and procedures.** (a) The commissioner must issue Minnesota professional sports team ~~foundation~~ philanthropy plates to an applicant who:

(1) is a registered owner of a passenger automobile, noncommercial one-ton pickup truck, motorcycle, or recreational vehicle;

(2) pays an additional fee in the amount specified for special plates under section 168.12, subdivision 5;

(3) pays the registration tax required under section 168.013;

(4) pays the fees required under this chapter;

(5) contributes a minimum of $30 annually to the professional sports team ~~foundations~~ philanthropy account; and

(6) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

(b) Minnesota professional sports team ~~foundation~~ philanthropy plates may be personalized according to section 168.12, subdivision 2a.

Subd. 3. **Design.** At the request of a Minnesota professional sports team or the team's foundation, the commissioner must, in consultation with the team or foundation, adopt a suitable plate design ~~incorporating~~. Each design must incorporate the requesting foundation's marks and colors or directly relate to a charitable purpose as provided in subdivision 5. The commissioner may design a single plate that incorporates the marks and colors of all ~~foundations~~ organizations that have requested a plate.

Subd. 4. **Plate transfers.** On application to the commissioner and payment of a transfer fee of $5, special plates issued under this section may be transferred to another motor vehicle if the subsequent vehicle is:

(1) qualified under subdivision 2, paragraph (a), clause (1), to bear the special plates; and

(2) registered to the same individual to whom the special plates were originally issued.

Subd. 5. **Contributions; account; appropriation.** (a) Contributions collected under subdivision 2, paragraph (a), clause (5), must be deposited in the Minnesota professional sports team ~~foundations~~ philanthropy account, which is established in the special revenue fund. Money in the account is annually appropriated to the commissioner of public safety. This appropriation is first for the annual cost of administering the account funds, and the remaining funds are for distribution to the foundations or as provided in this subdivision in the proportion that each plate design bears to the total number of Minnesota professional sports team ~~foundation~~ philanthropy plates issued for that year. Proceeds from a plate that includes the marks and colors of all ~~foundations~~ participating organizations must be divided evenly between all foundations and charitable purposes.

(b) The ~~foundations must only use the~~ proceeds must only be used by:

(1) a Minnesota professional sports team foundation for philanthropic or charitable purposes; or

(2) the Minnesota United professional sports team through a designation that the funds are for the Minnesota Loon Restoration Project.

(c) The commissioner must annually transfer funds designated under paragraph (b), clause (2), from the Minnesota professional sports team philanthropy account to the Minnesota critical habitat private sector matching account under section 84.943 for purposes of the Minnesota Loon Restoration Project.

EFFECTIVE DATE. This section is effective October 1, 2024, for Minnesota professional sports team philanthropy plates issued on or after that date.

Sec. 16. **[168.1283] ROTARY INTERNATIONAL PLATES.**

Subdivision 1. **Issuance of plates.** The commissioner must issue Rotary International special license plates or a single motorcycle plate to an applicant who:

(1) is a registered owner of a passenger automobile, noncommercial one-ton pickup truck, motorcycle, or self-propelled recreational motor vehicle;

(2) pays the registration tax as required under section 168.013;

(3) pays a fee in the amount specified under section 168.12, subdivision 5, for each set of plates, along with any other fees required by this chapter;

(4) contributes $25 upon initial application and a minimum of $5 annually to the Rotary District 5950 Foundation account; and

(5) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

Subd. 2. **Design.** The commissioner must adopt a suitable design for the plate that must include the Rotary International symbol and the phrase "Service Above Self."

Subd. 3. **Plates transfer.** On application to the commissioner and payment of a transfer fee of $5, special plates may be transferred to another qualified motor vehicle that is registered to the same individual to whom the special plates were originally issued.

Subd. 4. **Exemption.** Special plates issued under this section are not subject to section 168.1293, subdivision 2.

Subd. 5. **Contributions; account; appropriation.** Contributions collected under subdivision 1, clause (4), must be deposited in the Rotary District 5950 Foundation account, which is established in the special revenue fund. Money in the account is annually appropriated to the commissioner of public safety. This appropriation is first for the annual cost of administering the account funds, and the remaining funds must be distributed to Rotary District 5950 Foundation to further the rotary's mission of service, fellowship, diversity, integrity, and leadership. Funds distributed under this subdivision must be used on projects within this state.

EFFECTIVE DATE. This section is effective January 1, 2025, for Rotary International special plates issued on or after that date.

Sec. 17. Minnesota Statutes 2022, section 168.301, subdivision 3, is amended to read:

Subd. 3. **Late fee.** In addition to any fee or tax otherwise authorized or imposed upon the transfer of title for a motor vehicle, the commissioner of public safety ~~shall~~ must impose a $2 additional fee for failure to deliver a title transfer within ~~ten business days~~ the period specified under section 168A.10, subdivision 2.

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

Sec. 18. Minnesota Statutes 2022, section 168A.10, subdivision 2, is amended to read:

Subd. 2. **Application for new certificate.** Except as provided in section 168A.11, the transferee ~~shall~~ must, within ~~ten~~ 20 calendar days after assignment to the transferee of the vehicle title certificate, execute the application for a new certificate of title in the space provided on the certificate, and cause the certificate of title to be mailed or delivered to the department. Failure of the transferee to comply with this subdivision ~~shall result~~ results in the suspension of the vehicle's registration under section 168.17.

EFFECTIVE DATE. This section is effective October 1, 2024, and applies to title transfers on or after that date.

Sec. 19. Minnesota Statutes 2022, section 168A.11, subdivision 1, is amended to read:

Subdivision 1. **Requirements upon subsequent transfer; service fee.** (a) A dealer who buys a vehicle and holds it for resale need not apply for a certificate of title. Upon transferring the vehicle to another person, other than by the creation of a security interest, the dealer ~~shall~~ must promptly execute the assignment and warranty of title by a dealer, showing the names and addresses of the transferee and of any secured party holding a security interest created or reserved at the time of the resale, and the date of the security agreement in the spaces provided ~~therefor~~ on the certificate of title or secure reassignment.

(b) If a dealer elects to apply for a certificate of title on a vehicle held for resale, the dealer need not register the vehicle but ~~shall~~ must pay one month's registration tax. If a dealer elects to apply for a certificate of title on a vehicle held for resale, the ~~department shall~~ commissioner must not place any legend on the title that no motor vehicle sales tax was paid by the dealer, but may indicate on the title whether the vehicle is a new or used vehicle.

(c) With respect to motor vehicles subject to the provisions of section 325E.15, the dealer ~~shall~~ must also, in the space provided ~~therefor~~ on the certificate of title or secure reassignment, state the true cumulative mileage registered on the odometer or that the exact mileage is unknown if the odometer reading is known by the transferor to be different from the true mileage.

(d) The transferee ~~shall~~ must complete the application for title section on the certificate of title or separate title application form prescribed by the ~~department~~ commissioner. The dealer ~~shall~~ must mail or deliver the certificate to the ~~registrar~~ commissioner or deputy registrar with the transferee's application for a new certificate and appropriate taxes and fees, within ~~ten business days~~ the period specified under section 168A.10, subdivision 2.

(e) With respect to vehicles sold to buyers who will remove the vehicle from this state, the dealer ~~shall~~ must remove any license plates from the vehicle, issue a 31-day temporary permit pursuant to section 168.091, and notify the ~~registrar~~ commissioner within 48 hours of the sale that the vehicle has been removed from this state. The notification must be made in an electronic format prescribed by the ~~registrar~~ commissioner. The dealer may contract with a deputy registrar for the notification of sale to an out-of-state buyer. The deputy registrar may charge a fee of $7 per transaction to provide this service.

EFFECTIVE DATE. This section is effective October 1, 2024, and applies to title transfers on or after that date.

Sec. 20. Minnesota Statutes 2023 Supplement, section 169.011, subdivision 27, is amended to read:

Subd. 27. **Electric-assisted bicycle.** (a) "Electric-assisted bicycle" means a bicycle with two or three wheels that:

(1) has a saddle and fully operable pedals for human propulsion;

(2) meets the requirements for bicycles under Code of Federal Regulations, title 16, part 1512, or successor requirements;

(3) is equipped with an electric motor that has a power output of not more than 750 watts;

(4) meets the requirements of a class 1, class 2, ~~or~~ class 3, or multiple mode electric-assisted bicycle; and

(5) has a battery or electric drive system that has been tested to an applicable safety standard by a third-party testing laboratory.

(b) A vehicle that is modified so that it no longer meets the requirements for any electric-assisted bicycle class is not an electric-assisted bicycle.

Sec. 21. Minnesota Statutes 2022, section 169.011, is amended by adding a subdivision to read:

Subd. 45a. **Multiple mode electric-assisted bicycle.** "Multiple mode electric-assisted bicycle" means an electric-assisted bicycle equipped with switchable or programmable modes that provide for operation as two or more of a class 1, class 2, or class 3 electric-assisted bicycle in conformance with the definition and requirements under this chapter for each respective class.

Sec. 22. Minnesota Statutes 2022, section 169.011, is amended by adding a subdivision to read:

Subd. 92b. **Vulnerable road user.** "Vulnerable road user" means a person in the right-of-way of a highway, including but not limited to a bikeway and an adjacent sidewalk or trail, who is:

(1) a pedestrian;

(2) on a bicycle or other nonmotorized vehicle or device;

(3) on an electric personal assistive mobility device;

(4) on an implement of husbandry; or

(5) riding an animal.

Vulnerable road user includes the operator and any passengers for a vehicle, device, or personal conveyance identified in this subdivision.

Sec. 23. Minnesota Statutes 2022, section 169.21, subdivision 6, is amended to read:

Subd. 6. **Driver education ~~curriculum~~; vulnerable road users.** The ~~class D curriculum, in addition to driver education classroom curriculum prescribed in rules of statutes for class D motor vehicles, must include instruction on~~ commissioner must adopt rules for persons enrolled in driver education programs offered at public schools, private schools, and commercial driver training schools, requiring inclusion in the course of instruction a section on vulnerable road users. The instruction must include information on:

(1) the rights and responsibilities of vulnerable road users, as defined in section 169.011, subdivision 92b;

(2) the specific duties of a driver when encountering a bicycle, other nonmotorized vehicles, or a pedestrian.;

(3) safety risks for vulnerable road users and motorcyclists or other operators of two- or three-wheeled vehicles; and

(4) best practices to minimize dangers and avoid collisions with vulnerable road users and motorcyclists or other operators of two- or three-wheeled vehicles.

Sec. 24. Minnesota Statutes 2022, section 169.222, subdivision 6a, is amended to read:

Subd. 6a. **Electric-assisted bicycle; riding rules.** (a) A person may operate an electric-assisted bicycle in the same manner as provided for operation of other bicycles, including but not limited to operation on the shoulder of a roadway, a bicycle lane, and a bicycle route, and operation without the motor engaged on a bikeway or bicycle trail.

(b) A person may operate a class 1 or class 2 electric-assisted bicycle with the motor engaged on a bicycle path, bicycle trail, or shared use path unless prohibited under section 85.015, subdivision 1d; 85.018, subdivision 2, paragraph (d); or 160.263, subdivision 2, paragraph (b), as applicable.

(c) A person may operate a class 3 electric-assisted bicycle or multiple mode electric-assisted bicycle with the motor engaged on a bicycle path, bicycle trail, or shared use path unless the local authority or state agency having jurisdiction over the bicycle path or trail prohibits the operation.

(d) The local authority or state agency having jurisdiction over a trail or over a bike park that is designated as nonmotorized and that has a natural surface tread made by clearing and grading the native soil with no added surfacing materials may regulate the operation of an electric-assisted bicycle.

(e) ~~No~~ A person under the age of 15 ~~shall~~ must not operate an electric-assisted bicycle.

Sec. 25. Minnesota Statutes 2022, section 169.222, subdivision 6b, is amended to read:

Subd. 6b. **Electric-assisted bicycle; equipment.** (a) The manufacturer or distributor of an electric-assisted bicycle must apply a label to the bicycle that is permanently affixed in a prominent location. The label must contain the ~~classification~~ class number, top assisted speed, and motor wattage of the electric-assisted bicycle, and must be printed in a legible font with at least 9-point type. A multiple mode electric-assisted bicycle must have labeling that identifies the highest electric-assisted bicycle class in which it is capable of operation.

(b) A person must not modify an electric-assisted bicycle to change the motor-powered speed capability or motor engagement so that the bicycle no longer meets the requirements for the applicable class, unless:

(1) the person replaces the label required in paragraph (a) with revised information.; or

(2) for a vehicle that no longer meets the requirements for any electric-assisted bicycle class, the person removes the labeling as an electric-assisted bicycle.

(c) An electric-assisted bicycle must operate in a manner so that the electric motor is disengaged or ceases to function ~~when the rider stops pedaling or~~: (1) when the brakes are applied; or (2) except for a class 2 electric-assisted bicycle or a multiple mode electric-assisted bicycle operating in class 2 mode, when the rider stops pedaling.

(d) A class 3 electric-assisted bicycle or multiple mode electric-assisted bicycle must be equipped with a speedometer that displays the speed at which the bicycle is traveling in miles per hour.

(e) A multiple mode electric-assisted bicycle equipped with a throttle must not be capable of exceeding 20 miles per hour on motorized propulsion alone in any mode when the throttle is engaged.

Sec. 26. **[169.515] LIGHTS ON GRANT PROGRAM.**

Subdivision 1. **Grant program established; purpose.** The Lights On grant program is established under this section to provide drivers on Minnesota roads with vouchers of up to $250 to use at participating auto repair shops to repair or replace broken or malfunctioning lighting equipment required under sections 169.49 to 169.51. Grant funds awarded under this program are intended to increase safety on Minnesota roads by ensuring vehicle lights are properly illuminated, offering drivers restorative solutions rather than punishment for malfunctioning equipment, lessening the financial burden of traffic tickets on low-income drivers, and improving police-community relations.

Subd. 2. **Eligibility.** Counties, cities, towns, the State Patrol, and local law enforcement agencies, including law enforcement agencies of a federally recognized Tribe, as defined in United States Code, title 25, section 5304(e), are eligible to apply for grants under this section.

Subd. 3. **Application.** (a) The commissioner of public safety must develop application materials and procedures for the Lights On grant program.

(b) The application must describe the type or types of intended vouchers, the amount of money requested, and any other information deemed necessary by the commissioner.

(c) Applicants must submit an application under this section in the form and manner prescribed by the commissioner.

(d) Applicants must describe how grant money will be used to provide and distribute vouchers to drivers.

(e) Applicants must keep records of vouchers distributed and records of all expenses associated with awarded grant money.

Subd. 4. **Grant criteria.** Preference for grant awards must be given to applicants whose proposals provide resources and vouchers to individuals residing in geographic areas that have historically received underinvestment and have high poverty rates.

Subd. 5. **Reporting.** By February 1 each year, grant recipients must submit a report to the commissioner itemizing all expenditures made using grant money, the purpose of each expenditure, and the disposition of each contact made with drivers with malfunctioning or broken lighting equipment. The report must be in the form and manner prescribed by the commissioner.

Sec. 27. Minnesota Statutes 2023 Supplement, section 169A.44, subdivision 1, is amended to read:

Subdivision 1. **Nonfelony violations.** (a) This subdivision applies to a person charged with a nonfelony violation of section 169A.20 (driving while impaired) under circumstances described in section 169A.40, subdivision 3 (certain DWI offenders; custodial arrest).

(b) Except as provided in subdivision 3, unless maximum bail is imposed under section 629.471, a person described in paragraph (a) may be released from detention only if the person agrees to the following conditions pending resolution of the charge:

(1) abstain from alcohol and nonprescribed controlled or intoxicating substances; and

(2) submit to a program ~~of electronic alcohol monitoring, involving at least daily measurements of the person's alcohol concentration, pending resolution of the charge~~ to monitor that abstinence.

(c) A defendant charged with a violation of section 169A.20, subdivision 1, clause (1), (5), or (6); subdivision 1, clause (4), where one of the elements involves a violation of clause (1); subdivision 2, clause (1); or subdivision 2, clause (2), if the court issued the warrant based on probable cause to believe that the person was under the influence of alcohol, must be monitored through the use of:

(1) electronic alcohol monitoring, involving at least daily measurements of the person's alcohol concentration if electronic alcohol-monitoring equipment is available to the court; or

(2) random alcohol tests conducted at least weekly if electronic alcohol-monitoring equipment is not available to the court.

(d) A defendant charged with a violation of section 169A.20, subdivision 1, clause (2), (3), (4), (7), or (8); or subdivision 2, clause (2), if the court issued the warrant based on probable cause to believe that the person was under the influence of a controlled substance or an intoxicating substance, must be monitored through the use of random urine analyses conducted at least weekly.

~~Clause (2) applies only when electronic alcohol monitoring equipment is available to the court.~~ (e) The court shall require partial or total reimbursement from the person for the cost of the electronic alcohol monitoring, random alcohol tests, and random urine analyses, to the extent the person is able to pay.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to defendants charged on or after that date.

Sec. 28. Minnesota Statutes 2022, section 169A.55, subdivision 4, is amended to read:

Subd. 4. **Reinstatement of driving privileges; multiple incidents.** (a) A person whose driver's license has been revoked as a result of an alcohol-related offense listed under clause (2) shall not be eligible for reinstatement of driving privileges without an ignition interlock restriction until the commissioner certifies that either:

(1) the person did not own or lease a vehicle at the time of the offense or at any time between the time of the offense and the driver's request for reinstatement, or commit a violation of chapter 169, 169A, or 171 between the time of the offense and the driver's request for reinstatement or at the time of the arrest for the offense listed under clause (2), item (i), subitem (A) or (B), or (ii), subitem (A) or (B), as based on:

(i) a request by the person for reinstatement, on a form to be provided by the Department of Public Safety;

(ii) the person's attestation under penalty of perjury; and

(iii) the submission by the driver of certified copies of vehicle registration records and driving records for the period from the arrest until the driver seeks reinstatement of driving privileges; or

(2) the person used the ignition interlock device and complied with section 171.306 for a period of not less than:

(i) one year, for a person whose driver's license was revoked for:

(A) an offense occurring within ten years of a qualified prior impaired driving incident; or

(B) an offense occurring after two qualified prior impaired driving incidents; or

(ii) two years, for a person whose driver's license was revoked for:

(A) an offense occurring under item (i), subitem (A) or (B), and the test results indicated an alcohol concentration of twice the legal limit or more; or

(B) an offense occurring under item (i), subitem (A) or (B), and the current offense is for a violation of section 169A.20, subdivision 2.

(b) A person whose driver's license has been canceled or denied as a result of three or more qualified impaired driving incidents involving at least one alcohol-related offense shall not be eligible for reinstatement of driving privileges without an ignition interlock restriction until the person:

(1) has completed rehabilitation according to rules adopted by the commissioner or been granted a variance from the rules by the commissioner; and

(2) has submitted verification of abstinence from alcohol and controlled substances under paragraph (c), as evidenced by the person's use of an ignition interlock device or other chemical monitoring device approved by the commissioner.

(c) The verification of abstinence must show that the person has abstained from the use of alcohol and controlled substances for a period of not less than:

(1) three years, for a person whose driver's license was canceled or denied for an offense occurring within ten years of the first of two qualified prior impaired driving incidents, or occurring after three qualified prior impaired driving incidents;

(2) four years, for a person whose driver's license was canceled or denied for an offense occurring within ten years of the first of three qualified prior impaired driving incidents; or

(3) six years, for a person whose driver's license was canceled or denied for an offense occurring after four or more qualified prior impaired driving incidents.

(d) A person whose driver's license has been revoked as a result of a controlled or intoxicating substance offense listed under clause (2) shall not be eligible for reinstatement of driving privileges without participating in the intensive testing program established under section 171.307 until the commissioner certifies that either:

(1) the person did not own or lease a vehicle at the time of the offense or at any time between the time of the offense and the driver's request for reinstatement, or commit a violation of chapter 169, 169A, or 171 between the time of the offense and the driver's request for reinstatement or at the time of the arrest for the offense listed under clause (2), item (i), subitem (A) or (B), or (ii), subitem (A) or (B), as based on:

(i) a request by the person for reinstatement, on a form to be provided by the Department of Public Safety;

(ii) the person's attestation under penalty of perjury; and

(iii) the submission by the driver of certified copies of vehicle registration records and driving records for the period from the arrest until the driver seeks reinstatement of driving privileges; or

(2) the person participated in the intensive testing program and complied with section 171.307 for a period of not less than:

(i) one year, for a person whose driver's license was revoked for:

(A) an offense occurring within ten years of a qualified prior impaired driving incident; or

(B) an offense occurring after two qualified prior impaired driving incidents; or

(ii) two years, for a person whose driver's license was revoked for:

(A) an offense occurring under item (i), subitem (A) or (B), and the test results indicated an alcohol concentration of twice the legal limit or more; or

(B) an offense occurring under item (i), subitem (A) or (B), and the current offense is for a violation of section 169A.20, subdivision 2.

(e) A person whose driver's license has been canceled or denied as a result of three or more qualified impaired driving incidents involving at least one controlled or intoxicating substance offense shall not be eligible for reinstatement of driving privileges without participating in the intensive testing program until the person:

(1) has completed rehabilitation according to rules adopted by the commissioner or been granted a variance from the rules by the commissioner; and

(2) has submitted verification of abstinence from alcohol and controlled substances under paragraph (f), as evidenced by the person's participation in the intensive testing program or other monitoring approved by the commissioner.

(f) The verification of abstinence must show that the person has abstained from the use of alcohol and controlled substances for a period of not less than:

(1) three years, for a person whose driver's license was canceled or denied for an offense occurring within ten years of the first of two qualified prior impaired driving incidents, or occurring after three qualified prior impaired driving incidents;

(2) four years, for a person whose driver's license was canceled or denied for an offense occurring within ten years of the first of three qualified prior impaired driving incidents; or

(3) six years, for a person whose driver's license was canceled or denied for an offense occurring after four or more qualified prior impaired driving incidents.

(g) As used in this subdivision:

(1) "alcohol-related offense" means a violation of section 169A.20, subdivision 1, clause (1), (5), or (6); subdivision 1, clause (4), where one of the elements involves a violation of clause (1); subdivision 2, clause (1); or subdivision 2, clause (2), if the court issued the warrant based on probable cause to believe that the person was under the influence of alcohol; and

(2) "controlled or intoxicating substance offense" means a violation of section 169A.20, subdivision 1, clause (2), (3), (4), (7), or (8); or subdivision 2, clause (2), if the court issued the warrant based on probable cause to believe that the person was under the influence of a controlled substance or an intoxicating substance.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to revocations and cancellations or denials that occur on or after that date.

Sec. 29. Minnesota Statutes 2023 Supplement, section 171.0705, subdivision 2, is amended to read:

Subd. 2. **Driver's manual; ~~bicycle traffic~~ vulnerable road users.** The commissioner ~~shall~~ must include in ~~each edition of~~ the driver's manual published by the department a section relating to vulnerable road users and motorcyclists or operators of two- or three-wheeled vehicles that, at a minimum, includes:

(1) bicycle traffic laws, including any changes in the law which affect bicycle traffic~~.~~;

(2) traffic laws related to pedestrians and pedestrian safety; and

(3) traffic laws related to motorcycles, autocycles, motorized bicycles, motorized foot scooters, and electric personal assistive mobility devices.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to each edition of the manual published on or after that date.

Sec. 30. Minnesota Statutes 2023 Supplement, section 171.13, subdivision 1, is amended to read:

Subdivision 1. **Examination subjects and locations; provisions for color blindness, disabled veterans.** (a) Except as otherwise provided in this section, the commissioner must examine each applicant for a driver's license by such agency as the commissioner directs. This examination must include:

(1) a test of the applicant's eyesight, provided that this requirement is met by submission of a vision examination certificate under section 171.06, subdivision 7;

(2) a test of the applicant's ability to read and understand highway signs regulating, warning, and directing traffic;

(3) a test of the applicant's knowledge of (i) traffic laws; (ii) the effects of alcohol and drugs on a driver's ability to operate a motor vehicle safely and legally, and of the legal penalties and financial consequences resulting from violations of laws prohibiting the operation of a motor vehicle while under the influence of alcohol or drugs; (iii) railroad grade crossing safety; (iv) slow-moving vehicle safety; (v) laws relating to pupil transportation safety, including the significance of school bus lights, signals, stop arm, and passing a school bus; (vi) traffic laws related to vulnerable road users and motorcyclists, including but not limited to operators of bicycles and pedestrians; and (vii) the circumstances and dangers of carbon monoxide poisoning;

(4) an actual demonstration of ability to exercise ordinary and reasonable control in the operation of a motor vehicle; and

(5) other physical and mental examinations as the commissioner finds necessary to determine the applicant's fitness to operate a motor vehicle safely upon the highways.

(b) Notwithstanding paragraph (a), the commissioner must not deny an application for a driver's license based on the exclusive grounds that the applicant's eyesight is deficient in color perception or that the applicant has been diagnosed with diabetes mellitus. War veterans operating motor vehicles especially equipped for disabled persons, if otherwise entitled to a license, must be granted such license.

(c) The commissioner must ensure that an applicant may take an exam either in the county where the applicant resides or in an adjacent county at a reasonably convenient location. The schedule for each exam station must be posted on the department's website.

(d) The commissioner shall ensure that an applicant is able to obtain an appointment for an examination to demonstrate ability under paragraph (a), clause (4), within 14 days of the applicant's request if, under the applicable statutes and rules of the commissioner, the applicant is eligible to take the examination.

(e) The commissioner must provide real-time information on the department's website about the availability and location of exam appointments. The website must show the next available exam dates and times for each exam station. The website must also provide an option for a person to enter an address to see the date and time of the next available exam at each exam station sorted by distance from the address provided.

Sec. 31. Minnesota Statutes 2022, section 171.306, subdivision 1, is amended to read:

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

(b) "Ignition interlock device" or "device" means equipment that is designed to measure breath alcohol concentration and to prevent a motor vehicle's ignition from being started by a person whose breath alcohol concentration measures 0.02 or higher on the equipment.

(c) "Incident involving alcohol" means:

(1) a test failure as described in section 169A.52, subdivision 2, paragraph (a), clause (1) or (2); or section 171.177, subdivision 3, clause (2), item (i) or (ii);

(2) a test refusal as described in section 169A.52, subdivision 3, or section 171.177, subdivision 3, clause (1), when there was probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20, subdivision 1, clause (1), (5), or (6); or subdivision 1, clause (4), where one of the elements involves a violation of clause (1);

(3) a conviction for a violation of section 169A.20, subdivision 1, clause (1), (5), or (6); or subdivision 1, clause (4), where one of the elements involves a violation of clause (1); or

(4) a determination by the commissioner pursuant to section 171.04, subdivision 1, clause (10), that the person is inimical to public safety based on one or more violations of section 169A.20, subdivision 1, clause (1), (5), or (6); or subdivision 1, clause (4), where one of the elements involves a violation of clause (1).

~~(c)~~ (d) "Location tracking capabilities" means the ability of an electronic or wireless device to identify and transmit its geographic location through the operation of the device.

~~(d)~~ (e) "Program participant" means a person who has qualified to take part in the ignition interlock program under this section, and whose driver's license, as a result of an incident involving alcohol, has been:

(1) revoked, canceled, or denied under section 169A.52; 169A.54; 171.04, subdivision 1, clause (10); or 171.177; or

(2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), or suspended under section 171.187, for a violation of section 609.2113, subdivision 1, clause (2), item (i) or (iii), (3), or (4); subdivision 2, clause (2), item (i) or (iii), (3), or (4); or subdivision 3, clause (2), item (i) or (iii), (3), or (4); or 609.2114, subdivision 2, clause (2), item (i) or (iii), (3), or (4), resulting in bodily harm, substantial bodily harm, or great bodily harm.

~~(e)~~ (f) "Qualified prior impaired driving incident" has the meaning given in section 169A.03, subdivision 22.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to revocations and cancellations or denials that occur on or after that date.

Sec. 32. Minnesota Statutes 2022, section 171.306, subdivision 8, is amended to read:

Subd. 8. **Rulemaking.** ~~In establishing~~ The commissioner may adopt rules to implement this section, including but not limited to rules regarding the performance standards and certification process of subdivision 2~~,~~ and the program guidelines of subdivision 3~~, and any other rules necessary to implement this section, the commissioner is subject to chapter 14~~.

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

Sec. 33. **[171.307] INTENSIVE TESTING PROGRAM.**

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

(b) "Incident involving a controlled substance or intoxicating substance" means:

(1) a test failure as described in section 169A.52, subdivision 2, paragraph (a), clause (3); or 171.177, subdivision 3, clause (2), item (iii);

(2) a test refusal as described in section 169A.52, subdivision 3, or 171.177, subdivision 3, clause (1), when there was probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20, subdivision 1, clause (2), (3), (4), (7), or (8); or subdivision 2, clause (2), if the court issued the warrant based on probable cause to believe that the person was under the influence of a controlled substance or an intoxicating substance;

(3) a conviction for a violation of section 169A.20, subdivision 1, clause (2), (3), (4), (7), or (8); or

(4) a determination by the commissioner pursuant to section 171.04, subdivision 1, clause (10), that the person is inimical to public safety based on one or more violations of section 169A.20, subdivision 1, clause (2), (3), (4), (7), or (8).

(c) "Program participant" means a person who has qualified to take part in the intensive testing program under this section, and whose driver's license, as the result of an incident involving a controlled substance or intoxicating substance, has been:

(1) revoked, canceled, or denied under section 169A.52; 169A.54; 171.04, subdivision 1, clause (10); or 171.177; or

(2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), or suspended under section 171.187, for a violation of section 609.2113, subdivision 1, clause (2), item (ii), (iii), or (iv), (5), or (6); subdivision 2, clause (2), item (ii), (iii), or (iv), (5), or (6); or subdivision 3, clause (2), item (ii), (iii), or (iv), (5), or (6); or 609.2114, subdivision 2, clause (2), item (ii), (iii), or (iv), (5), or (6), resulting in bodily harm, substantial bodily harm, or great bodily harm.

(d) "Qualified prior impaired driving incident" has the meaning given in section 169A.03, subdivision 22.

Subd. 2. **Program requirements.** (a) The commissioner must establish guidelines for participation in the intensive testing program. A person who seeks to participate in the program must sign a written acknowledgment that the person has received, reviewed, and agreed to abide by the program guidelines.

(b) The program guidelines must include provisions clearly identifying and prohibiting the use of masking agents.

(c) The program guidelines must include provisions requiring disclosure of any prescription medications and protocols to assure that testing accounts for prescribed medications that are taken within the therapeutic range.

(d) The commissioner must enter a notation on a person's driving record to indicate that the person is a program participant.

(e) A person under the age of 18 years is not eligible to be a program participant.

(f) A program participant must pay costs associated with any required urine analyses.

(g) A program participant must participate in any treatment recommended in a chemical use assessment report.

(h) A program participant must submit to regular and random urine analyses and other testing that take place at least weekly. The results of a random urine analysis or other test that is ordered by a court or required by probation satisfy the requirement in this paragraph for the week in which the urine analysis or other test was administered if the results clearly indicate that the program participant submitted to the urine analysis or test, identify the date of the test, and are submitted to the commissioner in a form and manner approved by the commissioner. If a program participant chooses to submit the results of urine analyses or other tests ordered by a court or required by probation, the commissioner may require that the program participant sign a written authorization for the release of the results and any related information including but not limited to information that is a health record as defined in section 144.291, subdivision 2, paragraph (c).

Subd. 3. **Issuance of restricted license.** (a) Beginning January 1, 2026, the commissioner must issue a class D driver's license, subject to the applicable limitations and restrictions of this section, to a program participant who meets the requirements of this section and the program guidelines. The commissioner must not issue a license unless the program participant has provided satisfactory proof that:

(1) the participant has submitted to a minimum number of preliminary urine analyses as required by the commissioner that tested negative for the presence of a controlled substance or its metabolite and for the presence of specified intoxicating substances; and

(2) the participant has insurance coverage on any vehicle the participant owns or operates regularly. If the participant has previously been convicted of violating section 169.791, 169.793, or 169.797 or the participant's license has previously been suspended or canceled under section 169.792 or 169.797, the commissioner must require the participant to present an insurance identification card that is certified by the insurance company to be noncancelable for a period not to exceed 12 months.

(b) A program participant whose driver's license has been: (1) revoked under section 169A.52, subdivision 3, paragraph (a), clause (1), (2), or (3), or subdivision 4, paragraph (a), clause (1), (2), or (3); 169A.54, subdivision 1, clause (1), (2), (3), or (4); or 171.177, subdivision 4, paragraph (a), clause (1), (2), or (3), or subdivision 5, paragraph (a), clause (1), (2), or (3); or (2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), or suspended under section 171.187, for a violation of section 609.2113, subdivision 1, clause (2), item (ii), (iii), or (iv), (5), or (6); subdivision 2, clause (2), item (ii), (iii), or (iv), (5), or (6); or subdivision 3, clause (2), item (ii), (iii), or (iv), (5), or (6); or 609.2114, subdivision 2, clause (2), item (ii), (iii), or (iv), (5), or (6), resulting in bodily harm, substantial bodily harm, or great bodily harm, where the participant has fewer than two qualified prior impaired driving incidents within the past ten years or fewer than three qualified prior impaired driving incidents ever; may apply for conditional reinstatement of the driver's license, subject to the intensive testing program.

(c) A program participant whose driver's license has been: (1) revoked, canceled, or denied under section 169A.52, subdivision 3, paragraph (a), clause (4), (5), or (6), or subdivision 4, paragraph (a), clause (4), (5), or (6); 169A.54, subdivision 1, clause (5), (6), or (7); or 171.177, subdivision 4, paragraph (a), clause (4), (5), or (6), or

subdivision 5, paragraph (a), clause (4), (5), or (6); or (2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), or suspended under section 171.187, for a violation of section 609.2113, subdivision 1, clause (2), item (ii), (iii), or (iv), (5), or (6); subdivision 2, clause (2), item (ii), (iii), or (iv), (5), or (6); or subdivision 3, clause (2), item (ii), (iii), or (iv), (5), or (6); or 609.2114, subdivision 2, clause (2), item (ii), (iii), or (iv), (5), or (6), resulting in bodily harm, substantial bodily harm, or great bodily harm, where the participant has two or more qualified prior impaired driving incidents within the past ten years or three or more qualified prior impaired driving incidents ever; may apply for conditional reinstatement of the driver's license, subject to the intensive testing program, if the program participant is enrolled in a licensed substance use disorder treatment or rehabilitation program as recommended in a chemical use assessment. As a prerequisite to eligibility for eventual reinstatement of full driving privileges, a participant whose chemical use assessment recommended treatment or rehabilitation must complete a licensed substance use disorder treatment or rehabilitation program. If the program participant submits a urine analysis that tests positive for the presence of a controlled substance or its metabolite or for the presence of any specified intoxicating substances, the commissioner must extend the time period that the participant must participate in the program until the participant has reached the required abstinence period described in section 169A.55, subdivision 4.

(d) Notwithstanding any statute or rule to the contrary, the commissioner has authority to determine when a program participant is eligible for restoration of full driving privileges, except that the commissioner must not reinstate full driving privileges until the program participant has met all applicable prerequisites for reinstatement under section 169A.55 and until the program participant has not tested positive for the presence of a controlled substance or its metabolite or for the presence of any specified intoxicating substances during the preceding 90 days.

Subd. 4. **Penalties; program violations.** (a) If a program participant violates a condition of a license conditionally reinstated under subdivision 3 and section 171.30, or violates the program guidelines under subdivision 2, the commissioner must extend the person's revocation period under section 169A.52, 169A.54, or 171.177 by:

(1) 180 days for a first violation;

(2) one year for a second violation; or

(3) 545 days for a third and each subsequent violation.

(b) Notwithstanding paragraph (a), the commissioner may terminate participation in the program by any person when, in the commissioner's judgment, termination is necessary to protect the interests of public safety and welfare. In the event of termination, the commissioner must not reduce the applicable revocation period under section 169A.52, 169A.54, or 171.177 by the amount of time during which the person possessed a limited or restricted driver's license issued under subdivision 3.

Subd. 5. **Tampering; penalties.** A program participant who tampers with a test required under this section, including but not limited to submitting a false or adulterated sample, or a person who advises or otherwise assists a program participant in tampering with a test required under this section is guilty of a misdemeanor.

Subd. 6. **Venue.** In addition to the provisions of Rule 24 of the Rules of Criminal Procedure and section 627.01, a violation of subdivision 5 may be prosecuted in:

(1) the county in which the tampering is alleged to have taken place;

(2) the county in which the accused resides; or

(3) the county in which the impaired driving incident occurred, which resulted in the accused being issued a driver's license with an intensive testing program restriction.

Subd. 7. **Data.** Data on program participants collected under this section are private data on individuals as defined in section 13.02, subdivision 12. Data must be maintained in the same manner as all other driver's license records. Access to the data is subject to the provisions of section 171.12, subdivision 1a.

Subd. 8. **Rulemaking.** The commissioner may adopt rules to implement this section, including but not limited to rules establishing or amending the program guidelines under subdivision 2.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to revocations and cancellations or denials that occur on or after that date.

Sec. 34. Minnesota Statutes 2022, section 174.02, is amended by adding a subdivision to read:

Subd. 11. **Tribal worksite training program.** The commissioner must establish a Tribal worksite training program for state-funded construction projects. The commissioner may enter into an agreement with any private, public, or Tribal entity for the planning, designing, developing, and hosting of the program.

Sec. 35. **[174.249] ZERO-EMISSION TRANSIT BUSES.**

Subdivision 1. **Definition.** For purposes of this section, "zero-emission transit bus" has the meaning given in section 473.3927, subdivision 1a.

Subd. 2. **Bus procurement exemptions.** (a) The commissioner must establish a process to issue a procurement exemption from the requirements under sections 473.388, subdivision 9, and 473.3927, subdivision 4. An exemption may (1) extend the commencement date for the respective zero-emission transit bus procurement requirements, or (2) provide for a modified zero-emission transit bus procurement percentage or phase-in schedule.

(b) An entity that seeks an exemption must submit an application, in the form and manner specified by the commissioner, that includes:

(1) a justification for the exemption;

(2) a review of activities related to zero-emission transit bus transition planning;

(3) demonstration of efforts to procure zero-emission transit buses and associated infrastructure;

(4) a proposed timeline for full compliance, which must include annual procurement targets and associated milestones; and

(5) information required by the commissioner.

(c) The commissioner may only issue a procurement exemption following a determination that:

(1) the applicant has made good faith effort to follow the guidance and recommendations of the transition plan under section 473.3927; and

(2) full compliance with procurement requirements is not feasible within the specified time period due to:

(i) technology, infrastructure, utility interconnection, funding, or bus availability constraints;

(ii) a resulting material impact on service reliability or on other means of reducing greenhouse gas emissions under the transit provider's purview, including transit service expansion; or

(iii) other specified and documented constraints.

(d) The commissioner must deny an application for a procurement exemption following a determination that the applicant made inadequate efforts to meet the relevant procurement requirements.

Sec. 36. Minnesota Statutes 2023 Supplement, section 174.38, subdivision 3, is amended to read:

Subd. 3. **Active transportation accounts.** (a) An active transportation account is established in the special revenue fund. The account consists of funds provided by law and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account is annually appropriated to the commissioner and must be expended only ~~on projects that receive financial assistance~~ as provided under this section.

(b) An active transportation account is established in the bond proceeds fund. The account consists of state bond proceeds appropriated to the commissioner. Money in the account may only be expended on bond-eligible costs of a project receiving financial assistance as provided under this section. Money in the account may only be expended on a project that is publicly owned.

~~(c) An active transportation account is established in the general fund. The account consists of money as provided by law and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account may only be expended on a project receiving financial assistance as provided under this section.~~

Sec. 37. Minnesota Statutes 2023 Supplement, section 174.38, subdivision 6, is amended to read:

Subd. 6. **Use of funds.** (a) The commissioner must determine permissible uses of ~~financial assistance~~ funds available under this section, which are limited to:

(1) construction and maintenance of bicycle, trail, and pedestrian infrastructure, including but not limited to safe routes to school infrastructure and bicycle facilities and centers; ~~and~~

(2) noninfrastructure programming, including activities as specified in section 174.40, subdivision 7a, paragraph (b); and

(3) as provided in this subdivision.

(b) Of the amount made available in each fiscal year, the first $500,000 is for grants to develop, maintain, and implement active transportation safety curriculum for youth ages five to 14 years old, and if remaining funds are available, for (1) youth ages 15 to 17 years old, (2) adult active transportation safety programs, and (3) adult learn-to-ride programs. The curriculum must include resources for teachers and must meet the model training materials requirements under section 123B.935, subdivision 4.

(c) Of the amount made available, $245,000 in each of fiscal years 2025 to 2028 is for costs related to complete streets implementation training under section 174.75, subdivision 2a.

Sec. 38. **[174.595] TRANSPORTATION FACILITIES CAPITAL PROGRAM.**

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

(b) "Capital building asset" includes but is not limited to district headquarters buildings, truck stations, salt storage or other unheated storage buildings, deicing and anti-icing facilities, fuel dispensing facilities, highway rest areas, and vehicle weigh and inspection stations.

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

(d) "Department" means the Department of Transportation.

(e) "Program" means the transportation facilities capital program established in this section.

Subd. 2. **Program established.** The commissioner must establish a transportation facilities capital program in conformance with this section to provide for capital building asset projects related to buildings and other capital facilities of the department.

Subd. 3. **Transportation facilities capital accounts.** (a) A transportation facilities capital account is established in the trunk highway fund. The account consists of money appropriated from the trunk highway fund for the purposes of the program and any other money donated, allotted, transferred, or otherwise provided to the account by law.

(b) A transportation facilities capital subaccount is established in the bond proceeds account in the trunk highway fund. The subaccount consists of trunk highway bond proceeds appropriated to the commissioner for the purposes of the program. Money in the subaccount may only be expended on trunk highway purposes, including the purposes specified in this section.

Subd. 4. **Implementation standards.** The commissioner must establish a process to implement the program that includes allocation of funding based on review of eligible projects as provided under subdivision 5 and prioritization as provided under subdivision 6. The process must be in conformance with trunk highway fund uses for the purposes of constructing, improving, and maintaining the trunk highway system in the state pursuant to the Minnesota Constitution, article XIV.

Subd. 5. **Eligible expenditures.** A project is eligible under this section only if the project:

(1) involves the construction, improvement, or maintenance of a capital building asset that is part of the trunk highway system; and

(2) accomplishes at least one of the following:

(i) supports the programmatic mission of the department;

(ii) extends the useful life of existing buildings; or

(iii) renovates or constructs facilities to meet the department's current and future operational needs.

Subd. 6. **Prioritization.** In prioritizing funding allocation among projects under the program, the commissioner must consider:

(1) whether a project ensures the effective and efficient condition and operation of the facility;

(2) the urgency in ensuring the safe use of existing buildings;

(3) the project's total life-cycle cost;

(4) additional criteria for priorities otherwise specified in law that apply to a category listed in the act making an appropriation for the program; and

(5) any other criteria the commissioner deems necessary.

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

Sec. 39. Minnesota Statutes 2023 Supplement, section 174.634, subdivision 2, is amended to read:

Subd. 2. **Passenger rail account; transfers; appropriation.** (a) A passenger rail account is established in the special revenue fund. The account consists of funds as provided in this subdivision and any other money donated, allotted, transferred, collected, or otherwise provided to the account.

(b) By July 15 annually beginning in calendar year 2027, the commissioner of revenue must transfer an amount from the general fund to the passenger rail account that equals 50 percent of the portion of the state general tax under section 275.025 levied on railroad operating property, as defined under section 273.13, subdivision 24, in the prior calendar year.

(c) Money in the account is annually appropriated to the commissioner of transportation for the ~~net~~ operating and capital maintenance costs of intercity passenger rail, which may include but are not limited to planning, designing, developing, constructing, equipping, administering, operating, promoting, maintaining, and improving passenger rail service within the state, after accounting for operating revenue, federal funds, and other sources.

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

Sec. 40. Minnesota Statutes 2023 Supplement, section 174.634, is amended by adding a subdivision to read:

Subd. 3. **Fee and revenue collection authorized.** In order to maintain a balanced transportation system in the state required by the public convenience and necessity, the commissioner may, directly or through a contractor, vendor, operator, or partnership with a federal or state government entity, including Amtrak, collect a fee or other revenue related to passenger rail services within the state. Fees and revenue to be collected include but are not limited to fees and revenue generated through ticket sales and sales of on-board and promotional goods. Revenue may be collected as determined by the commissioner. Fees and revenue collected under this subdivision must be deposited in the passenger rail account in the special revenue fund. Fees and revenue under this section are not subject to section 16A.1283.

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

Sec. 41. Minnesota Statutes 2022, section 174.75, subdivision 1, is amended to read:

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

(b) "Complete streets" is the planning, scoping, design, implementation, operation, and maintenance of roads in order to reasonably address the safety and accessibility needs of users of all ages and abilities. Complete streets considers the needs of motorists, pedestrians, transit users and vehicles, bicyclists, and commercial and emergency vehicles moving along and across roads, intersections, and crossings in a manner that is sensitive to the local context and recognizes that the needs vary in urban, suburban, and rural settings.

(c) "Vulnerable road user" has the meaning given in section 169.011, subdivision 92b.

Sec. 42. Minnesota Statutes 2022, section 174.75, subdivision 2, is amended to read:

Subd. 2. **Implementation.** (a) The commissioner ~~shall~~ must implement a complete streets policy after consultation with stakeholders, state and regional agencies, local governments, and road authorities. The commissioner, after such consultation, ~~shall~~ must address relevant protocols, guidance, standards, requirements, and training~~, and shall integrate~~.

(b) The complete streets policy must include but is not limited to:

(1) integration of related principles of context-sensitive solutions~~.~~;

(2) integration throughout the project development process;

(3) methods to evaluate inclusion of active transportation facilities in a project, which may include but are not limited to sidewalks, crosswalk markings, pedestrian accessibility, and bikeways; and

(4) consideration of consultation with other road authorities regarding existing and planned active transportation network connections.

Sec. 43. Minnesota Statutes 2022, section 174.75, is amended by adding a subdivision to read:

Subd. 2a. **Implementation guidance.** The commissioner must maintain guidance that accompanies the complete streets policy under this section. The guidance must include sections on:

(1) an analysis framework that provides for:

(i) identification of characteristics of a project;

(ii) highway system categorization based on context, including population density, land use, density and scale of surrounding development, volume of highway use, and the nature and extent of active transportation; and

(iii) relative emphasis for different road system users in each of the categories under item (ii) in a manner that supports safety and mobility of vulnerable road users, motorcyclists or other operators of two- or three-wheeled vehicles, and public transit users; and

(2) an analysis of speed limit reductions and associated roadway design modifications to support safety and mobility in active transportation.

Sec. 44. Minnesota Statutes 2022, section 216E.02, subdivision 1, is amended to read:

Subdivision 1. **Policy.** The legislature hereby declares it to be the policy of the state to locate large electric power facilities and high voltage transmission lines in an orderly manner compatible with environmental preservation and the efficient use of resources. In accordance with this policy the commission shall choose locations that minimize adverse human and environmental impact while insuring continuing electric power system reliability and integrity and insuring that electric energy needs are met and fulfilled in an orderly and timely fashion.

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

Sec. 45. Minnesota Statutes 2023 Supplement, section 219.015, subdivision 2, is amended to read:

Subd. 2. **Railroad company assessment; account; appropriation.** (a) As provided in this subdivision, the commissioner must annually assess railroad companies that are (1) defined as common carriers under section 218.011; (2) classified by federal law or regulation as Class I Railroads, Class I Rail Carriers, Class II Railroads, or Class II Rail Carriers; and (3) operating in this state.

(b) The assessment must be calculated to allocate state rail safety inspection program costs proportionally among carriers based on route miles operated in Minnesota at the time of assessment. The commissioner must include in the assessment calculation all state rail safety inspection program costs to support up to six rail safety inspector positions, including but not limited to salary, administration, supervision, travel, equipment, training, and ongoing state rail inspector duties.

(c) The assessments collected under this subdivision must be deposited in a state rail safety inspection account, which is established in the special revenue fund. The account consists of funds provided by this subdivision and section 221.0255 and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account is annually appropriated to the commissioner to administer the state rail safety inspection program and for costs under section 221.0255.

Sec. 46. **[219.382] WAYSIDE DETECTOR SYSTEMS.**

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

(b) "Hazardous substance" has the meaning given in section 219.055, subdivision 1, paragraph (e).

(c) "Wayside detector system" means one or more electronic devices that: (1) perform automated scanning of passing trains, rolling stock, and on-track equipment to detect defects or precursors to defects in equipment or component parts; and (2) provide notification to individuals of a defect or precursor to a defect.

Subd. 2. **Application.** The requirements in this section apply to:

(1) a Class I railroad; and

(2) a Class II railroad or Class III railroad when transporting a hazardous substance at a speed that exceeds ten miles per hour.

Subd. 3. **Wayside detector system requirements.** (a) A railroad must maintain operational wayside detector systems located at intervals of:

(1) at least every ten miles of mainline track in the state; or

(2) at least every 15 miles of mainline track in the state if necessary due to the natural terrain.

(b) A wayside detector system under this section must include a hot bearings detector and a dragging equipment detector.

Subd. 4. **Defect notifications.** Promptly after a wayside detector system provides a notification regarding a defect, the railroad must:

(1) stop the train in accordance with the railroad's applicable safety procedures;

(2) inspect the location of the defect from a position on the ground;

(3) if the inspection indicates that the train is not safe for movement, make necessary repairs prior to movement;

(4) if the inspection indicates that the train is safe for movement or if repairs are performed under clause (3):

(i) proceed at a speed that does not exceed (A) 30 miles per hour if the train is not transporting a hazardous substance, or (B) ten miles per hour if the train is transporting a hazardous substance; and

(ii) remove and set out any defective car at the earliest opportunity; and

(5) provide for the train crew to prepare a written inspection report and submit it to the appropriate personnel within the railroad.

Subd. 5. **Report to commissioner.** By January 15 annually, a railroad that is subject to this section must submit a report to the commissioner on wayside detector systems installed in this state. At a minimum, the report must include:

(1) an overview of each wayside detector system, which must include:

(i) its type and primary characteristics;

(ii) the nearest milepost number, latitude and longitude coordinates, or other information that specifically identifies its location; and

(iii) a review of the operational status of the hot bearings detector and the dragging equipment detector throughout the prior 12 months; and

(2) other information on wayside detector systems as required by the commissioner.

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

Sec. 47. **[219.5505] TRAIN LENGTH.**

Subdivision 1. **Definition.** For purposes of this section, "railroad" means a common carrier that is classified by federal law or regulation as a Class I railroad, Class II railroad, or Class III railroad.

Subd. 2. **Maximum length.** A railroad must not operate a train in this state that has a total length in excess of 8,500 feet.

Subd. 3. **Penalty.** (a) A railroad that violates this section is subject to a penalty of:

(1) not less than $1,000 or more than $5,000 for a first offense;

(2) not less than $5,000 or more than $10,000 for a second offense committed within three years of the first offense; and

(3) not less than $25,000 for a third or subsequent offense committed within three years of the first offense.

(b) The commissioner of transportation may enforce this section in a civil action before a judge of a county in which the violation occurs.

(c) Fines collected under this section must be deposited in the state rail safety inspection account in the special revenue fund.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to violations committed on or after that date.

Sec. 48. **[219.756] YARDMASTER HOURS OF SERVICE.**

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

(b) "Railroad" means a common carrier that is classified by federal law or regulation as Class I railroad, Class II railroad, or Class III railroad.

(c) "Yardmaster" means an employee of a common carrier who is responsible for supervising and coordinating the control of trains and engines operating within a railyard, not including a dispatching service employee, signal employee, or train employee as those terms are defined in United States Code, title 49, section 21101.

Subd. 2. **Hours of service.** (a) A railroad operating in this state must not require or allow a yardmaster to remain or go on duty:

(1) in any month when the employee has spent a total of 276 hours on duty or in any other mandatory service for the carrier;

(2) for a period exceeding 12 consecutive hours; and

(3) unless the employee has had at least ten consecutive hours off duty during the prior 24 hours.

(b) A railroad operating in this state must not require or allow a yardmaster to remain or go on duty after the employee has initiated an on-duty period each day for six consecutive days unless the employee has had 48 consecutive hours off at the employee's home terminal, during which time the employee is unavailable for any service.

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

Sec. 49. Minnesota Statutes 2022, section 221.0255, subdivision 4, is amended to read:

Subd. 4. **Motor carrier of railroad employees; requirements.** (a) The motor carrier of railroad employees must implement a policy that provides for annual training and certification of the operator in:

(1) safe operation of the vehicle transporting railroad employees;

(2) knowing and understanding relevant laws, rules of the road, and safety policies;

(3) handling emergency situations;

(4) proper use of seat belts;

(5) performance of pretrip and posttrip vehicle inspections, and inspection record keeping; and

(6) proper maintenance of required records.

(b) The motor carrier of railroad employees must:

(1) confirm that the person is not disqualified under subdivision 6, by performing a criminal background check of the operator, which must include:

(i) a criminal history check of the state criminal records repository; and

(ii) if the operator has resided in Minnesota less than five years, a criminal history check from each state of residence for the previous five years;

(2) annually verify the operator's driver's license;

(3) document meeting the requirements in this subdivision, which must include maintaining at the carrier's business location:

(i) a driver qualification file on each operator who transports passengers under this section; and

(ii) records of pretrip and posttrip vehicle inspections as required under subdivision 3, paragraph (a), clause (3);

(4) maintain liability insurance in a minimum amount of $5,000,000 regardless of the seating capacity of the vehicle;

(5) maintain uninsured and underinsured coverage in a minimum amount of ~~$1,000,000~~ $5,000,000; and

(6) ensure inspection of each vehicle operated under this section as provided under section 169.781.

(c) A driver qualification file under paragraph (b), clause (3), must include:

(1) a copy of the operator's most recent medical examiner's certificate;

(2) a copy of the operator's current driver's license;

(3) documentation of annual license verification;

(4) documentation of annual training;

(5) documentation of any known violations of motor vehicle or traffic laws; and

(6) responses from previous employers, if required by the current employer.

(d) The driver qualification file must be retained for one year following the date of separation of employment of the driver from the carrier. A record of inspection under paragraph (b), clause (3), item (ii), must be retained for one year following the date of inspection.

(e) If a party contracts with the motor carrier on behalf of the railroad to transport the railroad employees, then the insurance requirements may be satisfied by either that party or the motor carrier, so long as the motor carrier is a named insured or additional insured under any policy.

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

Sec. 50. Minnesota Statutes 2022, section 221.0255, subdivision 9, is amended to read:

Subd. 9. **Inspection and investigation authority.** (a) Upon receipt of a complaint form or other information alleging a violation of this section, the commissioner must investigate the relevant matter. Representatives of the Department of Transportation and the State Patrol have the authority to enter, at a reasonable time and place, any vehicle or facility of the carrier for purposes of complaint investigations, random inspections, safety reviews, audits, or accident investigations.

(b) Failure of a railroad or motor carrier of railroad employees to permit a complaint investigation under this subdivision is grounds for issuance of a civil penalty under subdivision 10.

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

Sec. 51. Minnesota Statutes 2022, section 221.0255, is amended by adding a subdivision to read:

Subd. 10. **Civil penalty.** (a) After completion of an investigation or as provided in subdivision 9, paragraph (b), the commissioner may issue a civil penalty to a railroad or motor carrier of railroad employees that violates this section. A civil penalty issued under this paragraph is in the amount of:

(1) not less than $200 but not more than $500 for a first offense;

(2) not less than $500 but not more than $1,000 for a second offense; and

(3) not less than $1,000 but not more than $5,000 for a third or subsequent offense committed within three years of the first offense.

(b) The civil penalty amounts identified under paragraph (a) are for all violations identified in a single investigation and are not per violation.

(c) The recipient of a civil penalty under this subdivision has 30 days to notify the commissioner in writing of intent to contest the civil penalty. If within 30 days after receiving the civil penalty the recipient fails to notify the commissioner of intent to contest the penalty, the civil penalty is not subject to further review.

(d) Civil penalties assessed under this subdivision are subject to chapter 14 and may be recovered in a civil action.

(e) Civil penalties collected under this section must be deposited in the state rail safety inspection account in the special revenue fund.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to violations committed on or after that date.

Sec. 52. **[325F.661] SALE OF ELECTRIC-ASSISTED BICYCLES AND POWERED CYCLES.**

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

(b) "Class 1 electric-assisted bicycle," "class 2 electric-assisted bicycle," and "class 3 electric-assisted bicycle" have the meanings given in section 169.011, subdivisions 15a, 15b, and 15c.

(c) "Electric-assisted bicycle" has the meaning given in section 169.011, subdivision 27.

(d) "Multiple mode electric-assisted bicycle" has the meaning given in section 169.011, subdivision 45a.

(e) "Powered cycle" means a vehicle that has an electric motor, has fewer than four wheels, and:

(1) does not meet all of the requirements of an electric-assisted bicycle as sold or due to modification by any person; or

(2) is designed, manufactured, or intended by the manufacturer or seller to be easily configured so as not to meet all of the requirements of an electric-assisted bicycle, whether by a mechanical switch or button, by changing a setting in software controlling the drive system, by use of an app, or through any other means intended by the manufacturer or seller.

A vehicle that meets the requirements of a powered cycle is not an electric-assisted bicycle.

Subd. 2. **Electric-assisted bicycle.** Before a purchase is completed, a seller of an electric-assisted bicycle must disclose to a consumer in written form:

(1) the maximum motor power of the electric-assisted bicycle;

(2) the maximum speed of the electric-assisted bicycle, as evaluated using a test method matching the criteria specified in Code of Federal Regulations, title 16, section 1512.2(a)(2), or successor requirements; and

(3) whether the electric-assisted bicycle is a class 1, class 2, class 3, or multiple mode electric-assisted bicycle.

Subd. 3. **Powered cycle.** (a) A seller of a new powered cycle may not sell the vehicle or offer the vehicle for sale if it is labeled as a class 1, class 2, class 3, or multiple mode electric-assisted bicycle.

(b) Before a purchase is completed and in any advertising materials, a seller of a new powered cycle who describes the vehicle as an "electric bicycle," "electric bike," "e-bike," or other similar term must disclose to a consumer:

(1) the name or classification of the vehicle under state law or the most likely classification following an intended or anticipated vehicle modification; and

(2) the following statement:

"This vehicle is not an "electric-assisted bicycle" as defined in Minnesota law. It is instead a type of motor vehicle and subject to applicable motor vehicle laws if used on public roads or public lands. Your insurance policies might not provide coverage for crashes involving the use of this vehicle. To determine coverage, you should contact your insurance company or agent."

(c) Advertising materials under paragraph (b) include but are not limited to a website or social media post that identifies or promotes the vehicle.

(d) The disclosure under paragraph (b) must be (1) written, and (2) provided clearly and conspicuously and in a manner designed to attract the attention of a consumer.

Subd. 4. **Unlawful practices.** It is an unlawful practice under section 325F.69 to advertise, offer for sale, or sell a powered cycle:

(1) as an electric-assisted bicycle; or

(2) using the words "electric bicycle," "electric bike," "e-bike," or other similar term without providing the disclosure required under subdivision 3.

Sec. 53. Minnesota Statutes 2022, section 473.13, is amended by adding a subdivision to read:

Subd. 6. **Transportation financial review.** (a) By April 1 annually, the council must prepare and submit a financial review in consultation with the commissioner of management and budget that details revenue and expenditures for the transportation components under the council's budget. The council must submit the financial review to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over transportation policy and finance.

(b) At a minimum, the financial review must identify:

(1) the actual revenues, expenditures, transfers, reserves, and balances in each of the previous four budget years;

(2) budgeted and forecasted revenues, expenditures, transfers, reserves, and balances in the current year and each budget year within the state forecast period;

(3) for the most recent completed budget year, a comparison between the budgeted and actual amounts under clause (1); and

(4) for the most recent completed budget year, fund balances for each replacement service provider under section 473.388.

(c) The information under paragraph (b), clauses (1) to (3), must include:

(1) a breakout for each transportation funding source identified by the council;

(2) a breakout for each transportation operating budget category established by the council, including but not limited to bus, light rail transit, commuter rail, planning, special transportation service under section 473.386, and assistance to replacement service providers under section 473.388; and

(3) data for operations, capital maintenance, and transit capital.

(d) The financial review must summarize reserve policies, identify the methodology for cost allocation, and describe revenue assumptions and variables affecting the assumptions.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 54. Minnesota Statutes 2022, section 473.388, is amended by adding a subdivision to read:

Subd. 9. **Bus procurement.** (a) For purposes of this subdivision:

(1) "qualified transit bus" has the meaning given in section 473.3927, subdivision 1a;

(2) "special transportation service" has the meaning given in section 174.29, subdivision 1; and

(3) "zero-emission transit bus" has the meaning given in section 473.3927, subdivision 1a.

(b) Beginning on January 1, 2030, at least 50 percent of the qualified transit buses annually purchased for regular route transit service or special transportation service by a recipient of financial assistance under this section must be a zero-emission transit bus.

(c) Beginning on January 1, 2035, any qualified transit bus purchased for regular route transit service or special transportation service by a recipient of financial assistance under this section must be a zero-emission transit bus.

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

Sec. 55. Minnesota Statutes 2022, section 473.3927, is amended to read:

473.3927 ZERO-EMISSION AND ELECTRIC TRANSIT VEHICLES.

Subdivision 1. **Transition plan required.** (a) The council must develop and maintain a zero-emission and electric transit vehicle transition plan.

(b) The council must ~~complete the initial~~ revise the plan by February 15, ~~2022~~ 2025, and revise the plan at least once every ~~five~~ three years following each prior revision.

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

(b) "Greenhouse gas emissions" includes those emissions described in section 216H.01, subdivision 2.

(c) "Qualified transit bus" means a motor vehicle that meets the requirements under paragraph (d), clauses (1) and (2).

(d) "Zero-emission transit bus" means a motor vehicle that:

(1) is designed for public transit service;

(2) has a capacity of more than 15 passengers, including the driver; and

(3) produces no exhaust-based greenhouse gas emissions from the onboard source of motive power of the vehicle under all operating conditions.

Subd. 2. **Plan development.** At a minimum, the plan must:

(1) establish ~~implementation~~ policies ~~and~~, guidance, and recommendations to implement the transition to a transit service fleet of exclusively zero-emission and electric transit vehicles, including for recipients of financial assistance under section 473.388;

(2) align with the requirements under subdivision 4 and section 473.388, subdivision 9;

(3) consider methods for transit providers to maximize greenhouse gas reduction in addition to zero-emission transit bus procurement, including but not limited to service expansion, reliability improvements, and other transit service improvements;

(4) analyze greenhouse gas emission reduction from transit improvements identified under clause (3) in comparison to zero-emission transit bus procurement;

(5) set transition milestones or performance measures, or both, which may include vehicle procurement goals over the transition period;

~~(3)~~ (6) identify barriers, constraints, and risks, and determine objectives and strategies to address the issues identified;

~~(4)~~ (7) consider findings and best practices from other transit agencies;

~~(5)~~ (8) analyze zero-emission and electric transit vehicle technology impacts, including cold weather operation and emerging technologies;

(9) prioritize deployment of zero-emission transit buses based on the extent to which service is provided to environmental justice areas, as defined in section 116.065, subdivision 1;

~~(6)~~ (10) consider opportunities to prioritize the deployment of zero-emissions vehicles in areas with poor air quality;

(11) consider opportunities to prioritize deployment of zero-emission transit buses along arterial and highway bus rapid transit routes, including methods to maximize cost effectiveness with bus rapid transit construction projects;

~~(7)~~ (12) provide detailed estimates of implementation costs to implement the plan and meet the requirements under subdivision 4 and section 473.388, subdivision 9, which, to the extent feasible, must include a forecast of annual expenditures, identification of potential sources of funding, and a summary of any anticipated or planned activity to seek additional funds; ~~and~~

~~(8)~~ (13) examine capacity, constraints, and potential investments in the electric transmission and distribution grid, in consultation with appropriate public utilities;

(14) identify methods to coordinate necessary facility upgrades in a manner that maximizes cost effectiveness and overall system reliability;

(15) examine workforce impacts under the transition plan, including but not limited to changes in staffing complement; personnel skill gaps and needs; and employee training, retraining, or role transitions; and

(16) summarize updates to the plan from the most recent version.

Subd. 3. **Copy to legislature.** Upon completion or revision of the plan, the council must provide a copy to the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation policy and finance.

Subd. 4. **Bus procurement.** (a) Beginning on January 1, 2030, at least 50 percent of the qualified transit buses annually purchased for regular route transit service or special transportation service under section 473.386 by the council must be a zero-emission transit bus.

(b) Beginning on January 1, 2035, any qualified transit bus purchased for regular route transit service or special transportation service under section 473.386 by the council must be a zero-emission transit bus.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 56. Minnesota Statutes 2023 Supplement, section 473.4051, is amended by adding a subdivision to read:

Subd. 4. **Bus rapid transit project infrastructure.** (a) The council must design, construct, and fully fund the following elements of all bus rapid transit projects, regardless of the project's scope: (1) sidewalk curb ramps and signals meeting the most current Americans with Disabilities Act standards at all intersection quadrants in intersections affected by construction of a bus rapid transit station; and (2) transit priority infrastructure, including but not limited to red transit pavement marking and traffic signal modifications.

(b) Intersections impacted by the requirements under paragraph (a) must include infrastructure serving the bus rapid transit station from the opposite side of a street or from a nonadjacent mid-block location. This paragraph must be construed to require full and complete intersection upgrades to the most current Americans with Disabilities Act design standards, notwithstanding any conflicting or lesser minimum requirements or suggestions set forth in separate laws, regulations, advisories, or other published Americans with Disabilities Act materials.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment for projects that first commence construction on or after that date. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 57. **COMMUNITY ROADSIDE LANDSCAPE PARTNERSHIPS.**

Subject to available funds, the commissioner of transportation must assess and undertake methods to improve and expand the Department of Transportation's community roadside landscape partnership program, including:

(1) identifying and evaluating locations for partnership opportunities throughout the state where there is high traffic volume and minimal existing vegetation coverage in the form of trees or large shrubs;

(2) performing outreach and engagement about the program with eligible community partners;

(3) prioritizing roadsides where vegetation could reduce neighborhood noise impacts or improve aesthetics for neighborhoods that border interstate highways without regard to whether there are existing noise walls; and

(4) analyzing methods to include cost sharing between the department and participating community partners for ongoing landscape maintenance.

Sec. 58. **REVISOR INSTRUCTION.**

The revisor of statutes must recodify Minnesota Statutes, section 169.21, subdivision 6, as Minnesota Statutes, section 171.0701, subdivision 1b. The revisor must correct any cross-references made necessary by this recodification.

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

Sec. 59. **REVISOR INSTRUCTION.**

The revisor of statutes must recodify Minnesota Statutes, section 473.3927, subdivision 1, as Minnesota Statutes, section 473.3927, subdivision 1b. The revisor must correct any cross-references made necessary by this recodification.

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

Sec. 60. **REPEALER.**

(a) Minnesota Statutes 2022, section 168.1297, is repealed.

(b) Minnesota Rules, part 7410.6180, is repealed.

EFFECTIVE DATE. Paragraph (b) is effective the day following final enactment.

ARTICLE 3
LABOR APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

(a) The sums shown in the columns under "Appropriations" are added to the appropriations in Laws 2023, chapter 53, or other law to the specified agency. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

(b) If an appropriation in this article is enacted more than once in the 2024 regular or special legislative session, the appropriation must be given effect only once.

	APPROPRIATIONS Available for the Year Ending June 30	
	2024	**2025**
Sec. 2. **DEPARTMENT OF HEALTH**	**$-0-**	**$174,000**

$174,000 the second year is for technical assistance for rulemaking for acceptable blood lead levels for workers. This is a onetime appropriation and is available until June 30, 2026.

Sec. 3. **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**	**$-0-**	**$10,736,000**

$9,000,000 the second year is for a grant to Tending the Soil, to design, redesign, renovate, construct, furnish, and equip the Rise Up Center, a building located in Minneapolis, that will house a workforce development and job training center, administrative offices, and a public gathering space.

$1,736,000 the second year is for implementation of the broadband provisions in article 10.

Sec. 4. Laws 2023, chapter 53, article 19, section 2, subdivision 1, is amended to read:

Subdivision 1. **Total Appropriation**	**$47,710,000**	**$ ~~44,044,000~~ 44,720,000**

Appropriations by Fund

	2024	2025
General	7,200,000	~~4,889,000~~ 5,286,000
Workers' Compensation	30,599,000	~~32,390,000~~ 32,669,000
Workforce Development	9,911,000	6,765,000

The amounts that may be spent for each purpose are specified in the following subdivisions. The general fund base for this appropriation is ~~$4,936,000~~ $5,006,000 in fiscal year 2026 and ~~$4,958,000~~ $5,028,000 in fiscal year 2027 and each year thereafter. The workers compensation fund base is ~~$32,749,000~~ $32,892,000 in fiscal year 2026 and $32,458,000 in fiscal year 2027 and each year thereafter. The workforce development fund base is $6,765,000 in fiscal year 2026 and each year thereafter.

Sec. 5. Laws 2023, chapter 53, article 19, section 2, subdivision 3, is amended to read:

Subd. 3. **Labor Standards**	6,520,000	~~6,270,000~~ 6,667,000

Appropriations by Fund

General	4,957,000	~~4,635,000~~ 5,032,000
Workforce Development	1,563,000	1,635,000

The general fund base for this appropriation is ~~$4,682,000~~ $4,752,000 in fiscal year 2026 and ~~$4,704,000~~ $4,774,000 in fiscal year 2027 and each year thereafter.

(a) $2,046,000 each year is for wage theft prevention.

(b) $1,563,000 the first year and $1,635,000 the second year are from the workforce development fund for prevailing wage enforcement.

(c) $134,000 the first year and $134,000 the second year are for outreach and enforcement efforts related to changes to the nursing mothers, lactating employees, and pregnancy accommodations law.

(d) $661,000 the first year and $357,000 the second year are to perform work for the Nursing Home Workforce Standards Board. The base for this appropriation is $404,000 in fiscal year 2026 and $357,000 in fiscal year 2027.

(e) $225,000 the first year and $169,000 the second year are for the purposes of the Safe Workplaces for Meat and Poultry Processing Workers Act.

(f) $27,000 the first year is for the creation and distribution of a veterans' benefits and services poster under Minnesota Statutes, section 181.536.

(g) $141,000 the second year is to inform and educate employers relating to Minnesota Statutes, section 181.960. This is a onetime appropriation.

(h) $200,000 the second year is for education and training related to employee misclassification. This is a onetime appropriation and is available until June 30, 2026.

Sec. 6. Laws 2023, chapter 53, article 19, section 2, subdivision 5, is amended to read:

Subd. 5. **Workplace Safety**		8,644,000	~~7,559,000~~ 7,838,000

Appropriations by Fund

General	2,000,000	-0-
Workers' Compensation	6,644,000	~~7,559,000~~ 7,838,000

The workers compensation fund base for this appropriation is ~~$7,918,000~~ $8,061,000 in fiscal year 2026 and $7,627,000 in fiscal year 2027 and each year thereafter.

$2,000,000 the first year is for the ergonomics safety grant program. This appropriation is available until June 30, 2026. This is a onetime appropriation.

Sec. 7. Laws 2023, chapter 53, article 19, section 4, is amended to read:

Sec. 4. **BUREAU OF MEDIATION SERVICES**	**$3,707,000**	**$3,789,000**

~~(a)~~ $750,000 each year is for purposes of the Public Employment Relations Board under Minnesota Statutes, section 179A.041.

~~(b) $68,000 each year is for grants to area labor management committees. Grants may be awarded for a 12-month period beginning July 1 each year. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.~~

~~(c) $47,000 each year is for rulemaking, staffing, and other costs associated with peace officer grievance procedures.~~

EFFECTIVE DATE. This section is effective retroactively from July 1, 2023.

ARTICLE 4
COMBATIVE SPORTS

Section 1. Minnesota Statutes 2022, section 326B.89, subdivision 5, is amended to read:

Subd. 5. **Payment limitations.** The commissioner shall not pay compensation from the fund to an owner or a lessee in an amount greater than ~~$75,000~~ $100,000 per licensee. The commissioner shall not pay compensation from the fund to owners and lessees in an amount that totals more than $550,000 per licensee. The commissioner shall only pay compensation from the fund for a final judgment that is based on a contract directly between the licensee and the homeowner or lessee that was entered into prior to the cause of action and that requires licensure as a residential building contractor or residential remodeler.

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

Sec. 2. Minnesota Statutes 2023 Supplement, section 341.25, is amended to read:

341.25 RULES.

(a) The commissioner may adopt rules that include standards for the physical examination and condition of combatants and referees.

(b) The commissioner may adopt other rules necessary to carry out the purposes of this chapter, including, but not limited to, the conduct of all combative sport contests and their manner, supervision, time, and place.

(c) The most recent version of the Unified Rules of Mixed Martial Arts, as promulgated by the Association of Boxing Commissions, is incorporated by reference and made a part of this chapter except as qualified by this chapter and Minnesota Rules, chapter 2202. In the event of a conflict between this chapter and the Unified Rules, this chapter must govern.

(d) The most recent version of the Unified Rules of Boxing, as promulgated by the Association of Boxing Commissions, is incorporated by reference and made a part of this chapter except as qualified by this chapter and Minnesota Rules, chapter 2201. In the event of a conflict between this chapter and the Unified Rules, this chapter must govern.

(e) The most recent version of the Unified Rules of Kickboxing and Unified Rules of Muay Thai, as promulgated by the Association of Boxing Commissions, ~~is~~ are incorporated by reference and made a part of this chapter except as qualified by this chapter and any applicable Minnesota Rules. In the event of a conflict between this chapter and ~~the Unified Rules~~ those rules, this chapter must govern. If a promoter seeks to hold a kickboxing event governed by a different set of kickboxing rules, the promoter must send the commissioner a copy of the rules under which the proposed bouts will be conducted at least 45 days before the event. The commissioner may approve or deny the use of the alternative rules at the commissioner's discretion. If the alternative rules are approved for an event, this chapter and any applicable Minnesota Rules, except of those incorporating the Unified Rules of Kickboxing and Unified Rules of Muay Thai, must govern if there is a conflict between the rules and Minnesota law.

Sec. 3. Minnesota Statutes 2023 Supplement, section 341.28, subdivision 5, is amended to read:

Subd. 5. **Regulatory authority; martial arts and amateur boxing.** (a) Unless this chapter specifically states otherwise, contests or exhibitions for martial arts and amateur boxing are exempt from the requirements of this chapter and officials at these events are not required to be licensed under this chapter.

(b) Martial arts and amateur boxing contests, unless subject to the exceptions set forth in subdivision 6 or 7, must be regulated by a nationally recognized organization approved by the commissioner. The organization must have a set of written standards, procedures, or rules used to sanction the combative sports it oversees.

(c) Any regulatory body overseeing a martial arts or amateur boxing event must submit bout results to the commissioner within 72 hours after the event. If the regulatory body issues suspensions, the regulatory body must submit to the commissioner a list of any suspensions resulting from the event within 72 hours after the event. Regulatory bodies that oversee combative sports or martial arts contests under subdivision 6 or 7 are not subject to this paragraph.

Sec. 4. Minnesota Statutes 2022, section 341.28, is amended by adding a subdivision to read:

Subd. 7. **Regulatory authority; youth competition.** Combative sports or martial arts contests between individuals under the age of 18 years are exempt from the requirements of this chapter and officials at these events are not required to be licensed under this chapter. A contest under this subdivision must be regulated by (1) a widely recognized organization that regularly oversees youth competition, or (2) a local government.

Sec. 5. Minnesota Statutes 2022, section 341.29, is amended to read:

341.29 JURISDICTION OF COMMISSIONER.

The commissioner shall:

(1) have sole direction, supervision, regulation, control, and jurisdiction over all combative sport contests that are held within this state unless a contest is exempt from the application of this chapter under federal law;

(2) have sole control, authority, and jurisdiction over all licenses required by this chapter;

(3) grant a license to an applicant if, in the judgment of the commissioner, the financial responsibility, experience, character, and general fitness of the applicant are consistent with the public interest~~, convenience, or necessity~~ and in the best interests of combative sports and conforms with this chapter and the commissioner's rules;

(4) deny, suspend, or revoke a license using the enforcement provisions of section 326B.082, except that the licensing reapplication time frames remain within the sole discretion of the commissioner; and

(5) serve final nonlicensing orders in performing the duties of this chapter which are subject to the contested case procedures provided in sections 14.57 to 14.69.

Sec. 6. Minnesota Statutes 2023 Supplement, section 341.30, subdivision 4, is amended to read:

Subd. 4. **Prelicensure requirements.** (a) Before the commissioner issues a promoter's license to an individual, corporation, or other business entity, the applicant shall complete a licensing application on the Office of Combative Sports website or on forms prescribed by the commissioner and shall:

(1) show on the licensing application the owner or owners of the applicant entity and the percentage of interest held by each owner holding a 25 percent or more interest in the applicant;

(2) provide the commissioner with a copy of the latest financial statement of the applicant;

(3) provide proof, where applicable, of authorization to do business in the state of Minnesota; and

(4) deposit with the commissioner a surety bond in an amount set by the commissioner, which must not be less than $10,000. The bond shall be executed in favor of this state and shall be conditioned on the faithful performance by the promoter of the promoter's obligations under this chapter and the rules adopted under it.

(b) Before the commissioner issues a license to a combatant, the applicant shall:

(1) submit to the commissioner the results of current medical examinations on forms prescribed by the commissioner that state that the combatant is cleared to participate in a combative sport contest. The applicant must undergo and submit the results of the following medical examinations, which do not exempt a combatant from the requirements in section 341.33:

(i) a physical examination performed by a licensed medical doctor, doctor of osteopathic medicine, advance practice nurse practitioner, or a physician assistant. Physical examinations are valid for one year from the date of the exam;

(ii) an ophthalmological examination performed by an ophthalmologist or optometrist that includes dilation designed to detect any retinal defects or other damage or a condition of the eye that could be aggravated by combative sports. Ophthalmological examinations are valid for one year from the date of the exam;

(iii) blood work results for HBsAg (Hepatitis B surface antigen), HCV (Hepatitis C antibody), and HIV. Blood work results are good for one year from the date blood was drawn. The commissioner shall not issue a license to an applicant submitting positive test results for HBsAg, HCV, or HIV; and

(iv) other appropriate neurological or physical examinations before any contest, if the commissioner determines that the examination is desirable to protect the health of the combatant;

(2) complete a licensing application on the Office of Combative Sports website or on forms prescribed by the commissioner; and

(3) provide proof that the applicant is 18 years of age. Acceptable proof is a photo driver's license, state photo identification card, passport, or birth certificate combined with additional photo identification.

(c) Before the commissioner issues an amateur combatant license to an individual, the applicant must submit proof of qualifications that includes at a minimum: (1) an applicant's prior bout history and evidence showing that the applicant has completed at least six months of training in a combative sport; or (2) a letter of recommendation from a coach or trainer.

(d) Before the commissioner issues a professional combatant license to an individual, the applicant must submit proof of qualifications that includes an applicant's prior bout history showing the applicant has competed in at least four sanctioned combative sports contests. If the applicant has not competed in at least four sanctioned combative sports contests, the commissioner may still grant the applicant a license if the applicant provides evidence demonstrating that the applicant has sufficient skills and experience in combative sports or martial arts to compete as a professional combatant.

~~(c)~~ (e) Before the commissioner issues a license to a referee, judge, or timekeeper, the applicant must submit proof of qualifications that may include certified training from the Association of Boxing Commissions, licensure with other regulatory bodies, professional references, or a log of bouts worked.

~~(d)~~ (f) Before the commissioner issues a license to a ringside physician, the applicant must submit proof that they are licensed to practice medicine in the state of Minnesota and in good standing.

Sec. 7. Minnesota Statutes 2023 Supplement, section 341.321, is amended to read:

341.321 FEE SCHEDULE.

(a) The fee schedule for professional and amateur licenses issued by the commissioner is as follows:

(1) referees, $25;

(2) promoters, $700;

(3) judges and knockdown judges, $25;

(4) trainers and seconds, $40;

(5) timekeepers, $25;

(6) professional combatants, $70;

(7) amateur combatants, $35; and

(8) ringside physicians, $25.

All license fees shall be paid no later than the weigh-in prior to the contest. No license may be issued until all prelicensure requirements in section 341.30 are satisfied and fees are paid.

(b) A promoter or event organizer of an event regulated by the Department of Labor and Industry must pay, per event, a combative sport contest fee ~~of~~.

(c) If the promoter sells tickets for the event, the event fee is $1,500 ~~per event~~ or four percent of the gross ticket sales, whichever is greater. The fee must be paid as follows:

(1) $500 at the time the combative sport contest is scheduled, which is nonrefundable;

(2) $1,000 at the weigh-in prior to the contest;

(3) if four percent of the gross ticket sales is greater than $1,500, the balance is due to the commissioner within 14 days of the completed contest; and

(4) the value of all complimentary tickets distributed for an event, to the extent they exceed five percent of total event attendance, counts toward gross tickets sales for the purposes of determining a combative sports contest fee. For purposes of this clause, the lowest advertised ticket price shall be used to calculate the value of complimentary tickets.

(d) If the promoter does not sell tickets and receives only a flat payment from a venue to administer the event, the event fee is $1,500 per event or four percent of the flat payment, whichever is greater. The fee must be paid as follows:

(1) $500 at the time the combative sport contest is scheduled, which is nonrefundable;

(2) $1,000 at the weigh-in prior to the contest; and

(3) if four percent of the flat payment is greater than $1,500, the balance is due to the commissioner within 14 days of the completed contest.

~~(c)~~ (e) All fees and penalties collected by the commissioner must be deposited in the commissioner account in the special revenue fund.

Sec. 8. Minnesota Statutes 2023 Supplement, section 341.33, is amended by adding a subdivision to read:

Subd. 3. **Medical records.** The commissioner may, if the commissioner determines that doing so would be desirable to protect the health of a combatant, provide the combatant's medical information collected under this chapter to the physician conducting a prebout exam under this section or to the ringside physician or physicians assigned to the combatant's combative sports contest.

Sec. 9. Minnesota Statutes 2023 Supplement, section 341.355, is amended to read:

341.355 CIVIL PENALTIES.

When the commissioner finds that a person has violated one or more provisions of any statute, rule, or order that the commissioner is empowered to regulate, enforce, or issue, the commissioner may impose, for each violation, a civil penalty of up to $10,000 for each violation, or a civil penalty that deprives the person of any economic advantage gained by the violation, or both. The commissioner may also impose these penalties against a person who has violated section 341.28, subdivision 5, paragraph (b) or (c), or subdivision 7.

ARTICLE 5
CONSTRUCTION CODES AND LICENSING

Section 1. Minnesota Statutes 2023 Supplement, section 326B.106, subdivision 1, is amended to read:

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

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

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

(d) Notwithstanding paragraph (c), the commissioner shall act on each new model residential energy code and the new model commercial energy code in accordance with federal law for which the United States Department of Energy has issued an affirmative determination in compliance with United States Code, title 42, section 6833. The commissioner may adopt amendments prior to adoption of the new energy codes, as amended for use in Minnesota, to advance construction methods, technology, or materials, or, where necessary to protect the health, safety, and welfare of the public, or to improve the efficiency or use of a building.

(e) Beginning in 2024, the commissioner shall act on the new model commercial energy code by adopting each new published edition of ASHRAE 90.1 or a more efficient standard. The commercial energy code in effect in 2036 and thereafter must achieve an 80 percent reduction in annual net energy consumption or greater, using the ASHRAE 90.1-2004 as a baseline. The commissioner shall adopt commercial energy codes from 2024 to 2036 that incrementally move toward achieving the 80 percent reduction in annual net energy consumption. By January 15 of the year following each new code adoption, the commissioner shall make a report on progress under this section to the legislative committees with jurisdiction over the energy code.

(f) Nothing in this section shall be interpreted to limit the ability of a public utility to offer code support programs, or to claim energy savings resulting from such programs, through its energy conservation and optimization plans approved by the commissioner of commerce under section 216B.241 or an energy conservation and optimization plan filed by a consumer-owned utility under section 216B.2403.

(g) Beginning in 2026, the commissioner shall act on the new model residential energy code by adopting each new published edition of the International Energy Conservation Code or a more efficient standard. The residential energy code in effect in 2038 and thereafter must achieve a 70 percent reduction in annual net energy consumption or greater, using the 2006 International Energy Conservation Code State Level Residential Codes Energy Use Index for Minnesota, as published by the United States Department of Energy's Building Energy Codes Program, as a baseline. The commissioner shall adopt residential energy codes from 2026 to 2038 that incrementally move toward achieving the 70 percent reduction in annual net energy consumption. By January 15 of the year following each new code adoption, the commissioner shall submit a report on progress under this section to the legislative committees with jurisdiction over the energy code.

Sec. 2. Minnesota Statutes 2022, section 326B.802, subdivision 13, is amended to read:

Subd. 13. **Residential real estate.** "Residential real estate" means a new or existing building constructed for habitation by one to four families, and includes detached garages and swimming pools.

Sec. 3. Minnesota Statutes 2023 Supplement, section 326B.802, subdivision 15, is amended to read:

Subd. 15. **Special skill.** "Special skill" means one of the following eight categories:

(a) **Excavation.** Excavation includes work in any of the following areas:

(1) excavation;

(2) trenching;

(3) grading; and

(4) site grading.

(b) **Masonry and concrete.** Masonry and concrete includes work in any of the following areas:

(1) drain systems;

(2) poured walls;

(3) slabs and poured-in-place footings;

(4) masonry walls;

(5) masonry fireplaces;

(6) masonry veneer; and

(7) water resistance and waterproofing.

(c) **Carpentry.** Carpentry includes work in any of the following areas:

(1) rough framing;

(2) finish carpentry;

(3) doors, windows, and skylights;

(4) porches and decks, excluding footings;

(5) wood foundations; and

(6) drywall installation, excluding taping and finishing.

(d) **Interior finishing.** Interior finishing includes work in any of the following areas:

(1) floor covering;

(2) wood floors;

(3) cabinet and counter top installation;

(4) insulation and vapor barriers;

(5) interior or exterior painting;

(6) ceramic, marble, and quarry tile;

(7) ornamental guardrail and installation of prefabricated stairs; and

(8) wallpapering.

(e) **Exterior finishing.** Exterior finishing includes work in any of the following areas:

(1) siding;

(2) soffit, fascia, and trim;

(3) exterior plaster and stucco;

(4) painting; and

(5) rain carrying systems, including gutters and down spouts.

(f) **Drywall and plaster.** Drywall and plaster includes work in any of the following areas:

(1) installation;

(2) taping;

(3) finishing;

(4) interior plaster;

(5) painting; and

(6) wallpapering.

(g) **Residential roofing.** Residential roofing includes work in any of the following areas:

(1) roof coverings;

(2) roof sheathing;

(3) roof weatherproofing and insulation;

(4) repair of roof support system, but not construction of new roof support system; and

(5) penetration of roof coverings for purposes of attaching a solar photovoltaic system.

(h) **General installation specialties.** Installation includes work in any of the following areas:

(1) garage doors and openers;

(2) ~~pools,~~ spas~~,~~ and hot tubs;

(3) fireplaces and wood stoves;

(4) asphalt paving and seal coating;

(5) ornamental guardrail and prefabricated stairs; and

(6) assembly of the support system for a solar photovoltaic system.

Sec. 4. Minnesota Statutes 2022, section 326B.89, 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) "Gross annual receipts" means the total amount derived from residential contracting or residential remodeling activities, regardless of where the activities are performed, and must not be reduced by costs of goods sold, expenses, losses, or any other amount.

(c) "Licensee" means a person licensed as a residential contractor or residential remodeler.

(d) "Residential real estate" means a new or existing building constructed for habitation by one to four families, and includes detached garages intended for storage of vehicles associated with the residential real estate, and private swimming pools connected with the residential real estate, which are controlled and used by the owner or the owner's family or invited guests and are not used as part of a business.

(e) "Fund" means the contractor recovery fund.

(f) "Owner" when used in connection with real property, means a person who has any legal or equitable interest in real property and includes a condominium or townhome association that owns common property located in a condominium building or townhome building or an associated detached garage. Owner does not include any real estate developer or any owner using, or intending to use, the property for a business purpose and not as owner-occupied residential real estate.

(g) "Cycle One" means the time period between July 1 and December 31.

(h) "Cycle Two" means the time period between January 1 and June 30.

ARTICLE 6
BUREAU OF MEDIATION SERVICES

Section 1. Minnesota Statutes 2022, section 626.892, subdivision 10, is amended to read:

Subd. 10. **Training.** (a) A person appointed to the arbitrator roster under this section must complete training as required by the commissioner during the person's appointment. At a minimum, an initial training must include:

(1) at least six hours on the topics of cultural competency, racism, implicit bias, and recognizing and valuing community diversity and cultural differences; and

(2) at least six hours on topics related to the daily experience of peace officers, which may include ride-alongs with on-duty officers or other activities that provide exposure to the environments, choices, and judgments required of officers in the field.

(b) The commissioner may adopt rules establishing training requirements consistent with this subdivision.

~~(b) An arbitrator appointed to the roster of arbitrators in 2020 must complete the required initial training by July 1, 2021.~~ (c) An arbitrator appointed to the roster of arbitrators after 2020 must complete the required initial training within six months of the arbitrator's appointment.

~~(c)~~ (d) The Bureau of Mediation Services must pay for all costs associated with the required training ~~must be borne by the arbitrator~~.

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

Sec. 2. **REPEALER.**

(a) Minnesota Statutes 2022, sections 179.81; 179.82; 179.83, subdivision 1; 179.84, subdivision 1; and 179.85, are repealed.

(b) Minnesota Rules, parts 5520.0100; 5520.0110; 5520.0120; 5520.0200; 5520.0250; 5520.0300; 5520.0500; 5520.0520; 5520.0540; 5520.0560; 5520.0600; 5520.0620; 5520.0700; 5520.0710; and 5520.0800, are repealed.

ARTICLE 7
PUBLIC EMPLOYMENT LABOR RELATIONS

Section 1. Minnesota Statutes 2023 Supplement, section 179A.041, subdivision 10, is amended to read:

Subd. 10. **Open Meeting Law; exceptions.** Chapter 13D does not apply to ~~meetings of the~~ a board meeting when ~~it~~ the board is:

(1) deliberating on the merits of an unfair labor practice ~~charges~~ charge under sections 179.11, 179.12, and 179A.13;

(2) reviewing a hearing officer's recommended decision and order ~~of a hearing officer~~ under section 179A.13; or

(3) reviewing ~~decisions of the commissioner of the Bureau of Mediation Services relating to~~ a commissioner's decision on an unfair labor ~~practices~~ practice under section 179A.12, subdivision 11.

Sec. 2. Minnesota Statutes 2023 Supplement, section 179A.06, subdivision 6, is amended to read:

Subd. 6. **Payroll deduction, authorization, and remittance.** (a) Public employees ~~have the right to~~ may request ~~and be allowed~~ payroll deduction for the exclusive representative and ~~the~~ its associated political fund ~~associated with the exclusive representative and registered pursuant to~~ under section 10A.12. If there is no exclusive representative, public employees may request payroll deduction for the employee organization of their choice. A public employer must provide payroll deduction according to any public employee's request under this paragraph.

(b) A public employer must rely on a certification from ~~any~~ an exclusive representative requesting remittance of a deduction that the employee organization has and will maintain an authorization~~,~~ signed, either by hand or electronically according to section 325L.02, paragraph (h), by the public employee from whose salary or wages the deduction is to be made~~, which may include an electronic signature by the public employee as defined in section 325L.02, paragraph (h)~~. An exclusive representative making ~~such~~ a certification ~~must not be~~ is not required to provide the public employer a copy of the authorization unless a dispute arises about the authorization's existence or terms ~~of the authorization~~. ~~The exclusive representative must indemnify the public employer for any successful claims made by the employee for unauthorized deductions in reliance on the certification.~~

~~(b)~~ (c) A ~~dues~~ payroll deduction authorization ~~remains in effect~~ is effective until the exclusive representative notifies the employer ~~receives notice from the exclusive representative~~ that a public employee has changed or canceled ~~their~~ the employee's authorization in writing in accordance with the terms of the original ~~authorizing document, and~~ authorization. When determining whether deductions have been properly changed or canceled, a public employer must rely on information from the exclusive representative receiving remittance of the deduction ~~regarding whether the deductions have been properly changed or canceled~~. ~~The exclusive representative must indemnify the public employer, including any reasonable attorney fees and litigation costs, for any successful claims made by the employee for unauthorized deductions made in reliance on such information.~~

~~(c)~~ (d) Deduction authorization under this section is:

(1) independent from the public employee's membership status in the employee organization to which payment is remitted; and ~~is~~

(2) effective regardless of whether a collective bargaining agreement authorizes the deduction.

~~(d) Employers~~ (e) An employer must ~~commence~~:

(1) begin deductions within 30 days ~~of notice of authorization from the~~ after an exclusive representative submits a certification under paragraph (b); and ~~must~~

(2) remit the deductions to the exclusive representative within 30 days of the deduction. ~~The failure of an employer to comply with the provisions of this paragraph shall be an unfair labor practice under section 179A.13, the relief for which shall be reimbursement by the employer of deductions that should have been made or remitted based on a valid authorization given by the employee or employees.~~

~~(e) In the absence of an exclusive representative, public employees have the right to request and be allowed payroll deduction for the organization of their choice.~~

(f) An exclusive representative must indemnify a public employer:

(1) for any successful employee claim for unauthorized employer deductions made by relying on an exclusive representative's certification under paragraph (b); and

(2) for any successful employee claim for unauthorized employer deductions made by relying on information for changing or canceling deductions under paragraph (c), with indemnification including any reasonable attorney fees and litigation costs.

~~(f)~~ (g) Any dispute under this subdivision must be resolved through an unfair labor practice proceeding under section 179A.13. It is an unfair labor practice if an employer fails to comply with paragraph (e), and the employer must reimburse deductions that should have been made or remitted based on a valid authorization given by the employee or employees.

Sec. 3. Minnesota Statutes 2023 Supplement, section 179A.07, subdivision 8, is amended to read:

Subd. 8. **Bargaining unit information.** (a) Within 20 calendar days ~~from the date of hire of~~ after a bargaining unit employee is hired, a public employer must provide the following ~~contact~~ information on the employee to ~~an~~ the unit's exclusive representative in an Excel file format or other format agreed to by the exclusive representative:

(1) name;

(2) job title;

(3) worksite location, including location ~~within~~ in a facility when appropriate;

(4) home address;

(5) work telephone number;

(6) home and personal cell phone numbers on file with the public employer;

(7) date of hire; and

(8) work email address and personal email address on file with the public employer.

(b) Every 120 calendar days ~~beginning on January 1, 2024~~, a public employer must provide to ~~an~~ a bargaining unit's exclusive representative in an Excel file or similar format agreed to by the exclusive representative the ~~following~~ information under paragraph (a) for all bargaining unit employees~~: name; job title; worksite location, including location within a facility when appropriate; home address; work telephone number; home and personal cell phone numbers on file with the public employer; date of hire; and work email address and personal email address on file with the public employer~~.

(c) ~~A public employer must notify an exclusive representative within 20 calendar days of the separation of~~ If a bargaining unit employee separates from employment or ~~transfer~~ transfers out of ~~the~~ a bargaining unit ~~of a bargaining unit employee~~, the employee's public employer must notify the employee's exclusive representative within 20 calendar days after the separation or transfer.

Sec. 4. Minnesota Statutes 2023 Supplement, section 179A.07, subdivision 9, is amended to read:

Subd. 9. **Access.** (a) A public employer must allow an exclusive representative to meet in person with a newly hired ~~employees, without charge to the pay or leave time of the employees, for 30 minutes,~~ employee within 30 calendar days from the date of hire~~,~~ during new employee orientations or, if the employer does not conduct new employee orientations, at individual or group meetings. For an orientation or meeting under this paragraph, an employer must allow the employee and exclusive representative up to 30 minutes to meet and must not charge the employee's pay or leave time during the orientation or meeting. An orientation or meeting may be held virtually or for longer than 30 minutes only by mutual agreement of the employer and exclusive representative.

(b) An exclusive representative ~~shall~~ must receive ~~no less than~~ at least ten days' notice ~~in advance~~ of an orientation, ~~except that~~ but a shorter notice may be provided ~~where~~ if there is an urgent need critical to the employer's operations ~~of the public employer~~ that was not reasonably foreseeable. Notice of and attendance at new employee orientations and other meetings under this paragraph ~~must be~~ and paragraph (a) are limited to:

(1) the public employer~~,~~;

(2) the employees~~,~~;

(3) the exclusive representative~~,~~; and

(4) any vendor contracted to provide a service for ~~purposes of~~ the meeting. ~~Meetings may be held virtually or for longer than 30 minutes only by mutual agreement of the public employer and exclusive representative.~~

~~(b)~~ (c) A public employer must allow an exclusive representative to communicate with bargaining unit members ~~using their employer-issued email addresses regarding~~ by email on:

(1) collective bargaining~~,~~;

(2) the administration of collective bargaining agreements~~,~~;

(3) the investigation of grievances~~,~~ and other workplace-related complaints and issues~~,~~; and

(4) internal matters involving the governance or business of the exclusive representative~~, consistent with the employer's generally applicable technology use policies~~.

(d) An exclusive representative may communicate with bargaining unit members under paragraph (c) via the members' employer-issued email addresses, but the communication must be consistent with the employer's generally applicable technology use policies.

~~(c)~~ (e) A public employer must allow an exclusive representative to meet with bargaining unit members in facilities owned or leased by the public employer ~~regarding~~ to communicate on:

(1) collective bargaining~~,~~;

(2) the administration of collective bargaining agreements~~,~~;

(3) the investigation of grievances and other workplace-related complaints and issues~~,~~; and

(4) internal matters involving the governance or business of the exclusive representative~~, provided the use does not interfere with governmental operations and the exclusive representative complies with worksite security protocols established by the public employer~~.

(f) The following applies for a meeting under paragraph (e):

(1) a meeting cannot interfere with government operations;

(2) the exclusive representative must comply with employer-established worksite security protocols;

~~Meetings conducted~~ (3) a meeting in a government ~~buildings pursuant to this paragraph must not~~ building cannot be for ~~the purpose of~~ supporting or opposing any candidate for partisan political office or for ~~the purpose of~~ distributing literature or information ~~regarding~~ on partisan elections~~.~~; and

(4) an exclusive representative conducting a meeting in a government building or other government facility ~~pursuant to this subdivision~~ may be charged for maintenance, security, and other costs related to ~~the use of~~ using the government building or facility that would not otherwise be incurred by the government entity.

Sec. 5. Minnesota Statutes 2023 Supplement, section 179A.10, subdivision 2, is amended to read:

Subd. 2. **State employees.** (a) Unclassified employees, unless otherwise excluded, are included within the units ~~which~~ that include the classifications to which they are assigned for purposes of compensation. Supervisory employees ~~shall only~~ can be assigned only to ~~units~~ unit 12 ~~and~~ or 16. The following units are the appropriate units of executive branch state employees:

(1) law enforcement unit;

(2) craft, maintenance, and labor unit;

(3) service unit;

(4) health care nonprofessional unit;

(5) health care professional unit;

(6) clerical and office unit;

(7) technical unit;

(8) correctional guards unit;

(9) state university instructional unit;

(10) state college instructional unit;

(11) state university administrative unit;

(12) professional engineering unit;

(13) health treatment unit;

(14) general professional unit;

(15) professional state residential instructional unit;

(16) supervisory employees unit;

(17) public safety radio communications operator unit;

(18) licensed peace officer special unit; and

(19) licensed peace officer leader unit.

~~Each unit consists of the classifications or positions assigned to it in the schedule of state employee job classification and positions maintained by the commissioner. The commissioner may only make changes in the schedule in existence on the day prior to August 1, 1984, as required by law or as provided in subdivision 4.~~

(b) The following positions are included in the licensed peace officer special unit:

(1) State Patrol lieutenant;

(2) NR district supervisor - enforcement;

(3) assistant special agent in charge;

(4) corrections investigation assistant director 2;

(5) corrections investigation supervisor; and

(6) commerce supervisor special agent.

(c) The following positions are included in the licensed peace officer leader unit:

(1) State Patrol captain;

(2) NR program manager 2 enforcement; and

(3) special agent in charge.

(d) Each unit consists of the classifications or positions assigned to it in the schedule of state employee job classification and positions maintained by the commissioner. The commissioner may make changes in the schedule in existence on the day before August 1, 1984, only:

(1) as required by law; or

(2) as provided in subdivision 4.

Sec. 6. Minnesota Statutes 2023 Supplement, section 179A.12, subdivision 2a, is amended to read:

Subd. 2a. **Majority verification procedure.** (a) ~~Notwithstanding any other provision of this section,~~ An employee organization may file a petition with the commissioner requesting certification as the exclusive representative of ~~an~~ a proposed appropriate unit ~~based on a verification that~~ for which there is no currently certified exclusive representative. The petition must verify that over 50 percent of the employees in the proposed appropriate unit wish to be represented by the ~~petitioner~~ organization. ~~The commissioner shall require dated representation authorization signatures of affected employees as verification of the employee organization's claim of majority status.~~

(b) ~~Upon receipt of an employee organization's petition, accompanied by employee authorization signatures under this subdivision, the commissioner shall investigate the petition.~~ If the commissioner determines that over 50 percent of the employees in ~~an~~ the appropriate unit have provided authorization signatures designating the petitioning employee organization ~~specified in the petition~~ as their exclusive representative, the commissioner ~~shall not order an election but shall~~ must certify the employee organization as the employees' exclusive representative without ordering an election under this section.

Sec. 7. Minnesota Statutes 2022, section 179A.12, subdivision 5, is amended to read:

Subd. 5. **Commissioner to investigate.** ~~The commissioner shall,~~ Upon ~~receipt of an employee organization's~~ receiving a petition ~~to the commissioner~~ under subdivision ~~3~~ 1a or 2a, the commissioner must:

(1) investigate to determine if sufficient evidence of a question of representation exists; and

(2) hold hearings necessary to determine the appropriate unit and other matters necessary to determine the representation rights of the affected employees and employer.

Sec. 8. Minnesota Statutes 2023 Supplement, section 179A.12, subdivision 6, is amended to read:

Subd. 6. **Authorization signatures.** ~~In~~ (a) When determining the numerical status of an employee organization for purposes of this section, the commissioner ~~shall~~ must require a dated representation authorization ~~signatures of affected employees~~ signature of each affected employee as verification of the statements contained in the ~~joint request or petitions~~ petition. ~~These~~

(b) An authorization ~~signatures shall be~~ signature is privileged and confidential information available to the commissioner only. An electronic ~~signatures~~ signature, as defined in section 325L.02, paragraph (h), ~~shall be~~ is valid as an authorization ~~signatures~~ signature.

(c) An authorization ~~signatures shall be~~ signature is valid for ~~a period of~~ one year following the signature date ~~of signature~~.

Sec. 9. Minnesota Statutes 2023 Supplement, section 179A.12, subdivision 11, is amended to read:

Subd. 11. **Unfair labor practices.** The commissioner may void the result of an election or majority verification procedure and order a new election or procedure if the commissioner finds ~~that~~ one of the following:

(1) there was an unfair labor practice that:

(i) was committed by an employer ~~or~~, a representative candidate ~~or~~, an employee, or a group of employees~~,~~; and ~~that the unfair labor practice~~

(ii) affected the result of ~~an~~ the election or the majority verification procedure ~~pursuant to subdivision 2a,~~; or ~~that~~

(2) procedural or other irregularities in the conduct of the election or majority verification procedure may have substantially affected ~~its~~ the results~~, the commissioner may void the result and order a new election or majority verification procedure~~.

Sec. 10. **RULEMAKING.**

The commissioner must adopt rules on petitions for majority verification, including technical changes needed for consistency with Minnesota Statutes, section 179A.12, and the commissioner may use the expedited rulemaking process under Minnesota Statutes, section 14.389.

Sec. 11. **REVISOR INSTRUCTION.**

The revisor of statutes must renumber Minnesota Statutes, section 179A.12, subdivision 3, as Minnesota Statutes, section 179A.12, subdivision 1a.

ARTICLE 8
UNIVERSITY OF MINNESOTA COLLECTIVE BARGAINING UNITS

Section 1. Minnesota Statutes 2023 Supplement, section 179A.03, subdivision 14, is amended to read:

Subd. 14. **Public employee or employee.** (a) "Public employee" or "employee" means any person appointed or employed by a public employer except:

(1) elected public officials;

(2) election officers;

(3) commissioned or enlisted personnel of the Minnesota National Guard;

(4) emergency employees who are employed for emergency work caused by natural disaster;

(5) part-time employees whose service does not exceed the lesser of 14 hours per week or 35 percent of the normal work week in the employee's appropriate unit;

(6) employees whose positions are basically temporary or seasonal in character and: (i) are not for more than 67 working days in any calendar year; or (ii) are not working for a Minnesota school district or charter school; ~~or (iii) are not for more than 100 working days in any calendar year and the employees are under the age of 22, are full-time students enrolled in a nonprofit or public educational institution prior to being hired by the employer, and have indicated, either in an application for employment or by being enrolled at an educational institution for the next academic year or term, an intention to continue as students during or after their temporary employment;~~

(7) employees providing services for not more than two consecutive quarters to the Board of Trustees of the Minnesota State Colleges and Universities under the terms of a professional or technical services contract as defined in section 16C.08, subdivision 1;

(8) employees of charitable hospitals as defined by section 179.35, subdivision 3, except that employees of charitable hospitals as defined by section 179.35, subdivision 3, are public employees for purposes of sections 179A.051, 179A.052, and 179A.13;

~~(9) full-time undergraduate students employed by the school which they attend under a work-study program or in connection with the receipt of financial aid, irrespective of number of hours of service per week;~~

~~(10)~~ (9) an individual who is employed for less than 300 hours in a fiscal year as an instructor in an adult vocational education program;

~~(11)~~ (10) with respect to court employees:

(i) personal secretaries to judges;

(ii) law clerks;

(iii) managerial employees;

(iv) confidential employees; and

(v) supervisory employees; or

~~(12)~~ (11) with respect to employees of Hennepin Healthcare System, Inc., managerial, supervisory, and confidential employees.

(b) The following individuals are public employees regardless of the exclusions of paragraph (a), clauses (5) to (7):

(1) an employee hired by a school district or the Board of Trustees of the Minnesota State Colleges and Universities except at the university established in the Twin Cities metropolitan area under section 136F.10 or for community services or community education instruction offered on a noncredit basis: (i) to replace an absent teacher or faculty member who is a public employee, where the replacement employee is employed more than 30 working days as a replacement for that teacher or faculty member; or (ii) to take a teaching position created due to increased enrollment, curriculum expansion, courses which are a part of the curriculum whether offered annually or not, or other appropriate reasons;

(2) an employee hired for a position under paragraph (a), clause (6), item (i), if that same position has already been filled under paragraph (a), clause (6), item (i), in the same calendar year and the cumulative number of days worked in that same position by all employees exceeds 67 calendar days in that year. For the purpose of this paragraph, "same position" includes a substantially equivalent position if it is not the same position solely due to a change in the classification or title of the position;

(3) an early childhood family education teacher employed by a school district; ~~and~~

(4) an individual hired by the Board of Trustees of the Minnesota State Colleges and Universities or the University of Minnesota as the instructor of record to teach (i) one class for more than three credits in a fiscal year, or (ii) two or more credit-bearing classes in a fiscal year~~.~~; and

(5) an individual who: (i) is paid by the Board of Regents of the University of Minnesota for work performed at the direction of the university or any of its employees or contractors; and (ii) is enrolled in three or more university credit-bearing classes or one semester as a full-time student or post-doctoral fellow during the fiscal year in which the work is performed. For purposes of this section, work paid by the university includes but is not limited to work that is required as a condition of receiving a stipend or tuition benefit, whether or not the individual also receives educational benefit from performing that work. Individuals who perform supervisory functions in regard to any of the aforementioned workers are not considered supervisory employees for the purpose of section 179A.06, subdivision 2.

Sec. 2. Minnesota Statutes 2022, section 179A.11, subdivision 1, is amended to read:

Subdivision 1. **Units.** (a) The following are ~~the~~ appropriate units of University of Minnesota employees. All units shall exclude managerial and confidential employees. ~~Supervisory employees shall only be assigned to unit 13. No additional units of University of Minnesota employees shall be recognized for the purpose of meeting and negotiating.~~

(1) The Law Enforcement Unit ~~consists of~~ includes the positions of all employees with the power of arrest.

(2) The Craft and Trades Unit ~~consists of~~ includes the positions of all employees whose work requires specialized manual skills and knowledge acquired through formal training or apprenticeship or equivalent on-the-job training or experience.

(3) The Service, Maintenance, and Labor Unit ~~consists of~~ includes the positions of all employees whose work is typically that of maintenance, service, or labor and which does not require extensive previous training or experience, except as provided in unit 4.

(4) The Health Care Nonprofessional and Service Unit ~~consists of~~ includes the positions of all nonprofessional employees of the University of Minnesota hospitals, dental school, and health service whose work is unique to those settings, excluding labor and maintenance employees as defined in unit 3.

(5) The Nursing Professional Unit ~~consists of~~ includes all positions which are required to be filled by registered nurses.

(6) The Clerical and Office Unit ~~consists of~~ includes the positions of all employees whose work is typically clerical or secretarial, including nontechnical data recording and retrieval and general office work, except as provided in unit 4.

(7) The Technical Unit ~~consists of~~ includes the positions of all employees whose work is not typically manual and which requires specialized knowledge or skills acquired through two-year academic programs or equivalent experience or on-the-job training, except as provided in unit 4.

~~(8) The Twin Cities Instructional Unit consists of the positions of all instructional employees with the rank of professor, associate professor, assistant professor, including research associate or instructor, including research fellow, located on the Twin Cities campuses.~~

~~(9)~~ (8) The Outstate Instructional Unit ~~consists of~~ includes the positions of all instructional employees with the rank of professor, associate professor, assistant professor, including research associate or instructor, including research fellow, located at the Duluth campus, provided that the positions of instructional employees of the same ranks at the Morris, Crookston, or ~~Waseca~~ Rochester campuses shall be included within this unit if a majority of the eligible employees voting at a campus so vote during an election conducted by the commissioner, provided that the election or majority verification procedure shall not be held until the Duluth campus has voted in favor of

representation. The election shall be held or majority verification procedure shall take place when an employee organization or group of employees petitions the commissioner stating that a majority of the eligible employees at one of these campuses wishes to join the unit and this petition is supported by a showing of at least 30 percent support from eligible employees at that campus and is filed between September 1 and November 1.

~~Should both units 8 and 9 elect exclusive bargaining representatives, those representatives may by mutual agreement jointly negotiate a contract with the regents, or may negotiate separate contracts with the regents. If the exclusive bargaining representatives jointly negotiate a contract with the regents, the contract shall be ratified by each unit.~~ For the purposes of this section, "instructional employees" shall include all individuals who spend 35 percent or more of their work time creating, delivering, and assessing the mastery of credit-bearing coursework.

(10) The Graduate Assistant Unit ~~consists of~~ includes the positions of all graduate assistants who are enrolled in the graduate school and who hold the rank of research assistant, teaching assistant, teaching associate I or II, project assistant, graduate school fellow, graduate school trainee, professional school fellow, professional school trainee, or administrative fellow I or II. None of the listed ranks refer to ranks under the job category of professionals-in-training.

~~(11) The Academic Professional and Administrative Staff Unit consists of all academic professional and administrative staff positions that are not defined as included in an instructional unit, the supervisory unit, the clerical unit, or the technical unit.~~

~~(12) The Noninstructional Professional Unit consists of the positions of all employees meeting the requirements of section 179A.03, subdivision 13, clause (1) or (2), which are not defined as included within an instructional unit, the Academic Professional and Administrative Staff Unit, or the supervisory unit.~~

~~(13) The Supervisory Employees Unit consists of the positions of all supervisory employees.~~

(b) All University of Minnesota employees whose positions are not within an enumerated bargaining unit in this subdivision may organize in the manner set forth in section 179A.09, and the commissioner must place special weight on the desires of the petitioning employee representatives.

Sec. 3. Minnesota Statutes 2022, section 179A.11, subdivision 2, is amended to read:

Subd. 2. **University of Minnesota employee severance.** (a) Each of the following groups of University of Minnesota employees has the right, as specified in this subdivision, to separate from the instructional and supervisory units: (1) health sciences instructional employees at all campuses with the rank of professor, associate professor, assistant professor, including research associate, or instructor, including research fellow, (2) instructional employees of the law school with the rank of professor, associate professor, assistant professor, including research associate, or instructor, including research fellow, (3) instructional supervisors, (4) noninstructional professional supervisors, and (5) academic professional and administrative staff supervisors.

~~This~~ (b) The right to separate may be exercised:

(1) by petition between September 1 and November 1. If a group separates from its unit, it has no right to meet and negotiate, but retains the right to meet and confer with the appropriate officials on any matter of concern to the group. The right to separate must be exercised as follows: An employee organization or group of employees claiming that a majority of any one of these groups of employees on a statewide basis wish to separate from their unit may petition the commissioner for an election during the petitioning period. If the petition is supported by a showing of at least 30 percent support from the employees, the commissioner ~~shall~~ may hold an election on the separation issue or the petitioning group may proceed under the process set forth in section 179A.12. This election must be conducted within 30 days of the close of the petition period. If a majority of votes cast endorse severance from their unit, the commissioner shall certify that result.~~.~~; or

(2) by the group's exclusion from a proposed unit in a representation petition.

(c) Where not inconsistent with other provisions of this section, the election is governed by section 179A.12. If a group of employees severs, it may rejoin that unit by following the procedures for severance during the periods for severance.

Sec. 4. Minnesota Statutes 2022, section 179A.11, is amended by adding a subdivision to read:

Subd. 3. **Joint bargaining.** Units organized under this section that have elected exclusive bargaining representatives may by mutual agreement jointly negotiate a contract with the regents, or may negotiate separate contracts with the regents. If the exclusive bargaining representatives jointly negotiate a contract with the regents, the contract must be ratified by each unit.

ARTICLE 9
MISCELLANEOUS LABOR PROVISIONS

Section 1. Minnesota Statutes 2023 Supplement, section 116J.871, subdivision 1, as amended by Laws 2024, chapter 85, section 15, is amended to read:

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

(b) "Economic development" means financial assistance provided to a person directly or to a local unit of government or nonprofit organization on behalf of a person who is engaged in the manufacture or sale of goods and services. Economic development does not include (1) financial assistance for rehabilitation of existing housing; (2) financial assistance for new housing construction in which total financial assistance at a single project site is less than $100,000; or (3) financial assistance for the new construction of fully detached single-family affordable homeownership units for which the financial assistance covers no more than ten fully detached single-family affordable homeownership units. For purposes of this paragraph, "affordable homeownership" means housing targeted at households with incomes, at initial occupancy, at or below 115 percent of the state or area median income, whichever is greater, as determined by the United States Department of Housing and Urban Development.

(c) "Financial assistance" means (1) a grant awarded by a state agency for economic development related purposes if a single business receives $200,000 or more of the grant proceeds; (2) a loan or the guaranty or purchase of a loan made by a state agency for economic development related purposes if a single business receives $500,000 or more of the loan proceeds; ~~or~~ (3) a reduction, credit, or abatement of a tax assessed under chapter 297A where the tax reduction, credit, or abatement applies to a geographic area smaller than the entire state and was granted for economic development related purposes; (4) tax increment financing pursuant to section 469.174, provided that such tax increment financing (i) provides financial assistance to a development that consists, in part or in whole, of 25 units or more of multifamily housing, or (ii) provides $100,000 or more of financial assistance to a development; or (5) allocations of low-income housing credits by all suballocators as defined under section 462A.222, for which tax credits are used for multifamily housing projects consisting of more than ten units. Financial assistance does not include payments by the state of aids and credits under chapter 273 or 477A to a political subdivision.

(d) "Project site" means the location where improvements are made that are financed in whole or in part by the financial assistance; or the location of employees that receive financial assistance in the form of employment and training services as defined in section 116L.19, subdivision 4, or customized training from a technical college.

(e) "State agency" means any agency defined under section 16B.01, subdivision 2, Enterprise Minnesota, Inc., and the Department of Iron Range Resources and Rehabilitation.

EFFECTIVE DATE. This section is effective for financial assistance provided after August 1, 2024, and applies only to tax increment financing districts for which the request for certification was made on or after August 1, 2024.

Sec. 2. Minnesota Statutes 2023 Supplement, section 177.42, subdivision 2, is amended to read:

Subd. 2. **Project.** "Project" means demolition, erection, construction, alteration, improvement, restoration, remodeling, or repairing of a public building, structure, facility, land, or other public work, which includes any work suitable for and intended for use by the public, or for the public benefit, financed in whole or part by state funds. Project also includes demolition, erection, construction, alteration, improvement, restoration, remodeling, or repairing of a building, structure, facility, land, or public work when:

(1) the acquisition of property, predesign, design, or demolition is financed in whole or part by state funds.; or

(2) the project is owned by a city, county, or school district and the materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of the project qualify for an exemption from sales and use tax under chapter 297A or special law.

Sec. 3. Minnesota Statutes 2022, section 181.960, subdivision 3, is amended to read:

Subd. 3. **Employer.** "Employer" means a person who has 20 one or more employees. Employer does not include a state agency, statewide system, political subdivision, or advisory board or commission that is subject to chapter 13.

Sec. 4. **RULEMAKING; ACCEPTABLE BLOOD LEAD LEVELS FOR WORKERS.**

The commissioner of labor and industry, in consultation with the commissioner of health, shall adopt rules to:

(1) lower the acceptable blood lead levels above which require mandatory removal of workers from the lead exposure; and

(2) lower the blood lead levels required before a worker is allowed to return to work. The thresholds established must be based on the most recent public health information on the safety of lead exposure.

ARTICLE 10
BROADBAND AND PIPELINE SAFETY

Section 1. Minnesota Statutes 2022, section 116J.395, subdivision 6, is amended to read:

Subd. 6. **Awarding grants.** (a) In evaluating applications and awarding grants, the commissioner shall give priority to applications that are constructed in areas identified by the director of the Office of Broadband Development as unserved.

(b) In evaluating applications and awarding grants, the commissioner may give priority to applications that:

(1) are constructed in areas identified by the director of the Office of Broadband Development as underserved;

(2) offer new or substantially upgraded broadband service to important community institutions including, but not limited to, libraries, educational institutions, public safety facilities, and healthcare facilities;

(3) facilitate the use of telehealth and electronic health records;

(4) serve economically distressed areas of the state, as measured by indices of unemployment, poverty, or population loss that are significantly greater than the statewide average;

(5) provide technical support and train residents, businesses, and institutions in the community served by the project to utilize broadband service;

(6) include a component to actively promote the adoption of the newly available broadband services in the community;

(7) provide evidence of strong support for the project from citizens, government, businesses, and institutions in the community;

(8) provide access to broadband service to a greater number of unserved or underserved households and businesses; or

(9) leverage greater amounts of funding for the project from other private and public sources.

(c) The commissioner shall endeavor to award grants under this section to qualified applicants in all regions of the state.

(d) No less than the following percentages of the total border-to-border broadband grant funds awarded in the year indicated shall be reserved for applicants that agree to implement the workforce best practices as defined in paragraph (e):

(1) 50 percent in 2024;

(2) 60 percent in 2025; and

(3) 70 percent in 2026 and thereafter.

The applicant's agreement to implement the workforce best practices as defined in paragraph (e) must be an express condition of providing the grant in the grant agreement.

(e) An applicant for a grant under this section is considered to implement workforce best practices only if the applicant can demonstrate that:

(1) there is credible evidence of support for the application and the applicant's workforce needs on the project for which the grant is provided from one or more labor, labor-management, or other workforce organizations that have a track record of representing and advocating for workers or recruiting, training, and securing employment for people of color, Indigenous people, women, or people with disabilities in the construction industry; and

(2) all laborers and mechanics performing construction, installation, remodeling, or repairs on the project sites for which the grant is provided:

(i) are paid the prevailing wage rate as defined in section 177.42, subdivision 6, and the applicant and all of its construction contractors and subcontractors agree that the payment of prevailing wage to such laborers and mechanics is subject to the requirements and enforcement provisions under sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45, which the commissioner of labor and industry shall have the authority to enforce; or

(ii) receive from their employer:

(A) at least 80 hours of skills training annually, of which at least 40 hours must consist of hands-on instruction;

(B) employer-paid family health insurance coverage; and

(C) employer-paid retirement benefit payments equal to no less than 15 percent of the employee's total taxable wages.

(f) In the event that the commissioner does not receive enough qualified applications to achieve the standards under paragraph (d), the commissioner shall consult with prospective applicants and labor and workforce organizations under paragraph (e), clause (1), to solicit additional qualified applications.

Sec. 2. **[116J.3991] BROADBAND, EQUITY, ACCESS, AND DEPLOYMENT (BEAD).**

Subdivision 1. **Implementation.** The commissioner shall implement a Broadband, Equity, Access, and Deployment (BEAD) Program that prioritizes applicants for state funding that demonstrate the following:

(1) commitment by the applicant to robust training programs with established requirements that are tied to uniform wage scales, job titles, and relevant certifications or skill codes;

(2) use of a directly employed workforce, as opposed to a subcontracted workforce, to perform broadband placing, splicing, and maintenance work. Public entity applicants may meet this requirement by use of a directly employed workforce or committing to contract with an Internet service provider that will use a directly employed workforce;

(3) commitment to implement workforce best practices under section 116J.395, subdivision 6, paragraph (e), on the project or projects for which the applicant seeks public funding; and

(4) commitment to retaining a locally based workforce and establishing programs to promote training and hiring pipelines for underrepresented communities.

Subd. 2. **Project evaluation.** In projects funded by the BEAD Program, the criteria under subdivision 1 and section 116J.395, subdivision 6, paragraph (e), shall receive a priority point allocation in the point scheme for project applications, such that these criteria shall, together with points awarded for labor law compliance, constitute no fewer than 25 points of the evaluation scheme, out of 100. No fewer than 20 points must be based on an applicant's forward-looking commitments regarding implementation of workforce best practices and other commitments listed in this section.

Subd. 3. **Disclosures.** Applicants' disclosures responding to the criteria in subdivision 1 and section 116J.395, subdivision 6, paragraph (e), must be publicly available on the department website, and all workforce commitments made under this section and section 116J.395 shall become enforceable, certified commitments and conditions of the grant.

Subd. 4. **Workforce plan data.** (a) Grantees in projects funded by the program under this section and section 116J.395 are required to provide in biannual reports information on their workforce, including:

(1) whether the workforce will be directly employed by the grantee or the Internet service provider or whether work will be performed by a subcontracted workforce;

(2) the entities that the contractor plans to subcontract with in carrying out the proposed work, if any, and the entity employing the workforce in each job title;

(3) the job titles and size of the workforce, including the number of full-time equivalent positions that are required to carry out the proposed work over the course of the project;

(4) for each job title required to carry out the proposed work, a description of wages, benefits, applicable wage scales including overtime rates, and a description of how wages are calculated; and

(5) any other workforce plan information as determined by the commissioner.

(b) Following an award, the workforce plan and the requirement to submit ongoing workforce reports shall be incorporated as material conditions of the contract with the department and become enforceable, certified commitments. The commissioner must conduct regular reviews to assure compliance and take appropriate measures for enforcement.

Subd. 5. **Failure to meet requirements or falsification of data.** If successful applicants fail to meet the program requirements under this section, or otherwise falsify information regarding such requirements, the commissioner shall investigate the failure and issue an appropriate action, up to and including a determination that the applicant is ineligible for future participation in broadband grant programs funded by the department.

Subd. 6. **Federal grant requirements.** The commissioner shall have authority not to enforce or apply any requirement of this section to the extent that the requirement would prevent the state from receiving federal broadband grant funding.

Sec. 3. **[181.912] UNDERGROUND TELECOMMUNICATIONS INFRASTRUCTURE.**

Subdivision 1. **Definitions.** For the purposes of this section:

(1) "directional drilling" means a drilling method that utilizes a steerable drill bit to cut a bore hole for installing underground utilities;

(2) "safety-qualified underground telecommunications installer" means a person who has completed underground utilities installation certification under subdivision 3;

(3) "underground telecommunications utilities" means buried broadband, telephone and other telecommunications transmission, distribution and service lines, and associated facilities; and

(4) "underground utilities" means buried electric transmission and distribution lines, gas and hazardous liquids pipelines and distribution lines, sewer and water pipelines, telephone or telecommunications lines, and associated facilities.

Subd. 2. **Installation requirements.** The installation of underground telecommunications infrastructure that is located within ten feet of existing underground utilities or that crosses said utilities must be performed by safety-qualified underground telecommunications installers as follows:

(1) the location of existing utilities by hand or hydro excavation or other accepted methods must be performed by a safety-qualified underground telecommunications installer;

(2) where telecommunications infrastructure is installed by means of directional drilling, the monitoring of the location and depth of the drill head must be performed by a safety-qualified underground telecommunications installer; and

(3) no less than two safety-qualified underground telecommunications installers must be present at all times at any location where telecommunications infrastructure is being installed by means of directional drilling.

Subd. 3. **Certification Standards.** (a) The commissioner of labor and industry shall approve standards for a safety-qualified underground telecommunications installer certification program that requires a person to:

(1) complete a 40-hour initial course that includes classroom and hands-on instruction covering proper work procedures for safe installation of underground utilities, including:

(i) regulations applicable to excavation near existing utilities;

(ii) identification, location, and verification of utility lines using hand or hydro excavation or other accepted methods;

(iii) response to line strike incidents;

(iv) traffic control procedures;

(v) use of a tracking device to safely guide directional drill equipment along a drill path; and

(vi) avoidance and mitigation of safety hazards posed by underground utility installation projects;

(2) demonstrate knowledge of the course material by successfully completing an examination approved by the commissioner; and

(3) complete a four-hour refresher course within three years of completing the original course and every three years thereafter in order to maintain certification.

(b) The commissioner must develop an approval process for training providers under this subdivision, and may suspend or revoke the approval of any training provider that fails to demonstrate consistent delivery of approved curriculum or success in preparing participants to complete the examination.

Sec. 4. Minnesota Statutes 2022, section 216B.17, is amended by adding a subdivision to read:

Subd. 9. **Telecommunications and cable communications systems.** (a) The commission has authority under this section to investigate, upon complaint or on its own motion, conduct by or on behalf of a telecommunications carrier, telephone company, or cable communications system provider that impacts public utility or cooperative electric association infrastructure. If the commission finds that the conduct damaged or unreasonably interfered with the function of the infrastructure, the commission may take any action authorized under sections 216B.52 to 216B.61 with respect to the provider.

(b) For purposes of this subdivision:

(1) "telecommunications carrier" has the meaning given in section 237.01, subdivision 6;

(2) "telephone company" has the meaning given in section 237.01, subdivision 7; and

(3) "cable communications system provider" means an owner or operator of a cable communications system as defined in section 238.02, subdivision 3.

Sec. 5. Minnesota Statutes 2022, section 299J.01, is amended to read:

299J.01 AUTHORITY OF OFFICE OF PIPELINE SAFETY.

The commissioner of public safety shall, to the extent authorized by agreement with the United States Secretary of Transportation, act as agent for the United States Secretary of Transportation to implement the federal Hazardous Liquid Pipeline Safety ~~Act, United States Code, title 49, sections 2001 to 2014, the federal~~ and Natural Gas Pipeline Safety ~~Act~~ acts, United States Code, title 49, sections ~~1671 to 1686~~ 60101 to 60141, and federal pipeline safety regulations with respect to interstate pipelines located within this state. The commissioner shall, to the extent authorized by federal law, regulate pipelines in the state as authorized by sections 299J.01 to 299J.17 and 299F.56 to 299F.641.

Sec. 6. Minnesota Statutes 2022, section 299J.02, is amended by adding a subdivision to read:

Subd. 14. **Utility corridor.** "Utility corridor" means land that contains access to above-ground utility infrastructure or an underground facility as defined in section 216D.01, subdivision 11.

Sec. 7. Minnesota Statutes 2022, section 299J.04, subdivision 2, is amended to read:

Subd. 2. **Delegated duties.** (a) The commissioner shall seek and accept federal designation of the office's pipeline inspectors as federal agents for the purposes of enforcement of the federal Hazardous Liquid Pipeline Safety ~~Act, United States Code, title 49, sections 2001 to 2014, the federal~~ and Natural Gas Pipeline Safety ~~Act~~ acts, United States Code, title 49, sections ~~1671 to 1686~~ 60101 to 60141, and federal rules adopted to implement those acts. The commissioner shall establish and submit to the United States Secretary of Transportation an inspection program that complies with requirements for delegated interstate agent inspection authority.

(b) To the extent that federal delegation of interstate agent inspection authority permits, the inspection program for interstate pipelines and LNG facilities must be the same as the inspection program for intrastate pipelines and LNG facilities. If the United States Secretary of Transportation delegates inspection authority to the state as provided in this subdivision, the commissioner, at a minimum, shall do the following to carry out the delegated federal authority:

(1) inspect pipelines and LNG facilities periodically as specified in the inspection program;

(2) collect inspection fees;

(3) order and oversee the testing of pipelines and LNG facilities as authorized by federal law and regulations; and

(4) file reports with the United States Secretary of Transportation as required to maintain the delegated inspection authority.

Sec. 8. Minnesota Statutes 2022, section 299J.11, is amended to read:

299J.11 ADOPTION OF FEDERAL PIPELINE INSPECTION RULES.

(a) To enable the state to act as an agent of the United States Secretary of Transportation and to qualify for annual federal certification to enforce the federal pipeline inspection program authorized by the Hazardous Liquid Pipeline Safety ~~Act, United States Code, title~~ ~~49, sections 2001 to 2014, the federal~~ and Natural Gas Pipeline Safety ~~Act~~ acts, United States Code, title 49, sections ~~1671 to 1686~~ 60101 to 60141, and the rules implementing those acts, the federal pipeline inspection rules and safety standards, and regulations and standards that may be adopted that amend them, are adopted.

(b) An individual or contractor performing construction or maintenance work within 20 feet of a utility corridor must comply with the operator qualification rules set forth in Code of Federal Regulations, title 49, parts 192, subpart N, and 195, subpart G.

(c) An individual or contractor performing construction or maintenance work within 20 feet of a utility corridor must comply with the workplace drug and alcohol testing rules set forth in Code of Federal Regulations, title 49, part 40.

Sec. 9. **REPEALER.**

Minnesota Statutes 2022, section 116J.398, is repealed.

ARTICLE 11
EMPLOYEE MISCLASSIFICATION PROHIBITED

Section 1. Minnesota Statutes 2023 Supplement, section 177.27, subdivision 1, is amended to read:

Subdivision 1. **Examination of records.** The commissioner may enter during reasonable office hours or upon request and inspect the place of business or employment of any employer of employees working in the state, to examine and inspect books, registers, payrolls, and other records of any employer that in any way relate to wages, hours, and other conditions of employment of any employees. The commissioner may transcribe any or all of the books, registers, payrolls, and other records as the commissioner deems necessary or appropriate and may question the employer, employees, and other persons to ascertain compliance with any of the sections ~~177.21 to 177.435 and 181.165~~ listed in subdivision 4. The commissioner may investigate wage claims or complaints by an employee against an employer if the failure to pay a wage may violate Minnesota law or an order or rule of the department.

Sec. 2. Minnesota Statutes 2023 Supplement, section 177.27, subdivision 2, is amended to read:

Subd. 2. **Submission of records; penalty.** The commissioner may require the employer of employees working in the state to submit to the commissioner photocopies, certified copies, or, if necessary, the originals of ~~employment~~ records that relate to employment or employment status which the commissioner deems necessary or appropriate. The records which may be required include full and correct statements in writing, including sworn statements by the employer, containing information relating to wages, hours, names, addresses, and any other information pertaining to the employer's employees and the conditions of their employment as the commissioner deems necessary or appropriate.

The commissioner may require the records to be submitted by certified mail delivery or, if necessary, by personal delivery by the employer or a representative of the employer, as authorized by the employer in writing.

The commissioner may fine the employer up to $10,000 for each failure to submit or deliver records as required by this section. This penalty is in addition to any penalties provided under section 177.32, subdivision 1. In determining the amount of a civil penalty under this subdivision, the appropriateness of such penalty to the size of the employer's business and the gravity of the violation shall be considered.

Sec. 3. Minnesota Statutes 2022, section 177.27, subdivision 3, is amended to read:

Subd. 3. **Adequacy of records.** If the records maintained by the employer do not provide sufficient information to determine the exact amount of back wages due an employee, the commissioner may make a determination of wages due based on available evidence ~~and mediate a settlement with the employer~~.

Sec. 4. Minnesota Statutes 2023 Supplement, section 177.27, subdivision 4, is amended to read:

Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an employer to comply with sections 177.21 to 177.435, 179.86, 181.02, 181.03, 181.031, 181.032, 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.165, 181.172, paragraph (a) or (d), 181.214 to 181.217, 181.275, subdivision 2a, 181.635, 181.722, 181.723, 181.79, 181.85 to 181.89, 181.939 to 181.943, 181.9445 to 181.9448, 181.987, 181.991, 268B.09, subdivisions 1 to 6, and 268B.14, subdivision 3, with any rule promulgated under section 177.28, 181.213, or 181.215. The commissioner shall issue an order requiring an employer to comply with sections 177.41 to 177.435, 181.165, or 181.987 if the violation is repeated. For purposes of this subdivision only, a violation is repeated if at any time during the two years that preceded the date of violation, the commissioner issued an order to the employer for violation of sections 177.41 to 177.435, 181.165, or 181.987 and the order is final or the commissioner and the employer have entered into a settlement agreement that required the employer to pay back wages that were required by sections 177.41 to 177.435. The department shall serve the order upon the employer or the employer's authorized representative in person or by certified mail at the employer's place of business. An employer who wishes to contest the order must file written notice of objection to the order with the commissioner within 15 calendar days after being served with the order. A contested case proceeding must then be held in accordance with sections 14.57 to 14.69 or 181.165. If, within 15 calendar days after being served with the order, the employer fails to file a written notice of objection with the commissioner, the order becomes a final order of the commissioner. For the purposes of this subdivision, an employer includes a contractor that has assumed a subcontractor's liability within the meaning of section 181.165.

Sec. 5. Minnesota Statutes 2023 Supplement, section 177.27, subdivision 7, is amended to read:

Subd. 7. **Employer liability.** If an employer is found by the commissioner to have violated a section identified in subdivision 4, or any rule adopted under section 177.28, 181.213, or 181.215, and the commissioner issues an order to comply, the commissioner shall order the employer to cease and desist from engaging in the violative practice and to take such affirmative steps that in the judgment of the commissioner will effectuate the purposes of the section or rule violated. In addition to remedies, damages, and penalties provided for in the violated section, the commissioner shall order the employer to pay to the aggrieved parties back pay, gratuities, and compensatory damages, less any amount actually paid to the ~~employee~~ aggrieved parties by the employer, and for an additional equal amount as liquidated damages. Any employer who is found by the commissioner to have repeatedly or willfully violated a section or sections identified in subdivision 4 shall be subject to ~~a~~ an additional civil penalty of up to $10,000 for each violation for each employee. In determining the amount of a civil penalty under this subdivision, the appropriateness of such penalty to the size of the employer's business and the gravity of the violation shall be considered. In addition, the commissioner may order the employer to reimburse the department and the attorney general for all appropriate litigation and hearing costs expended in preparation for and in conducting the contested case proceeding, unless payment of costs would impose extreme financial hardship on the employer. If the employer is able to establish extreme financial hardship, then the commissioner may order the employer to pay a percentage of the total costs that will not cause extreme financial hardship. Costs include but are not limited to the costs of services rendered by the attorney general, private attorneys if engaged by the department, administrative law judges, court reporters, and expert witnesses as well as the cost of transcripts. Interest shall accrue on, and be added to, the unpaid balance of a commissioner's order from the date the order is signed by the commissioner until it is paid, at an annual rate provided in section 549.09, subdivision 1, paragraph (c). The commissioner may establish escrow accounts for purposes of distributing remedies and damages.

Sec. 6. Minnesota Statutes 2022, section 181.171, subdivision 1, is amended to read:

Subdivision 1. **Civil action; damages.** A person may bring a civil action seeking redress for violations of sections 181.02, 181.03, 181.031, 181.032, 181.08, 181.09, 181.10, 181.101, 181.11, 181.13, 181.14, 181.145, ~~and~~ 181.15, 181.722, and 181.723 directly to district court. An employer who is found to have violated the above sections is liable to the aggrieved party for the civil penalties or damages provided for in the section violated. An employer who is found to have violated the above sections shall also be liable for compensatory damages and other appropriate relief including but not limited to injunctive relief.

Sec. 7. Minnesota Statutes 2022, section 181.722, is amended to read:

181.722 ~~MISREPRESENTATION~~ MISCLASSIFICATION OF ~~EMPLOYMENT RELATIONSHIP PROHIBITED~~ EMPLOYEES.

Subdivision 1. **~~Prohibition~~ Prohibited activities related to employment status.** ~~No employer shall misrepresent the nature of its employment relationship with its employees to any federal, state, or local government unit; to other employers; or to its employees. An employer misrepresents the nature of its employment relationship with its employees if it makes any statement regarding the nature of the relationship that the employer knows or has reason to know is untrue and if it fails to report individuals as employees when legally required to do so.~~

(a) A person shall not:

(1) fail to classify, represent, or treat an individual who is the person's employee pursuant to subdivision 3 as an employee in accordance with the requirements of any applicable local, state, or federal law. A violation under this clause is in addition to any violation of local, state, or federal law;

(2) fail to report or disclose to any person or to any local, state, or federal government agency an individual who is the person's employee pursuant to subdivision 3 as an employee when required to do so under any applicable local, state, or federal law. Each failure to report or disclose an individual as an employee shall constitute a separate violation of this clause; or

(3) require or request an individual who is the person's employee pursuant to subdivision 3 to enter into any agreement or complete any document that misclassifies, misrepresents, or treats the individual as an independent contractor or otherwise does not reflect that the individual is the person's employee pursuant to subdivision 3. Each agreement or completed document constitutes a separate violation of this provision.

(b) An owner, partner, principal, member, officer, or agent, on behalf of the person, who engaged in any of the prohibited activities in this subdivision may be held individually liable.

(c) An order issued by the commissioner to a person for engaging in any of the prohibited activities in this subdivision is in effect against any successor person. A person is a successor person if the person shares three or more of the following with the person to whom the order was issued:

(1) has one or more of the same owners, members, principals, officers, or managers;

(2) performs similar work within the state of Minnesota;

(3) has one or more of the same telephone or fax numbers;

(4) has one or more of the same email addresses or websites;

(5) employs or engages substantially the same individuals to provide or perform services;

(6) utilizes substantially the same vehicles, facilities, or equipment; or

(7) lists or advertises substantially the same project experience and portfolio of work.

Subd. 1a. **Definitions.** (a) "Person" means any individual, sole proprietor, limited liability company, limited liability partnership, corporation, partnership, incorporated or unincorporated association, joint stock company, or any other legal or commercial entity.

(b) "Department" means the Department of Labor and Industry.

(c) "Commissioner" means the commissioner of labor and industry or a duly designated representative of the commissioner who is either an employee of the Department of Labor and Industry or a person working under contract with the Department of Labor and Industry.

(d) "Individual" means a human being.

~~Subd. 2. **Agreements to misclassify prohibited.** No employer shall require or request any employee to enter into any agreement, or sign any document, that results in misclassification of the employee as an independent contractor or otherwise does not accurately reflect the employment relationship with the employer.~~

Subd. 3. **Determination of employment relationship.** For purposes of this section, the nature of an employment relationship is determined using the same tests and in the same manner as employee status is determined under the applicable workers' compensation ~~and~~ or unemployment insurance program laws and rules.

Subd. 4. ~~**Civil remedy**~~ **Damages and penalties.** ~~A construction worker, as defined in section 179.254, who is not an independent contractor and has been injured by a violation of this section, may bring a civil action for damages against the violator. If the construction worker injured is an employee of the violator of this section, the employee's representative, as defined in section 179.01, subdivision 5, may bring a civil action for damages against the violator on behalf of the employee. The court may award attorney fees, costs, and disbursements to a construction worker recovering under this section.~~

(a) The following damages and penalties may be imposed for a violation of this section:

(1) compensatory damages to the individual the person has failed to classify, represent, or treat as an employee pursuant to subdivision 3. Compensatory damages includes but is not limited to the value of supplemental pay including minimum wage; overtime; shift differentials; vacation pay, sick pay, and other forms of paid time off; health insurance; life and disability insurance; retirement plans; savings plans and any other form of benefit; employer contributions to unemployment insurance; Social Security and Medicare; and any costs and expenses incurred by the individual resulting from the person's failure to classify, represent, or treat the individual as an employee;

(2) a penalty of up to $10,000 for each individual the person failed to classify, represent, or treat as an employee pursuant to subdivision 3;

(3) a penalty of up to $10,000 for each violation of subdivision 1; and

(4) a penalty of $1,000 for each person who delays, obstructs, or otherwise fails to cooperate with the commissioner's investigation. Each day of delay, obstruction, or failure to cooperate constitutes a separate violation.

(b) This section may be investigated and enforced under the commissioner's authority under state law.

Subd. 5. **Reporting of violations.** Any court finding that a violation of this section has occurred shall transmit a copy of its findings of fact and conclusions of law to the commissioner of labor and industry. The commissioner of labor and industry shall report the finding to relevant local, state, and federal agencies, including the commissioner of commerce, the commissioner of employment and economic development, the commissioner of revenue, the federal Internal Revenue Service, and the United States Department of Labor.

Sec. 8. Minnesota Statutes 2022, section 181.723, is amended to read:

181.723 MISCLASSIFICATION OF CONSTRUCTION ~~CONTRACTORS~~ EMPLOYEES.

Subdivision 1. **Definitions.** The definitions in this subdivision apply to this section.

(a) "Person" means any individual, sole proprietor, limited liability company, limited liability partnership, corporation, partnership, incorporated or unincorporated association, ~~sole proprietorship,~~ joint stock company, or any other legal or commercial entity.

(b) "Department" means the Department of Labor and Industry.

(c) "Commissioner" means the commissioner of labor and industry or a duly designated representative of the commissioner who is either an employee of the Department of Labor and Industry or person working under contract with the Department of Labor and Industry.

(d) "Individual" means a human being.

(e) "Day" means calendar day unless otherwise provided.

(f) "Knowingly" means knew or could have known with the exercise of reasonable diligence.

(g) "Business entity" means a person ~~other than an individual or a sole proprietor~~ as that term is defined in paragraph (a), except the term does not include an individual.

(h) "Independent contractor" means a business entity that meets all the requirements under subdivision 4, paragraph (a).

Subd. 2. **Limited application.** This section only applies to ~~individuals~~ persons providing or performing ~~public or private sector commercial or residential~~ building construction or improvement services. Building construction ~~and~~ or improvement services ~~do not~~ include all public or private sector commercial or residential building construction or improvement services except for: (1) the manufacture, supply, or sale of products, materials, or merchandise; (2) landscaping services for the maintenance or removal of existing plants, shrubs, trees, and other vegetation, whether or not the services are provided as part of a contract for the building construction or improvement services; and (3) all other landscaping services, unless the other landscaping services are provided as part of a contract for the building construction or improvement services.

Subd. 3. **Employee-employer relationship.** Except as provided in subdivision 4, for purposes of chapters 176, 177, 181, 181A, 182, ~~and~~ 268, ~~as of January 1, 2009~~ and 326B, an individual who provides or performs building construction or improvement services for a person that are in the course of the person's trade, business, profession, or occupation is an employee of that person and that person is an employer of the individual.

Subd. 4. **Independent contractor.** (a) An individual is an independent contractor and not an employee of the person for whom the individual is providing or performing services in the course of the person's trade, business, profession, or occupation only if the individual is operating as a business entity that meets all of the following requirements at the time the services were provided or performed:

~~(1) maintains a separate business with the individual's own office, equipment, materials, and other facilities;~~

~~(2)(i) holds or has applied for a federal employer identification number or (ii) has filed business or self-employment income tax returns with the federal Internal Revenue Service if the individual has performed services in the previous year;~~

~~(3) is operating under contract to perform the specific services for the person for specific amounts of money and under which the individual controls the means of performing the services;~~

~~(4) is incurring the main expenses related to the services that the individual is performing for the person under the contract;~~

~~(5) is responsible for the satisfactory completion of the services that the individual has contracted to perform for the person and is liable for a failure to complete the services;~~

~~(6) receives compensation from the person for the services performed under the contract on a commission or per-job or competitive bid basis and not on any other basis;~~

~~(7) may realize a profit or suffer a loss under the contract to perform services for the person;~~

~~(8) has continuing or recurring business liabilities or obligations; and~~

~~(9) the success or failure of the individual's business depends on the relationship of business receipts to expenditures.~~

~~An individual who is not registered, if required by section 326B.701, is presumed to be an employee of a person for whom the individual performs services in the course of the person's trade, business, profession, or occupation. The person for whom the services were performed may rebut this presumption by showing that the unregistered individual met all nine factors in this paragraph at the time the services were performed.~~

~~(b) If an individual is an owner or partial owner of a business entity, the individual is an employee of the person for whom the individual is performing services in the course of the person's trade, business, profession, or occupation, and is not an employee of the business entity in which the individual has an ownership interest, unless:~~

~~(1) the business entity meets the nine factors in paragraph (a);~~

~~(2) invoices and payments are in the name of the business entity; and~~

~~(3) the business entity is registered with the secretary of state, if required.~~

~~If the business entity in which the individual has an ownership interest is not registered, if required by section 326B.701, the individual is presumed to be an employee of a person for whom the individual performs services and not an employee of the business entity in which the individual has an ownership interest. The person for whom the services were performed may rebut the presumption by showing that the business entity met the requirements of clauses (1) to (3) at the time the services were performed.~~

(1) was established and maintained separately from and independently of the person for whom the services were provided or performed;

(2) owns, rents, or leases equipment, tools, vehicles, materials, supplies, office space, or other facilities that are used by the business entity to provide or perform building construction or improvement services;

(3) provides or performs, or offers to provide or perform, the same or similar building construction or improvement services for multiple persons or the general public;

(4) is in compliance with all of the following:

(i) holds a federal employer identification number if required by federal law;

(ii) holds a Minnesota tax identification number if required by Minnesota law;

(iii) has received and retained 1099 forms for income received for building construction or improvement services provided or performed, if required by Minnesota or federal law;

(iv) has filed business or self-employment income tax returns, including estimated tax filings, with the federal Internal Revenue Service and the Department of Revenue, as the business entity or as a self-employed individual reporting income earned, for providing or performing building construction or improvement services, if any, in the previous 12 months; and

(v) has completed and provided a W-9 federal income tax form to the person for whom the services were provided or performed if required by federal law;

(5) is in good standing as defined by section 5.26 and, if applicable, has a current certificate of good standing issued by the secretary of state pursuant to section 5.12;

(6) has a Minnesota unemployment insurance account if required by chapter 268;

(7) has obtained required workers' compensation insurance coverage if required by chapter 176;

(8) holds current business licenses, registrations, and certifications if required by chapter 326B and sections 327.31 to 327.36;

(9) is operating under a written contract to provide or perform the specific services for the person that:

(i) is signed and dated by both an authorized representative of the business entity and of the person for whom the services are being provided or performed;

(ii) is fully executed no later than 30 days after the date work commences;

(iii) identifies the specific services to be provided or performed under the contract;

(iv) provides for compensation from the person for the services provided or performed under the contract on a commission or per-job or competitive bid basis and not on any other basis; and

(v) the requirements of item (ii) shall not apply to change orders;

(10) submits invoices and receives payments for completion of the specific services provided or performed under the written proposal, contract, or change order in the name of the business entity. Payments made in cash do not meet this requirement;

(11) the terms of the written proposal, contract, or change order provide the business entity control over the means of providing or performing the specific services, and the business entity in fact controls the provision or performance of the specific services;

(12) incurs the main expenses and costs related to providing or performing the specific services under the written proposal, contract, or change order;

(13) is responsible for the completion of the specific services to be provided or performed under the written proposal, contract, or change order and is responsible, as provided under the written proposal, contract, or change order, for failure to complete the specific services; and

(14) may realize additional profit or suffer a loss, if costs and expenses to provide or perform the specific services under the written proposal, contract, or change order are less than or greater than the compensation provided under the written proposal, contract, or change order.

(b)(1) Any individual providing or performing the services as or for a business entity is an employee of the person who engaged the business entity and is not an employee of the business entity, unless the business entity meets all of the requirements under subdivision 4, paragraph (a).

(2) Any individual who is determined to be the person's employee is acting as an agent of and in the interest of the person when engaging any other individual or business entity to provide or perform any portion of the services that the business entity was engaged by the person to provide or perform.

(3) Any individual engaged by an employee of the person, at any tier under the person, is also the person's employee, unless the individual is providing or performing the services as or for a business entity that meets the requirements of subdivision 4, paragraph (a).

(4) Clauses (1) to (3) do not create an employee-employer relationship between a person and an employee at any tier under the person if there is an intervening business entity in the contractual chain that meets the requirements of subdivision 4, paragraph (a).

Subd. 7. **Prohibited activities related to independent contractor status.** (a) The prohibited activities in ~~this subdivision~~ paragraphs (b) and (c) are in addition to ~~those~~ the activities prohibited in sections 326B.081 to 326B.085.

(b) An individual providing or performing building construction or improvement services shall not ~~hold himself or herself out~~ represent themselves as an independent contractor unless the individual is operating as a business entity that meets all the requirements of subdivision 4, paragraph (a).

(c) A person who provides or performs building construction or improvement services in the course of the person's trade, business, occupation, or profession shall not:

(1) as a condition of payment for services provided or performed, require an individual ~~through coercion, misrepresentation, or fraudulent means~~, who is an employee pursuant to this section, to register as a construction contractor under section 326B.701, or to adopt or agree to being classified, represented, or treated as an independent contractor ~~status~~ or form a business entity. Each instance of conditioning payment to an individual who is an employee on one of these conditions shall constitute a separate violation of this provision;

(2) ~~knowingly misrepresent or misclassify an individual as an independent contractor.~~ fail to classify, represent, or treat an individual who is an employee pursuant to this section as an employee in accordance with the requirements of any of the chapters listed in subdivision 3. Failure to classify, represent, or treat an individual who is an employee pursuant to this section as an employee in accordance with each requirement of a chapter listed in subdivision 3 shall constitute a separate violation of this provision;

(3) fail to report or disclose to any person or to any local, state, or federal government agency an individual who is an employee pursuant to subdivision 3, as an employee when required to do so under any applicable local, state, or federal law. Each failure to report or disclose an individual as an employee shall constitute a separate violation of this provision;

(4) require or request an individual who is an employee pursuant to this section to enter into any agreement or complete any document that misclassifies, misrepresents, or treats the individual as an independent contractor or otherwise does not reflect that the individual is an employee pursuant to this section. Each agreement or completed document shall constitute a separate violation of this provision; or

(5) require an individual who is an employee under this section to register under section 326B.701.

(d) In addition to the person providing or performing building construction or improvement services in the course of the person's trade, business, occupation, or profession, any owner, partner, principal, member, officer, or agent who engaged in any of the prohibited activities in this subdivision may be held individually liable.

(e) An order issued by the commissioner to a person for engaging in any of the prohibited activities in this subdivision is in effect against any successor person. A person is a successor person if the person shares three or more of the following with the person to whom the order was issued:

(1) has one or more of the same owners, members, principals, officers, or managers;

(2) performs similar work within the state of Minnesota;

(3) has one or more of the same telephone or fax numbers;

(4) has one or more of the same email addresses or websites;

(5) employs or engages substantially the same individuals to provide or perform building construction or improvement services;

(6) utilizes substantially the same vehicles, facilities, or equipment; or

(7) lists or advertises substantially the same project experience and portfolio of work.

(f) If a person who has engaged an individual to provide or perform building construction or improvement services that are in the course of the person's trade, business, profession, or occupation, classifies, represents, treats, reports, or discloses the individual as an independent contractor, the person shall maintain, for at least three years, and in a manner that may be readily produced to the commissioner upon demand, all the information and documentation upon which the person based the determination that the individual met all the requirements under subdivision 4, paragraph (a), at the time the individual was engaged and at the time the services were provided or performed.

(g) The following damages and penalties may be imposed for a violation of this section:

(1) compensatory damages to the individual the person failed to classify, represent, or treat as an employee pursuant to this section. Compensatory damages include but are not limited to the value of supplemental pay including minimum wage; overtime; shift differentials; vacation pay; sick pay; and other forms of paid time off; health insurance; life and disability insurance; retirement plans; saving plans and any other form of benefit; employer contributions to unemployment insurance; Social Security and Medicare and any costs and expenses incurred by the individual resulting from the person's failure to classify, represent, or treat the individual as an employee;

(2) a penalty of up to $10,000 for each individual the person failed to classify, represent, or treat as an employee pursuant to this section;

(3) a penalty of up to $10,000 for each violation of this subdivision; and

(4) a penalty of $1,000 for any person who delays, obstructs, or otherwise fails to cooperate with the commissioner's investigation. Each day of delay, obstruction, or failure to cooperate constitutes a separate violation.

(h) This section may be investigated and enforced under the commissioner's authority under state law.

Subd. 13. **Rulemaking.** The commissioner may, in consultation with the commissioner of revenue and the commissioner of employment and economic development, adopt, amend, suspend, and repeal rules under the rulemaking provisions of chapter 14 that relate to the commissioner's responsibilities under this section. ~~This subdivision is effective May 26, 2007.~~

Subd. 15. **Notice and review by commissioners of revenue and employment and economic development.** When the commissioner has reason to believe that a person has violated subdivision 7, ~~paragraph (b); or (c), clause (1) or (2),~~ the commissioner must notify the commissioner of revenue and the commissioner of employment and economic development. Upon receipt of notification from the commissioner, the commissioner of revenue must review the information returns required under section 6041A of the Internal Revenue Code. The commissioner of revenue shall also review the submitted certification that is applicable to returns audited or investigated under section 289A.35.

EFFECTIVE DATE. This section is effective August 1, 2024, except that the amendments to subdivision 4 are effective for contracts entered into on or after that date and for all building construction or improvement services provided or performed on or after January 1, 2025.

Sec. 9. **[181.724] INTERGOVERNMENTAL MISCLASSIFICATION ENFORCEMENT AND EDUCATION PARTNERSHIP ACT.**

Subdivision 1. **Citation.** This section and section 181.725 may be cited as the "Intergovernmental Misclassification Enforcement and Education Partnership Act."

Subd. 2. **Policy and statement of purpose.** It is the policy of the state of Minnesota to prevent employers from misclassifying workers, because employee misclassification allows an employer to illegally evade obligations under state labor, employment, and tax laws, including but not limited to the laws governing minimum wage, overtime, unemployment insurance, paid family medical leave, earned sick and safe time, workers' compensation insurance, temporary disability insurance, the payment of wages, and payroll taxes.

Subd. 3. **Definitions.** (a) For the purposes of this section and section 181.725, the following terms have the meanings given, unless the language or context clearly indicates that a different meaning is intended.

(b) "Partnership entity" means one of the following governmental entities with jurisdiction over employee misclassification in Minnesota:

(1) the Department of Labor and Industry;

(2) the Department of Revenue;

(3) the Department of Employment and Economic Development;

(4) the Department of Commerce; and

(5) the attorney general in the attorney general's enforcement capacity under sections 177.45 and 181.1721.

(c) "Employee misclassification" means the practice by an employer of not properly classifying workers as employees.

Subd. 4. **Coordination, collaboration, and information sharing.** For purposes of this section, a partnership entity:

(1) shall communicate with other entities to help detect and investigate instances of employee misclassification;

(2) may request from, provide to, or receive from the other partnership entities data necessary for the purpose of detecting and investigating employee misclassification, unless prohibited by federal law; and

(3) may collaborate with one another when investigating employee misclassification, unless prohibited by federal law. Collaboration includes but is not limited to referrals, strategic enforcement, and joint investigations by two or more partnership entities.

Sec. 10. **[181.725] INTERGOVERNMENTAL MISCLASSIFICATION ENFORCEMENT AND EDUCATION PARTNERSHIP.**

Subdivision 1. **Composition.** The Intergovernmental Misclassification Enforcement and Education Partnership is composed of the following members or their designees, who shall serve on behalf of their respective partnership entities:

(1) the commissioner of labor and industry;

(2) the commissioner of revenue;

(3) the commissioner of employment and economic development;

(4) the commissioner of commerce; and

(5) the attorney general.

Subd. 2. **Meetings.** The commissioner of labor and industry, in consultation with other members of the partnership, shall convene and lead meetings of the partnership to discuss issues related to the investigation of employee misclassification and public outreach. Members of the partnership may select a designee to attend any such meeting. Meetings must occur at least quarterly.

Subd. 2a. **Additional meetings.** (a) In addition to regular quarterly meetings under subdivision 2, the commissioner of labor and industry, in consultation with members of the partnership, may convene and lead additional meetings for the purpose of discussing and making recommendations under subdivision 4a.

(b) This subdivision expires July 31, 2025, unless a different expiration date is specified in law.

Subd. 3. **Roles.** Each partnership entity may use the information received through its participation in the partnership to investigate employee misclassification within their relevant jurisdictions as follows:

(1) the Department of Labor and Industry in its enforcement authority under chapters 176, 177, and 181;

(2) the Department of Revenue in its enforcement authority under chapters 289A and 290;

(3) the Department of Employment and Economic Development in its enforcement authority under chapters 268 and 268B;

(4) the Department of Commerce in its enforcement authority under chapters 45, 60A, 60K, 79, and 79A; and

(5) the attorney general in the attorney general's enforcement authority under sections 177.45 and 181.1721.

Subd. 4. **Annual presentation to the legislature.** At the request of the chairs, the Intergovernmental Misclassification Enforcement and Education Partnership shall present annually to members of the house of representatives and senate committees with jurisdiction over labor. The presentation shall include information about how the partnership carried out its duties during the preceding calendar year.

Subd. 4a. **First presentation.** (a) By March 1, 2025, the Intergovernmental Misclassification Enforcement and Education Partnership shall make its first presentation to members of the house of representatives and senate committees with jurisdiction over labor. The first presentation may be made in a form and manner determined by the partnership. In addition to providing information about how the partnership carried out its duties in its first year, the presentation shall include the following information and recommendations, including any budget requests to carry out the recommendations:

(1) consider any staffing recommendations for the partnership and each partnership entity to carry out the duties and responsibilities under this section;

(2) provide a summary of the industries, areas, and employers with high numbers of misclassification violations and recommendations for proactive review and enforcement efforts;

(3) propose a system for making cross referrals between partnership entities;

(4) identify cross-training needs and a proposed cross-training plan; and

(5) propose a metric or plan for monitoring and assessing:

(i) the number and severity of employee misclassification violations; and

(ii) the adequacy and effectiveness of the partnership's duties related to employee misclassification, including but not limited to the partnership's efforts on education, outreach, detection, investigation, deterrence, and enforcement of employee misclassification.

(b) This subdivision expires July 31, 2025, unless a different expiration date is specified in law.

Subd. 5. **Separation.** The Intergovernmental Misclassification Enforcement and Education Partnership is not a separate agency or board and is not subject to chapter 13D. Data shared or created by the partnership entities under this section or section 181.724 are subject to chapter 13 and hold the data classification prescribed by law.

Subd. 6. **Duties.** The Intergovernmental Misclassification Enforcement and Education Partnership shall:

(1) set goals to maximize Minnesota's efforts to detect, investigate, and deter employee misclassification;

(2) share information to facilitate the detection and investigation of employee misclassification;

(3) develop a process or procedure that provides a person with relevant information and connects them with relevant partnership entities, regardless of which partnership entity that person contacts for assistance;

(4) identify best practices in investigating employee misclassification;

(5) identify resources needed for better enforcement of employee misclassification;

(6) inform and educate stakeholders on rights and responsibilities related to employee misclassification;

(7) serve as a unified point of contact for workers, businesses, and the public impacted by misclassification;

(8) inform the public on enforcement actions taken by the partnership entities; and

(9) perform other duties as necessary to:

(i) increase the effectiveness of detection, investigation, enforcement, and deterrence of employee misclassification; and

(ii) carry out the purposes of the partnership.

Subd. 7. **Public outreach.** (a) The commissioner of labor and industry shall maintain on the department's website information about the Intergovernmental Misclassification Enforcement and Education Partnership, including information about how to file a complaint related to employee misclassification.

(b) Each partnership entity shall maintain on its website information about worker classification laws, including requirements for employers and employees, consequences for misclassifying workers, and contact information for other partnership entities.

Subd. 8. **No limitation of other duties.** This section does not limit the duties or authorities of a partnership entity, or any other government entity, under state law.

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

Sec. 11. Minnesota Statutes 2022, section 270B.14, subdivision 17, is amended to read:

Subd. 17. **Disclosure to Department of Commerce.** (a) The commissioner may disclose to the commissioner of commerce information required to administer the Uniform Disposition of Unclaimed Property Act in sections 345.31 to 345.60, including the Social Security numbers of the taxpayers whose refunds are on the report of abandoned property submitted by the commissioner to the commissioner of commerce under section 345.41. Except for data published under section 345.42, the information received that is private or nonpublic data retains its classification, and can be used by the commissioner of commerce only for the purpose of verifying that the persons claiming the refunds are the owners.

(b) The commissioner may disclose a return or return information to the commissioner of commerce under section 45.0135 to the extent necessary to investigate employer compliance with section 176.181.

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

Sec. 12. Minnesota Statutes 2022, section 270B.14, is amended by adding a subdivision to read:

Subd. 23. **Disclosure to the attorney general.** The commissioner may disclose a return or return information to the attorney general for the purpose of determining whether a business is an employer and to the extent necessary to enforce section 177.45 or 181.1721.

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

Sec. 13. Minnesota Statutes 2022, section 326B.081, subdivision 3, is amended to read:

Subd. 3. **Applicable law.** "Applicable law" means the provisions of sections 181.165, 181.722, 181.723, 325E.66, 327.31 to 327.36, this chapter, and chapter 341, and all rules, orders, stipulation agreements, settlements, compliance agreements, licenses, registrations, certificates, and permits adopted, issued, or enforced by the department under sections 181.165, 181.722, 181.723, 325E.66, 327.31 to 327.36, this chapter, or chapter 341.

Sec. 14. Minnesota Statutes 2022, section 326B.081, subdivision 6, is amended to read:

Subd. 6. **Licensing order.** "Licensing order" means an order issued under section 326B.082, subdivision 12~~, paragraph (a)~~.

Sec. 15. Minnesota Statutes 2022, section 326B.081, subdivision 8, is amended to read:

Subd. 8. **Stop work order.** "Stop work order" means an order issued under section 326B.082, subdivision 10.

Sec. 16. Minnesota Statutes 2022, section 326B.082, subdivision 1, is amended to read:

Subdivision 1. **Remedies available.** The commissioner may enforce all applicable law under this section. The commissioner may use any enforcement provision in this section, including the assessment of monetary penalties, against a person required to have a license, registration, certificate, or permit under the applicable law based on conduct that would provide grounds for action against a licensee, registrant, certificate holder, or permit holder under the applicable law. The use of an enforcement provision in this section shall not preclude the use of any other enforcement provision in this section or otherwise provided by law. The commissioner's investigation and enforcement authority under this section may be used by the commissioner in addition to or as an alternative to any other investigation and enforcement authority provided by law.

Sec. 17. Minnesota Statutes 2022, section 326B.082, subdivision 2, is amended to read:

Subd. 2. **Access to information and property; subpoenas.** (a) In order to carry out the purposes of the applicable law, the commissioner may:

(1) administer oaths and affirmations, certify official acts, interview, question, take oral or written statements, demand data and information, and take depositions;

(2) request, examine, take possession of, test, sample, measure, photograph, record, and copy any documents, apparatus, devices, equipment, or materials;

(3) at a time and place indicated by the commissioner, request persons to appear before the commissioner to give testimony, provide data and information, and produce documents, apparatus, devices, equipment, or materials;

(4) issue subpoenas to compel persons to ~~appear before the commissioner to~~ give testimony, provide data and information, and to produce documents, apparatus, devices, equipment, or materials; and

(5) with or without notice, enter without delay ~~upon~~ and access all areas of any property, public or private, for the purpose of taking any action authorized under this subdivision or the applicable law, including ~~obtaining~~ to request, examine, take possession of, test, sample, measure, photograph, record, and copy any data, information, ~~remedying~~ documents, apparatus, devices, equipment, or materials; to interview, question, or take oral or written statements; to remedy violations~~,~~; or ~~conducting~~ to conduct surveys, inspections, or investigations.

(b) Persons requested by the commissioner to give testimony, provide data and information, or produce documents, apparatus, devices, equipment, or materials shall respond within the time and in the manner specified by the commissioner. If no time to respond is specified in the request, then a response shall be submitted within 30 days of the commissioner's service of the request.

(c) Upon the refusal or anticipated refusal of a property owner, lessee, property owner's representative, or lessee's representative to permit the commissioner's entry ~~onto~~ and access to all areas of any property as provided in paragraph (a), the commissioner may apply for an administrative inspection order in the Ramsey County District Court or, at the commissioner's discretion, in the district court in the county in which the property is located. The commissioner may anticipate that a property owner or lessee will refuse entry and access to all areas of a property if the property owner, lessee, property owner's representative, or lessee's representative has refused to permit entry or access to all areas of a property on a prior occasion or has informed the commissioner that entry or access to areas of a property will be refused. Upon showing of administrative probable cause by the commissioner, the district court shall issue an administrative inspection order that compels the property owner or lessee to permit the commissioner to enter and be allowed access to all areas of the property for the purposes specified in paragraph (a).

(d) Upon the application of the commissioner, a district court shall treat the failure of any person to obey a subpoena lawfully issued by the commissioner under this subdivision as a contempt of court.

Sec. 18. Minnesota Statutes 2022, section 326B.082, subdivision 4, is amended to read:

Subd. 4. **Fax or email transmission.** When this section or section 326B.083 permits a request for reconsideration or request for hearing to be served by fax on the commissioner, or when the commissioner instructs that a request for reconsideration or request for hearing be served by email on the commissioner, the fax or email shall not exceed 15 printed pages in length. The request shall be considered timely served if the fax or email is received by the commissioner, at the fax number or email address identified by the commissioner in the order or notice of violation, no later than 4:30 p.m. central time on the last day permitted for faxing or emailing the request. Where the quality or authenticity of the faxed or emailed request is at issue, the commissioner may require the original request to be filed. Where the commissioner has not identified quality or authenticity of the faxed or emailed request as an issue and the request has been faxed or emailed in accordance with this subdivision, the person faxing or emailing the request does not need to file the original request with the commissioner.

Sec. 19. Minnesota Statutes 2022, section 326B.082, subdivision 6, is amended to read:

Subd. 6. **Notices of violation.** (a) The commissioner may issue a notice of violation to any person who the commissioner determines has committed a violation of the applicable law. The notice of violation must state a summary of the facts that constitute the violation and the applicable law violated. The notice of violation may require the person to correct the violation. If correction is required, the notice of violation must state the deadline by which the violation must be corrected.

(b) In addition to any person, a notice of violation may be issued to any individual identified in section 181.723, subdivision 7, paragraph (d). A notice of violation is effective against any successor person as defined in section 181.723, subdivision 7, paragraph (e).

~~(b)~~ (c) The commissioner shall issue the notice of violation by:

(1) serving the notice of violation on the property owner or on the person who committed the violation; or

(2) posting the notice of violation at the location where the violation occurred.

~~(c)~~ (d) If the person to whom the commissioner has issued the notice of violation believes the notice was issued in error, then the person may request reconsideration of the parts of the notice that the person believes are in error. The request for reconsideration must be in writing and must be served on, faxed, or emailed to the commissioner at the address, fax number, or email address specified in the notice of violation by the tenth day after the commissioner issued the notice of violation. The date on which a request for reconsideration is served by mail shall be the postmark date on the envelope in which the request for reconsideration is mailed. If the person does not serve, fax, or email a written request for reconsideration or if the person's written request for reconsideration is not served on or faxed to the commissioner by the tenth day after the commissioner issued the notice of violation, the notice of violation shall become a final order of the commissioner and will not be subject to review by any court or agency. The request for reconsideration must:

(1) specify which parts of the notice of violation the person believes are in error;

(2) explain why the person believes the parts are in error; and

(3) provide documentation to support the request for reconsideration.

The commissioner shall respond in writing to requests for reconsideration made under this paragraph within 15 days after receiving the request. A request for reconsideration does not stay a requirement to correct a violation as set forth in the notice of violation. After reviewing the request for reconsideration, the commissioner may affirm, modify, or rescind the notice of violation. The commissioner's response to a request for reconsideration is final and shall not be reviewed by any court or agency.

Sec. 20. Minnesota Statutes 2022, section 326B.082, subdivision 7, is amended to read:

Subd. 7. **Administrative orders; correction; assessment of monetary penalties.** (a) The commissioner may issue an administrative order to any person who the commissioner determines has committed a violation of the applicable law. The commissioner shall issue the administrative order by serving the administrative order on the person. The administrative order may require the person to correct the violation, may require the person to cease and desist from committing the violation, and may assess monetary damages and penalties. The commissioner shall follow the procedures in section 326B.083 when issuing administrative orders. Except as provided in paragraph (b), the commissioner may issue to each person a monetary penalty of up to $10,000 for each violation of applicable law committed by the person. The commissioner may order that part or all of the monetary penalty will be forgiven if the person to whom the order is issued demonstrates to the commissioner by the 31st day after the order is issued that the person has corrected the violation or has developed a correction plan acceptable to the commissioner.

(b) The commissioner may issue an administrative order for failure to correct a violation by the deadline stated in a final notice of violation issued under subdivision 6 or a final administrative order issued under paragraph (a). Each day after the deadline during which the violation remains uncorrected is a separate violation for purposes of calculating the maximum monetary penalty amount.

(c) Upon the application of the commissioner, a district court shall find the failure of any person to correct a violation as required by a final notice of violation issued under subdivision 6 or a final administrative order issued by the commissioner under this subdivision as a contempt of court.

(d) In addition to any person, an administrative order may be issued to any individual identified in section 181.723, subdivision 7, paragraph (d). An administrative order shall be effective against any successor person as defined in section 181.723, subdivision 7, paragraph (e).

Sec. 21. Minnesota Statutes 2022, section 326B.082, subdivision 10, is amended to read:

Subd. 10. **Stop work orders.** (a) ~~If the commissioner determines based on an inspection or investigation that a person has violated or is about to violate the applicable law,~~ The commissioner may issue ~~to the person~~ a stop work order requiring ~~the person to cease and desist from committing the violation~~ cessation of all business operations of a person at one or more of the person's workplaces and places of business or across all of the person's workplaces and places of business. A stop work order may be issued to any person who the commissioner has determined, based on an inspection or investigation, has violated the applicable law, has engaged in any of the activities under subdivision 11, paragraph (b), or section 326B.701, subdivision 5, or has failed to comply with a final notice, final administrative order, or final licensing order issued by the commissioner under this section or a final order to comply issued by the commissioner under section 177.27.

(b) The stop work order is effective upon its issuance under paragraph (e). The order remains in effect until the commissioner issues an order lifting the stop work order upon finding that the person has come into compliance with the applicable law, has come into compliance with a final order or notice of violation issued by the commissioner, has ceased and desisted from engaging in any of the activities under subdivision 11, paragraph (b), or section 326B.701, subdivision 5, and has paid in any remedies, damages, penalties, and other monetary sanctions, including wages owed to employees under paragraph (j), to the satisfaction of the commissioner, or if the commissioner or appellate court modifies or vacates the order.

(c) In addition to any person, a stop work order may be issued to any individual identified in section 181.723, subdivision 7, paragraph (d). The stop work order is effective against any successor person as defined in section 181.723, subdivision 7, paragraph (e).

~~(b)~~ (d) If the commissioner determines that a condition exists on real property that ~~violates the applicable law~~ is the basis for issuing a stop work order, the commissioner may also issue a stop work order to the owner or lessee of the real property ~~to cease and desist from committing the violation and to correct the condition that is in violation~~.

~~(c)~~ (e) The commissioner shall issue the stop work order by:

(1) serving the order on the person ~~who has committed or is about to commit the violation~~;

(2) posting the order at the location where the violation was committed ~~or is about to be committed~~ or at the location where the ~~violating~~ condition exists that is the basis for issuing the stop work order; or

(3) serving the order on any owner or lessee of the real property where the ~~violating condition exists~~ violations or conditions exist.

~~(d)~~ (f) A stop work order shall:

(1) describe the act, conduct, or practice committed ~~or about to be committed,~~ or the condition, and include a reference to the applicable law ~~that the act, conduct, practice, or condition violates or would violate~~, the final order or final notice of violation, the provisions in subdivision 11, paragraph (b); the provisions in section 326B.701, subdivision 5; or liability under section 181.165, as applicable; and

(2) provide notice that any person aggrieved by the stop work order may request a hearing as provided in paragraph ~~(e)~~ (g).

~~(e)~~ (g) Within 30 days after the commissioner issues a stop work order, any person aggrieved by the order may request an expedited hearing to review the commissioner's action. The request for hearing must be made in writing and must be served on, emailed, or faxed to the commissioner at the address, email address, or fax number specified in the order. If the person does not request a hearing or if the person's written request for hearing is not served on, emailed, or faxed to the commissioner on or before the 30th day after the commissioner issued the stop work order, the order will become a final order of the commissioner and will not be subject to review by any court or agency. The date on which a request for hearing is served by mail is the postmark date on the envelope in which the request for hearing is mailed. The hearing request must specifically state the reasons for seeking review of the order. The person who requested the hearing and the commissioner are the parties to the expedited hearing. The hearing shall be commenced within ten days after the commissioner receives the request for hearing. The hearing shall be conducted under Minnesota Rules, parts 1400.8510 to 1400.8612, as modified by this subdivision. The administrative law judge shall issue a report containing findings of fact, conclusions of law, and a recommended order within ten days after the completion of the hearing, the receipt of late-filed exhibits, or the submission of written arguments, whichever is later. Any party aggrieved by the administrative law judge's report shall have five days after the date of the administrative law judge's report to submit written exceptions and argument to the commissioner that the commissioner shall consider and enter in the record. Within 15 days after receiving the administrative law judge's report, the commissioner shall issue an order vacating, modifying, or making permanent the stop work order. The commissioner and the person requesting the hearing may by agreement lengthen any time periods described in this paragraph. The Office of Administrative Hearings may, in consultation with the agency, adopt rules specifically applicable to cases under this subdivision.

~~(f)~~ (h) A stop work order issued under this subdivision ~~shall be~~ is in effect until it is lifted by the commissioner under paragraph (b) or is modified or vacated by the commissioner or an appellate court under paragraph (b). The administrative hearing provided by this subdivision and any appellate judicial review as provided in chapter 14 shall constitute the exclusive remedy for any person aggrieved by a stop order.

(i) The commissioner may assess a civil penalty of $5,000 per day against a person for each day the person conducts business operations that are in violation of a stop work order issued under this section.

(j) Once a stop work order becomes final, any of the person's employees affected by a stop work order issued pursuant to this subdivision shall be entitled to average daily earnings from the person for up to the first ten days of work lost by the employee because of the issuance of a stop work order. Lifting of a stop work order may be conditioned on payment of wages to employees. The commissioner may issue an order to comply under section 177.27 to obtain payment from persons liable for the payment of wages owed to the employees under this section.

~~(g)~~ (k) Upon the application of the commissioner, a district court shall find the failure of any person to comply with a final stop work order lawfully issued by the commissioner under this subdivision as a contempt of court.

(l) Notwithstanding section 13.39, the data in a stop work order issued under this subdivision are classified as public data after the commissioner has issued the order.

EFFECTIVE DATE. This section is effective August 1, 2024, for contracts entered into on or after that date and for all building and construction or improvement services provided or performed on or after January 1, 2025.

Sec. 22. Minnesota Statutes 2022, section 326B.082, subdivision 11, is amended to read:

Subd. 11. **Licensing orders; grounds; reapplication.** (a) The commissioner may deny an application for a permit, license, registration, or certificate if the applicant does not meet or fails to maintain the minimum qualifications for holding the permit, license, registration, or certificate, or has any unresolved violations ~~or~~, unpaid fees, or monetary damages or penalties related to the activity for which the permit, license, registration, or certificate has been applied for or was issued.

(b) The commissioner may deny, suspend, limit, place conditions on, or revoke a person's permit, license, registration, or certificate, or censure the person holding or acting as qualifying person for the permit, license, registration, or certificate, if the commissioner finds that the person:

(1) committed one or more violations of the applicable law;

(2) committed one or more violations of chapter 176, 177, 181, 181A, 182, 268, 270C, or 363A;

~~(2)~~ (3) submitted false or misleading information to ~~the~~ any state agency in connection with activities for which the permit, license, registration, or certificate was issued, or in connection with the application for the permit, license, registration, or certificate;

~~(3)~~ (4) allowed the alteration or use of the person's own permit, license, registration, or certificate by another person;

~~(4)~~ (5) within the previous five years, was convicted of a crime in connection with activities for which the permit, license, registration, or certificate was issued;

~~(5)~~ (6) violated: (i) a final administrative order issued under subdivision 7, (ii) a final stop work order issued under subdivision 10, (iii) injunctive relief issued under subdivision 9, or (iv) a consent order, order to comply, or other final order ~~of~~ issued by the commissioner or the commissioner of human rights, employment and economic development, or revenue;

~~(6)~~ (7) delayed, obstructed, or otherwise failed to cooperate with a commissioner's investigation, including a request to give testimony, to provide data and information, to produce documents, things, apparatus, devices, equipment, or materials, or to enter and access all areas of any property ~~under subdivision 2~~;

~~(7)~~ (8) retaliated in any manner against any employee or person who makes a complaint, is questioned by, cooperates with, or provides information to the commissioner ~~or an employee or agent authorized by the commissioner who seeks access to property or things under subdivision 2~~;

~~(8)~~ (9) engaged in any fraudulent, deceptive, or dishonest act or practice; or

~~(9)~~ (10) performed work in connection with the permit, license, registration, or certificate or conducted the person's affairs in a manner that demonstrates incompetence, untrustworthiness, or financial irresponsibility.

(c) In addition to any person, a licensing order may be issued to any individual identified in section 181.723, subdivision 7, paragraph (d). A licensing order is effective against any successor person as defined in section 181.723, subdivision 7, paragraph (e).

~~(c)~~ (d) If the commissioner revokes or denies a person's permit, license, registration, or certificate under paragraph (b), the person is prohibited from reapplying for the same type of permit, license, registration, or certificate for at least two years after the effective date of the revocation or denial. The commissioner may, as a condition of reapplication, require the person to obtain a bond or comply with additional reasonable conditions the commissioner considers necessary to protect the public, including but not limited to demonstration of current and ongoing compliance with the laws the violation of which were the basis for revoking or denying the person's permit, license, registration, or certificate under paragraph (b) or that the person has ceased and desisted in engaging in activities under paragraph (b) that were the basis for revoking or denying the person's permit, license, registration, or certificate under paragraph (b).

~~(d)~~ (e) If a permit, license, registration, or certificate expires, or is surrendered, withdrawn, or terminated, or otherwise becomes ineffective, the commissioner may institute a proceeding under this subdivision within two years after the permit, license, registration, or certificate was last effective and enter a revocation or suspension order as of the last date on which the permit, license, registration, or certificate was in effect.

Sec. 23. Minnesota Statutes 2022, section 326B.082, subdivision 13, is amended to read:

Subd. 13. **Summary suspension.** In any case where the commissioner has issued an order to revoke, suspend, or deny a license, registration, certificate, or permit under subdivisions 11, paragraph (b), and 12, the commissioner may summarily suspend the person's permit, license, registration, or certificate before the order becomes final. The commissioner shall issue a summary suspension order when the safety of life or property is threatened or to prevent the commission of fraudulent, deceptive, untrustworthy, or dishonest acts against the public, including but not limited to violations of section 181.723, subdivision 7. The summary suspension shall not affect the deadline for submitting a request for hearing under subdivision 12. If the commissioner summarily suspends a person's permit, license, registration, or certificate, a timely request for hearing submitted under subdivision 12 shall also be considered a timely request for hearing on continuation of the summary suspension. If the commissioner summarily suspends a person's permit, license, registration, or certificate under this subdivision and the person submits a timely request for a hearing, then a hearing on continuation of the summary suspension must be held within ten days after the commissioner receives the request for hearing unless the parties agree to a later date.

Sec. 24. Minnesota Statutes 2022, section 326B.082, is amended by adding a subdivision to read:

Subd. 16a. **Additional penalties and damages.** Any person who delays, obstructs, or otherwise fails to cooperate with the commissioner's investigation may be issued a penalty of $1,000. Each day of delay, obstruction, or failure to cooperate shall constitute a separate violation.

Sec. 25. Minnesota Statutes 2022, section 326B.701, is amended to read:

326B.701 CONSTRUCTION CONTRACTOR REGISTRATION.

Subdivision 1. **Definitions.** The following definitions apply to this section:

(a) "Building construction or improvement services" means public or private sector commercial or residential building construction or improvement services.

~~(a)~~ (b) "Business entity" means a person ~~other than an individual or a sole proprietor~~ as that term is defined in paragraph (h), except the term does not include an individual.

(c) "Commissioner" means the commissioner of labor and industry or a duly designated representative of the commissioner who is either an employee of the Department of Labor and Industry or person working under contract with the Department of Labor and Industry.

(d) "Day" means calendar day unless otherwise provided.

(e) "Department" means the Department of Labor and Industry.

~~(b)~~ (f) "Document" or "documents" includes papers; books; records; memoranda; data; contracts; drawings; graphs; charts; photographs; digital, video, and audio recordings; records; accounts; files; statements; letters; emails; invoices; bills; notes; and calendars maintained in any form or manner.

(g) "Individual" means a human being.

(h) "Person" means any individual, sole proprietor, limited liability company, limited liability partnership, corporation, partnership, incorporated or unincorporated association, joint stock company, or any other legal or commercial entity.

Subd. 2. **Applicability; registration requirement.** ~~(a) Persons who perform public or private sector commercial or residential building construction or improvement services as described in subdivision 2 must register with the commissioner as provided in this section. The purpose of registration is to assist the Department of Labor and Industry, the Department of Employment and Economic Development, and the Department of Revenue to enforce laws related to misclassification of employees.~~

~~(b)~~ (a) Except as provided in paragraph ~~(c)~~ (b), any person who provides or performs building construction or improvement services in the state ~~on or after September 15, 2012,~~ of Minnesota must register with the commissioner as provided in this section before providing or performing building construction or improvement services ~~for another person~~. The requirements for registration under this section are not a substitute for, and do not relieve a person from complying with, any other law requiring that the person be licensed, registered, or certified.

~~(c)~~ (b) The registration requirements in this section do not apply to:

(1) a person who, at the time the person is providing or performing the building construction or improvement services, holds a current license, certificate, or registration under chapter 299M or 326B;

~~(2) a person who holds a current independent contractor exemption certificate issued under this section that is in effect on September 15, 2012, except that the person must register under this section no later than the date the exemption certificate expires, is revoked, or is canceled;~~

~~(3)~~ (2) a person who has given a bond to the state under section 326B.197 or 326B.46;

~~(4)~~ (3) an employee of the person providing or performing the building construction or improvement services~~, if the person was in compliance with laws related to employment of the individual at the time the construction services were performed~~;

~~(5)~~ (4) an architect or professional engineer engaging in professional practice as defined in section 326.02, subdivisions 2 and 3;

~~(6)~~ (5) a school district or technical college governed under chapter 136F;

~~(7)~~ (6) a person providing or performing building construction or improvement services on a volunteer basis, including but not limited to Habitat for Humanity and Builders Outreach Foundation, and their individual volunteers when engaged in activities on their behalf; or

~~(8)~~ (7) a person exempt from licensing under section 326B.805, subdivision 6, clause ~~(5)~~ (4).

Subd. 3. **Registration application.** (a) Persons required to register under this section must submit electronically, in the manner prescribed by the commissioner, a complete application according to ~~paragraphs (b) to (d)~~ this subdivision.

(b) A complete application must include all of the following information and documentation about ~~any individual who is registering as an individual or a sole proprietor, or who owns 25 percent or more of a business entity being registered~~ the person who is applying for a registration:

(1) the ~~individual's full~~ person's legal name ~~and title at the applicant's business~~;

(2) the person's assumed names filed with the secretary of state, if applicable;

~~(2)~~ (3) the ~~individual's business address and~~ person's telephone number;

~~(3) the percentage of the applicant's business owned by the individual; and~~

~~(4) the individual's Social Security number.~~

~~(c) A complete application must also include the following information:~~

~~(1) the applicant's legal name; assumed name filed with the secretary of state, if any; designated business address; physical address; telephone number; and email address;~~

~~(2) the applicant's Minnesota tax identification number, if one is required or has been issued;~~

~~(3) the applicant's federal employer identification number, if one is required or has been issued;~~

~~(4) evidence of the active status of the applicant's business filings with the secretary of state, if one is required or has been issued;~~

~~(5) whether the applicant has any employees at the time the application is filed;~~

~~(6) the names of all other persons with an ownership interest in the business entity who are not identified in paragraph (b), and the percentage of the interest owned by each person, except that the names of shareholders with less than ten percent ownership in a publicly traded corporation need not be provided;~~

~~(7) information documenting compliance with workers' compensation and unemployment insurance laws;~~

(4) the person's email address;

(5) the person's business address;

(6) the person's physical address, if different from the business address;

(7) the legal name, telephone number, and email address of the person's registered agent, if applicable, and the registered agent's business address and physical address, if different from the business address;

(8) the jurisdiction in which the person is organized, if that jurisdiction is not in Minnesota, as applicable;

(9) the legal name of the person in the jurisdiction in which it is organized, if the legal name is different than the legal name provided in clause (1), as applicable;

(10) all of the following identification numbers, if all of these identification numbers have been issued to the person. A complete application must include at least one of the following identification numbers:

(i) the person's Social Security number;

(ii) the person's Minnesota tax identification number; or

(iii) the person's federal employer identification number;

(11) evidence of the active status of the person's business filings with the secretary of state, if applicable;

(12) whether the person has any employees at the time the application is filed, and if so, how many employees the person employs;

(13) the legal names of all persons with an ownership interest in the business entity, if applicable, and the percentage of the interest owned by each person, except that the names of shareholders with less than ten percent ownership in a publicly traded corporation need not be provided;

(14) information documenting the person's compliance with workers' compensation and unemployment insurance laws for the person's employees, if applicable;

(15) whether the person or any persons with an ownership interest in the business entity as disclosed under clause (13) have been issued a notice of violation, administrative order, licensing order, or order to comply by the Department of Labor and Industry in the last ten years;

~~(8)~~ (16) a certification that the ~~person~~ individual signing the application has: reviewed it; ~~determined~~ asserts that the information and documentation provided is true and accurate; and ~~determined~~ that the ~~person signing~~ individual is authorized to sign and file the application as an agent or authorized representative of the ~~applicant~~ person. The name of the ~~person~~ individual signing, entered on an electronic application, shall constitute a valid signature of the agent or authorized representative on behalf of the ~~applicant~~ person; and

~~(9)~~ (17) a signed authorization for the Department of Labor and Industry to verify the information and documentation provided on or with the application.

~~(d)~~ (c) A registered person must notify the commissioner within 15 days after there is a change in any of the information on the application as approved. This notification must be provided electronically in the manner prescribed by the commissioner. However, if the ~~business entity~~ structure or legal form of the business entity has changed, the person must submit a new registration application ~~and registration fee, if any, for the new business entity~~.

~~(e) The registered~~ (d) A person must ~~remain registered~~ maintain a current and up-to-date registration while providing or performing building construction or improvement services ~~for another person~~. The provisions of sections 326B.091, 326B.094, 326B.095, and 326B.097 apply to this section. ~~A person with an expired registration shall not provide construction services for another person if registration is required under this section.~~ Registration application and expiration time frames are as follows:

~~(1) all registrations issued on or before December 31, 2015, expire on December 31, 2015;~~

~~(2)~~ (1) all registrations issued after December 31, 2015, expire on the following December 31 of each odd-numbered year; and

~~(3)~~ (2) a person may submit a ~~registration or~~ renewal application starting October 1 of the year the registration expires. If a renewal application is submitted later than December 1 of the expiration year, the registration may expire before the department has issued or denied the ~~registration~~ renewal.

Subd. 4. **Website.** (a) The commissioner shall develop and maintain a website on which ~~applicants for registration~~ persons can submit a registration or renewal application. The website shall be designed to receive and process ~~registration~~ applications and promptly issue registration certificates electronically to successful applicants.

(b) The commissioner shall maintain ~~the certificates of registration on the department's official public website, which shall include~~ the following information on the department's official public website:

(1) the registered person's legal ~~business~~ name, including any assumed name~~, as~~ filed with the secretary of state;

(2) the legal names of the persons with an ownership interest in the business entity;

~~(2)~~ (3) the registered person's business address ~~designated~~ and physical address, if different from the business address, provided on the application; and

~~(3)~~ (4) the effective date of the registration and the expiration date.

Subd. 5. **Prohibited activities related to registration.** (a) The prohibited activities in this subdivision are in addition to those prohibited in ~~sections 326B.081 to 326B.085~~ section 326B.082, subdivision 11.

(b) A person who provides or performs building construction or improvement services ~~in the course of the person's trade, business, occupation, or profession~~ shall not:

(1) ~~contract with~~ provide or perform building construction or improvement services ~~for another person~~ without ~~first~~ being registered, if required ~~by~~ to be registered under this section;

(2) require an individual who is the person's employee to register; or

~~(2) contract with or pay~~ (3) engage another person to provide or perform building construction or improvement services if the other person is required to be registered under this section and is not registered ~~if required by subdivision 2. All payments to an unregistered person for construction services on a single project site shall be considered a single violation~~. It is not a violation of this clause:

(i) for a person to ~~contract with or pay~~ have engaged an unregistered person if the unregistered person ~~was registered at the time the contract for construction services was entered into~~ held a current registration on the date they began providing or performing the building construction or improvement services; or

(ii) for a homeowner or business to ~~contract with or pay~~ engage an unregistered person if the homeowner or business is not in the trade, business, profession, or occupation of performing building construction or improvement services~~; or~~.

~~(3) be penalized for violations of this subdivision that are committed by another person. This clause applies only to violations of this paragraph.~~

(c) Each day a person who is required to be registered provides or performs building construction or improvement services while unregistered shall be considered a separate violation.

Subd. 6. **Investigation and enforcement; remedies; and penalties.** ~~(a) Notwithstanding the maximum penalty amount in section 326B.082, subdivisions 7 and 12, the maximum penalty for failure to register is $2,000, but the commissioner shall forgive the penalty if the person registers within 30 days of the date of the penalty order.~~

~~(b) The penalty for contracting with or paying an unregistered person to perform construction services in violation of subdivision 5, paragraph (b), clause (2), shall be as provided in section 326B.082, subdivisions 7 and 12, but the commissioner shall forgive the penalty for the first violation.~~

The commissioner may investigate and enforce this section under the authority in chapters 177 and 326B.

~~Subd. 7. **Notice requirement.** Notice of a penalty order for failure to register must include a statement that the penalty shall be forgiven if the person registers within 30 days of the date of the penalty order.~~

Subd. 8. **Data classified.** Data in applications and any required documentation submitted to the commissioner under this section are private data on individuals or nonpublic data as defined in section 13.02~~. Data in registration certificates issued by the commissioner are public data;~~ except ~~that~~ for the registration information published on the department's website ~~may be accessed for registration verification purposes only~~. Data that document a suspension, revocation, or cancellation of a ~~certificate~~ registration are public data. ~~Upon request of~~ Notwithstanding its classification as private data on individuals or nonpublic data, data in applications and any required documentation submitted to the commissioner under this section may be used by the commissioner to investigate and take enforcement action related to laws for which the commissioner has enforcement responsibility and the commissioner may share data and documentation with the Department of Revenue, the Department of Commerce, the Department of Human Rights, or the Department of Employment and Economic Development~~,~~. The commissioner may release to the ~~requesting department~~ departments data classified as private or nonpublic under this subdivision or investigative data that are not public under section 13.39 that relate to ~~the issuance or denial of applications or revocations of certificates~~ prohibited activities under this section and section 181.723.

ARTICLE 12
MINORS APPEARING IN INTERNET CONTENT

Section 1. Minnesota Statutes 2022, section 181A.03, is amended by adding a subdivision to read:

Subd. 5a. **Online platform.** "Online platform" means any public-facing website, web application, or digital application, including a mobile application. Online platform includes a social network, advertising network, mobile operating system, search engine, email service, monetization platform to sell digital services, streaming service, paid subscription, or Internet access service.

Sec. 2. Minnesota Statutes 2022, section 181A.03, is amended by adding a subdivision to read:

Subd. 7a. **Content creation.** "Content creation" means content shared on an online platform in exchange for compensation.

Sec. 3. Minnesota Statutes 2022, section 181A.03, is amended by adding a subdivision to read:

Subd. 7b. **Content creator.** "Content creator" means an individual or individuals 18 years of age or older, including family members, who create video content performed in Minnesota in exchange for compensation, and includes any proprietorship, partnership, company, or other corporate entity assuming the name or identity of a particular individual or individuals, or family members, for the purposes of that content creator. Content creator does not include a person under the age of 18 who produces their own video content.

Sec. 4. **[181A.13] COMPENSATION FOR INTERNET CONTENT CREATION.**

Subdivision 1. **Minors featured in content creation.** (a) Except as otherwise provided in this section, a minor is considered engaged in the work of content creation when the following criteria are met at any time during the previous 12-month period:

(1) at least 30 percent of the content creator's compensated video content produced within a 30-day period included the likeness, name, or photograph of any minor. Content percentage is measured by the percentage of time the likeness, name, or photograph of a minor or if more than one minor regularly appears in the creator's content, any of the minors, visually appears or is the subject of an oral narrative in a video segment as compared to the total length of the segment; and

(2) the number of views received per video segment on any online platform met the online platform's threshold for generating compensation or the content creator received actual compensation for video content equal to or greater than $0.01 per view.

(b) A minor under the age of 14 is prohibited from engaging in the work of content creation as provided in paragraph (a). If a minor under the age of 14 is featured by a content creator, the minor shall receive 100 percent of the proceeds of the creator's compensation for the content they have appeared in, less any amount owed to another minor.

(c) A minor who is at least age 14 but under the age of 18 may produce, create, and publish their own content and is entitled to all compensation for their own content creation. A minor engaged in the work of content creation as the producer, creator, and publisher of content must also follow the requirements in paragraph (b).

(d) A minor who appears incidentally in a video that depicts a public event that a reasonable person would know to be broadcast, including a concert, competition, or sporting event, and is published by a content creator is not considered a violation of this section.

Subd. 2. **Records required.** (a) All video content creators whose content features a minor engaged in the work of content creation shall maintain the following records and retain the records until the minor reaches the age of 21:

(1) the name and documentary proof of the age of the minor engaged in the work of content creation;

(2) the amount of content creation that generated compensation as described in subdivision 1 during the reporting period;

(3) the total number of minutes of content creation for which the content creator received compensation during the reporting period;

(4) the total number of minutes a minor was featured in content creation during the reporting period;

(5) the total compensation generated from content creation featuring a minor during the reporting period; and

(6) the amount deposited into the trust account for the benefit of the minor engaged in the work of content creation as required by subdivision 3.

(b) The records required by this subdivision must be readily accessible to the minor for review. The content creator shall provide notice to the minor of the existence of the records.

Subd. 3. **Trust required.** (a) A minor who is engaged in the work of content creation consistent with this section must be compensated by the content creator. The content creator must set aside gross earnings on the video content that includes the likeness, name, or photograph of the minor in a trust account to be preserved for the benefit of the minor until the minor reaches the age of majority, according to the following distribution:

(1) if only one minor meets the content threshold described in subdivision 1, the percentage of total gross earnings on any video segment, including the likeness, name, or photograph of the minor that is equal to or greater than half of the content percentage that includes the minor as described in subdivision 1; or

(2) if more than one minor meets the content threshold described in subdivision 1 and a video segment includes more than one of those minors, the percentage described in clause (1) for all minors in any segment must be equally divided between the minors regardless of differences in percentage of content provided by the individual minors.

(b) A trust account required under this section must, at a minimum, provide that:

(1) the money in the account is available only to the minor engaged in the work of content creation;

(2) the account is held by a bank, corporate fiduciary, or trust company, as those terms are defined in chapter 48A;

(3) the money in the account becomes available to the minor engaged in the work of content creation upon the minor attaining the age of 18 years or upon a declaration that the minor is emancipated; and

(4) that the account meets the requirements of chapter 527, the Uniform Transfers to Minors Act.

(c) If a content creator knowingly or recklessly violates this section, a minor satisfying the criteria described in subdivision 1 may commence a civil action to enforce the provisions of this section regarding the trust account. In any action brought in accordance with this section, the court may award the following damages:

(1) actual damages including any compensation owed under this section;

(2) punitive damages; and

(3) the costs of the action, including attorney fees and litigation costs.

(d) This section does not affect a right or remedy available under any other law of the state.

(e) Nothing in this section shall be interpreted to have any effect on a party that is neither the content creator nor the minor who engaged in the work of content creation.

Subd. 4. **Civil cause of action; violations.** (a) Along with the civil action provided in subdivision 3, paragraph (c), the minor may commence a civil action against the content creator for damages, injunctive relief, and any other relief the court finds just and equitable to enforce this section.

(b) The attorney general may enforce subdivision 1, pursuant to section 8.31, and may recover costs and fees.

Subd. 5. **Content removal.** Content containing the likeness of a child must be deleted and removed from any online platform by the individual who posted the content, the account owner, or another person who has control over the account when the request is made by a minor age 13 or older whose likeness appears in the content, or by an adult who was under the age of 18 when their likeness was used in the content.

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

ARTICLE 13
HOUSING APPROPRIATIONS

Section 1. Laws 2023, chapter 37, article 1, section 2, subdivision 1, is amended to read:

Subdivision 1. **Total Appropriation**	**$792,098,000**	**$ ~~273,298,000~~ 223,298,000**

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

(b) Unless otherwise specified, this appropriation is for transfer to the housing development fund for the programs specified in this section. Except as otherwise indicated, this transfer is part of the agency's permanent budget base.

Sec. 2. Laws 2023, chapter 37, article 1, section 2, subdivision 17, is amended to read:

Subd. 17. **Housing Infrastructure**	100,000,000	~~100,000,000~~ 60,000,000

This appropriation is for the housing infrastructure program for the eligible purposes under Minnesota Statutes, section 462A.37, subdivision 2. This is a onetime appropriation.

Sec. 3. Laws 2023, chapter 37, article 1, section 2, subdivision 29, is amended to read:

Subd. 29. **Community Stabilization**	45,000,000	~~45,000,000~~ 35,000,000

This appropriation is for the community stabilization program. This a onetime appropriation. Of this amount, $10,000,000 is for a grant to AEON for Huntington Place.

Sec. 4. **APPROPRIATION; MINNESOTA HOUSING FINANCE AGENCY.**

$59,255,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of the Minnesota Housing Finance Agency. This appropriation is onetime and in addition to amounts appropriated in 2023. This appropriation is for transfer to the housing development fund. Of this amount:

(1) $50,000,000 is for the housing affordability preservation investment program;

(2) $8,885,000 is for the family homelessness prevention and assistance program under Minnesota Statutes, section 462A.204. Notwithstanding Minnesota Statutes, section 16C.06, $943,000 of this appropriation is allocated to federally recognized American Indian Tribes located in Minnesota. Notwithstanding procurement provisions outlined in Minnesota Statutes, section 16C.06, subdivisions 1, 2, and 6, the agency may award grants to existing program grantees;

(3) $270,000 is for administering the requirements of article 14, sections 18 and 43 to 46; and

(4) $100,000 is for a grant to the Amherst H. Wilder Foundation for the Minnesota homeless study.

Sec. 5. **APPROPRIATION; MINNESOTA MANAGEMENT AND BUDGET.**

$200,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of Minnesota Management and Budget for management analysis and development to facilitate the working group on common interest communities and homeowners associations established in article 15. This is a onetime appropriation.

Sec. 6. **APPROPRIATION; SUPREME COURT.**

$545,000 in fiscal year 2025 is appropriated from the general fund to the supreme court for the implementation of Laws 2023, chapter 52, article 19, section 120, as amended in article 15, section 2. This is a onetime appropriation and is available until June 30, 2026.

ARTICLE 14
HOUSING POLICY

Section 1. Minnesota Statutes 2022, section 15.082, is amended to read:

15.082 OBLIGATIONS OF PUBLIC CORPORATIONS.

Notwithstanding any other law, the state is not liable for obligations of a public corporation created by statute. Upon dissolution of the public corporation, its wholly owned assets become state property. Partially owned assets become state property to the extent that state money was used to acquire them.

This section does not apply to a public corporation governed by chapter 119 or section 469.0121.

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

Sec. 2. Minnesota Statutes 2022, section 462A.02, subdivision 10, is amended to read:

Subd. 10. **Energy ~~conservation~~ decarbonization and climate resilience.** It is further declared that supplies of conventional energy resources are rapidly depleting in quantity and rising in price and that the burden of these occurrences falls heavily upon the citizens of Minnesota generally and persons of low and moderate income in particular. These conditions are adverse to the health, welfare, and safety of all of the citizens of this state. It is further declared that it is a public purpose to ensure the availability of financing to be used by all citizens of the state, while giving preference to low and moderate income people, to assist in the installation in their dwellings of reasonably priced energy conserving systems including the use of alternative energy resources and equipment so that by the improvement of the energy efficiency ~~of~~, clean energy, greenhouse gas emissions reduction, climate resiliency, and other qualified projects for all housing, the adequacy of the total energy supply may be preserved for the benefit of all citizens.

Sec. 3. Minnesota Statutes 2022, section 462A.03, is amended by adding a subdivision to read:

Subd. 2a. **Distressed building.** "Distressed building" means an existing rental housing building:

(1) in which the units are restricted to households at or below 60 percent of the area median income; and

(2) that:

(i) is in foreclosure proceedings;

(ii) has two or more years of negative net operating income;

(iii) has two or more years with a debt service coverage ratio less than one; or

(iv) has necessary costs of repair, replacement, or maintenance that exceed the project reserves available for those purposes.

Sec. 4. Minnesota Statutes 2022, section 462A.03, is amended by adding a subdivision to read:

Subd. 6a. **Recapitalization.** "Recapitalization" means financing for the physical and financial needs of a distressed building, including restructuring and forgiveness of amortizing and deferred debt, principal and interest paydown, interest rate write-down, deferral of debt payments, mortgage payment forbearance, deferred maintenance, security services, property insurance, reasonably necessary capital improvements, funding of reserves for supportive services, and property operations. Recapitalization may include reimbursement to a nonprofit sponsor or owner for expenditures that would have otherwise qualified for recapitalization.

Sec. 5. Minnesota Statutes 2022, section 462A.05, subdivision 3b, is amended to read:

Subd. 3b. **Refinancing mortgages.** The agency may make loans for recapitalization or to refinance the existing indebtedness, of owners of rental property, secured by federally assisted housing for the purpose of obtaining agreement of the owner to participate in the federally assisted rental housing program and to extend any existing low-income affordability restrictions on the housing for the maximum term permitted. For purposes of this subdivision, "federally assisted rental housing" includes housing that is:

(1) subject to a project-based housing or rental assistance payment contract funded by the federal government;

(2) financed by the Rural Housing Service of the United States Department of Agriculture under section 515 of the Housing Act of 1949, as amended; or

(3) financed under section 236; section 221(d)(3) below market interest rate program; section 202; or section 811 of the Housing and Urban Development Act of 1968, as amended.

Sec. 6. Minnesota Statutes 2023 Supplement, section 462A.05, subdivision 14, is amended to read:

Subd. 14. **Rehabilitation loans.** It may agree to purchase, make, or otherwise participate in the making, and may enter into commitments for the purchase, making, or participation in the making, of eligible loans for rehabilitation, with terms and conditions as the agency deems advisable, to persons and families of low and moderate income, and to owners of existing residential housing for occupancy by such persons and families, for the rehabilitation of existing residential housing owned by them. Rehabilitation may include the addition or rehabilitation of a detached accessory dwelling unit. The loans may be insured or uninsured and may be made with security, or may be unsecured, as the agency deems advisable. The loans may be in addition to or in combination with long-term eligible mortgage loans under subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness secured by the property, if refinancing is determined by the agency to be necessary to permit the owner to meet the owner's housing cost without expending an unreasonable portion of the owner's income thereon. No loan for rehabilitation shall be made unless the agency determines that the loan will be used primarily to make the housing more desirable to live in, to increase the market value of the housing, for compliance with state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing, or to accomplish energy ~~conservation-related improvements~~ decarbonization, climate resiliency, and other qualified projects. In unincorporated areas and municipalities not having codes and standards, the agency may, solely for the purpose of administering the provisions of this chapter, establish codes and standards. No loan under this subdivision for the rehabilitation of owner-occupied housing shall be denied solely because the loan will not be used for placing the owner-occupied residential housing in full compliance with all state, county, or municipal building, housing maintenance, fire, health, or similar codes and standards applicable to housing. Rehabilitation loans shall be made only when the agency determines that financing is not otherwise available, in whole or in part,

from private lenders upon equivalent terms and conditions. Accessibility rehabilitation loans authorized under this subdivision may be made to eligible persons and families without limitations relating to the maximum incomes of the borrowers if:

(1) the borrower or a member of the borrower's family requires a level of care provided in a hospital, skilled nursing facility, or intermediate care facility for persons with developmental disabilities;

(2) home care is appropriate; and

(3) the improvement will enable the borrower or a member of the borrower's family to reside in the housing.

The agency may waive any requirement that the housing units in a residential housing development be rented to persons of low and moderate income if the development consists of four or fewer dwelling units, one of which is occupied by the owner.

Sec. 7. Minnesota Statutes 2022, section 462A.05, subdivision 14a, is amended to read:

Subd. 14a. **Rehabilitation loans; existing owner-occupied residential housing.** It may make loans to persons and families of low and moderate income to rehabilitate or to assist in rehabilitating existing residential housing owned and occupied by those persons or families. Rehabilitation may include replacement of manufactured homes. No loan shall be made unless the agency determines that the loan will be used primarily for rehabilitation work necessary for health or safety, essential accessibility improvements, or to improve the energy efficiency ~~of~~, clean energy, greenhouse gas emissions reductions, climate resiliency, and other qualified projects in the dwelling. No loan for rehabilitation of owner-occupied residential housing shall be denied solely because the loan will not be used for placing the residential housing in full compliance with all state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing. The amount of any loan shall not exceed the lesser of (a) a maximum loan amount determined under rules adopted by the agency not to exceed $37,500, or (b) the actual cost of the work performed, or (c) that portion of the cost of rehabilitation which the agency determines cannot otherwise be paid by the person or family without the expenditure of an unreasonable portion of the income of the person or family. Loans made in whole or in part with federal funds may exceed the maximum loan amount to the extent necessary to comply with federal lead abatement requirements prescribed by the funding source. In making loans, the agency shall determine the circumstances under which and the terms and conditions under which all or any portion of the loan will be repaid and shall determine the appropriate security for the repayment of the loan. Loans pursuant to this subdivision may be made with or without interest or periodic payments.

Sec. 8. Minnesota Statutes 2022, section 462A.05, subdivision 14b, is amended to read:

Subd. 14b. **Energy ~~conservation~~ decarbonization and climate resiliency loans.** It may agree to purchase, make, or otherwise participate in the making, and may enter into commitments for the purchase, making, or participating in the making, of loans to persons and families, without limitations relating to the maximum incomes of the borrowers, to assist in energy ~~conservation rehabilitation measures~~ decarbonization, climate resiliency, and other qualified projects for existing housing owned by those persons or families including, but not limited to: weatherstripping and caulking; chimney construction or improvement; furnace or space heater repair, cleaning or replacement; central air conditioner installation, repair, maintenance, or replacement; air source or geothermal heat pump installation, repair, maintenance, or replacement; insulation; windows and doors; and structural or other directly related repairs or installations essential for energy ~~conservation~~ decarbonization, climate resiliency, and

other qualified projects. Loans shall be made only when the agency determines that financing is not otherwise available, in whole or in part, from private lenders upon equivalent terms and conditions. Loans under this subdivision or subdivision 14 may:

(1) be integrated with a utility's on-bill repayment program approved under section 216B.241, subdivision 5d; and

(2) also be made for the installation of on-site solar energy or energy storage systems.

Sec. 9. Minnesota Statutes 2022, section 462A.05, subdivision 15, is amended to read:

Subd. 15. **Rehabilitation grants.** (a) It may make grants to persons and families of low and moderate income to pay or to assist in paying a loan made pursuant to subdivision 14, or to rehabilitate or to assist in rehabilitating existing residential housing owned or occupied by such persons or families. For the purposes of this section, persons of low and moderate income include administrators appointed pursuant to section 504B.425, paragraph (d). No grant shall be made unless the agency determines that the grant will be used primarily to make the housing more desirable to live in, to increase the market value of the housing or for compliance with state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing, or to accomplish energy ~~conservation-related improvements~~ decarbonization, climate resiliency, or other qualified projects. In unincorporated areas and municipalities not having codes and standards, the agency may, solely for the purpose of administering this provision, establish codes and standards. No grant for rehabilitation of owner occupied residential housing shall be denied solely because the grant will not be used for placing the residential housing in full compliance with all state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing. The amount of any grant shall not exceed the lesser of (a) $6,000, or (b) the actual cost of the work performed, or (c) that portion of the cost of rehabilitation which the agency determines cannot otherwise be paid by the person or family without spending an unreasonable portion of the income of the person or family thereon. In making grants, the agency shall determine the circumstances under which and the terms and conditions under which all or any portion thereof will be repaid and shall determine the appropriate security should repayment be required.

(b) The agency may also make grants to rehabilitate or to assist in rehabilitating housing under this subdivision to persons of low and moderate income for the purpose of qualifying as foster parents.

Sec. 10. Minnesota Statutes 2022, section 462A.05, subdivision 15b, is amended to read:

Subd. 15b. **Energy ~~conservation~~ decarbonization and climate resiliency grants.** (a) It may make grants to assist in energy ~~conservation rehabilitation measures~~ decarbonization, climate resiliency, and other qualified projects for existing owner occupied housing including, but not limited to: insulation, storm windows and doors, furnace or space heater repair, cleaning or replacement, chimney construction or improvement, weatherstripping and caulking, ~~and~~ structural or other directly related repairs, or installations essential for energy ~~conservation~~ decarbonization, climate resiliency, and other qualified projects. The grant to any household shall not exceed $2,000.

(b) To be eligible for an emergency energy ~~conservation~~ decarbonization and climate resiliency grant, a household must be certified as eligible to receive emergency residential heating assistance under either the federal or the state program, and either (1) have had a heating cost for the preceding heating season that exceeded 120 percent of the regional average for the preceding heating season for that energy source as determined by the commissioner of employment and economic development, or (2) be eligible to receive a federal energy conservation grant, but be precluded from receiving the grant because of a need for directly related repairs that cannot be paid for under the federal program. The Housing Finance Agency shall make a reasonable effort to determine whether other state or federal loan and grant programs are available and adequate to finance the intended improvements. An emergency energy conservation grant may be made in conjunction with grants or loans from other state or federal programs that finance other needed rehabilitation work. The receipt of a grant pursuant to this section shall not affect the applicant's eligibility for other Housing Finance Agency loan or grant programs.

Sec. 11. Minnesota Statutes 2022, section 462A.05, subdivision 21, is amended to read:

Subd. 21. **Rental property loans.** The agency may make or purchase loans to owners of rental property that is occupied or intended for occupancy primarily by low- and moderate-income tenants and which does not comply with the standards established in section 326B.106, subdivision 1, for the purpose of energy ~~improvements~~ decarbonization, climate resiliency, and other qualified projects necessary to bring the property into full or partial compliance with these standards. For property which meets the other requirements of this subdivision, a loan may also be used for moderate rehabilitation of the property. The authority granted in this subdivision is in addition to and not in limitation of any other authority granted to the agency in this chapter. The limitations on eligible mortgagors contained in section 462A.03, subdivision 13, do not apply to loans under this subdivision. Loans for the improvement of rental property pursuant to this subdivision may contain provisions that repayment is not required in whole or in part subject to terms and conditions determined by the agency to be necessary and desirable to encourage owners to maximize rehabilitation of properties.

Sec. 12. Minnesota Statutes 2022, section 462A.05, subdivision 23, is amended to read:

Subd. 23. **Insuring financial institution loans.** The agency may participate in loans or establish a fund to insure loans, or portions of loans, that are made by any banking institution, savings association, or other lender approved by the agency, organized under the laws of this or any other state or of the United States having an office in this state, to owners of renter-occupied homes or apartments that do not comply with standards set forth in section 326B.106, subdivision 1, without limitations relating to the maximum incomes of the owners or tenants. The proceeds of the insured portion of the loan must be used to pay the costs of improvements, including all related structural and other improvements, that will reduce energy consumption, that will decarbonize, and that will ensure the climate resiliency of housing.

Sec. 13. Minnesota Statutes 2023 Supplement, section 462A.05, subdivision 45, is amended to read:

Subd. 45. **Indian Tribes.** Notwithstanding any other provision in this chapter, at its discretion the agency may make any federally recognized Indian Tribe in Minnesota, or their associated Tribally Designated Housing Entity (TDHE) as defined by United States Code, title 25, section 4103(22), eligible for agency funding ~~authorized under this chapter~~.

Sec. 14. **[462A.051] WAGE THEFT PREVENTION AND USE OF RESPONSIBLE CONTRACTORS.**

Subdivision 1. **Application.** This section applies to all forms of financial assistance provided by the Minnesota Housing Finance Agency, as well as the allocation of federal low-income housing credits, for the development, construction, rehabilitation, renovation, or retrofitting of multiunit residential housing, including loans, grants, tax credits, loan guarantees, loan insurance, and other financial assistance.

Subd. 2. **Disclosures.** An applicant for financial assistance under this chapter shall disclose in the application any conviction, court judgment, agency determination, legal settlement, ongoing criminal or civil investigation, or lawsuit involving alleged violations of sections 177.24, 177.25, 177.32, 177.41 to 177.44, 181.03, 181.101, 181.13, 181.14, 181.722, 181.723, 181A.01 to 181A.12, or 609.52, subdivision 2, paragraph (a), clause (19), or United States Code, title 29, sections 201 to 219, or title 40, sections 3141 to 3148, arising or occurring within the preceding five years on a construction project owned or managed by the developer or owner of the proposed project, the intended general contractor for the proposed project, or any of their respective parent companies, subsidiaries, or other affiliated companies. An applicant for financial assistance shall make the disclosures required by this subdivision available within 14 calendar days to any member of the public who submits a request by mail or electronic correspondence. The applicant shall designate a public information officer who will serve as a point of contact for public inquiries.

Subd. 3. **Responsible contractors required.** As a condition of receiving financial assistance, the applicant shall verify that every contractor or subcontractor of any tier performing work on the proposed project meets the minimum criteria to be a responsible contractor under section 16C.285, subdivision 3. This verification must meet the criteria defined in section 16C.285, subdivision 4.

Subd. 4. **Certified contractor lists.** As a condition of receiving financial assistance, the applicant shall have available at the development site main office a list of every contractor and subcontractor of any tier that performs work or is expected to perform work on the proposed project, as described in section 16C.285, subdivision 5, including the following information for each contractor and subcontractor: business name, scope of work, Department of Labor and Industry registration number, business name of the entity contracting its services, business telephone number and email address, and actual or anticipated number of workers on the project. The applicant shall establish the initial contractor list 30 days before the start of construction and shall update the list each month thereafter until construction is complete. The applicant shall post the contractor list in a conspicuous location at the project site and make the contractor list available to members of the public upon request.

Subd. 5. **Wage theft remedy.** If any contractor or subcontractor of any tier is found to have failed to pay statutorily required wages under section 609.52, subdivision 1, clause (13), on a project receiving financial assistance or an allocation of federal low-income housing tax credits from or through the agency, the recipient is responsible for correcting the violation.

Subd. 6. **Wage theft prevention plans; disqualification.** (a) If any contractor or subcontractor of any tier fails to pay statutorily required wages on a project receiving financial assistance from or through the agency as determined by an enforcement entity, the recipient must have a wage theft prevention plan to be eligible for further financial assistance from the agency. The project developer's wage theft prevention plan must describe detailed measures that the project developer and its general contractor have taken and are committed to take to prevent wage theft on the project, including provisions in any construction contracts and subcontracts on the project. The plan must be submitted to the Department of Labor and Industry who will review the plan. The Department of Labor and Industry may require the project developer to amend the plan or adopt policies or protocols in the plan. Once approved by the Department of Labor and Industry, the wage theft prevention plan must be submitted by the project developer to the agency with any subsequent application for financial assistance from the agency. Such wage theft prevention plans shall be made available to members of the public by the agency upon request.

(b) A developer is disqualified from receiving financial assistance from or through the agency for three years if any of the developer's contractors or subcontractors of any tier are found by an enforcement agency to have, within three years after entering into a wage theft prevention plan under paragraph (a), failed to pay statutorily required wages on a project receiving financial assistance from or through the agency for a total underpayment of $25,000 or more.

Subd. 7. **Enforcement.** The agency may deny an application for financial assistance that does not comply with this section or if the applicant refuses to enter into the agreements required by this section. The agency may withhold financial assistance that has been previously approved if the agency determines that the applicant has engaged in unacceptable practices by failing to comply with this section until the violation is cured.

EFFECTIVE DATE. This section is effective for financial assistance provided after August 1, 2024, except Minnesota Statutes, section 462A.051, subdivision 2, does not apply to requests for proposals that were initiated prior to August 1, 2024.

Sec. 15. Minnesota Statutes 2022, section 462A.07, is amended by adding a subdivision to read:

Subd. 18. **Rent and income limits.** Notwithstanding any law to the contrary, to promote efficiency in program administration, underwriting, and compliance, the commissioner may adjust income or rent limits for any multifamily capital funding program authorized under state law to align with federal rent or income limits in sections 42 and 142 of the Internal Revenue Code of 1986, as amended. Adjustments made under this subdivision are exempt from the rulemaking requirements of chapter 14.

Sec. 16. Minnesota Statutes 2022, section 462A.07, is amended by adding a subdivision to read:

Subd. 19. **Eligibility for agency programs.** The agency may determine that a household or project unit meets the rent or income requirements for a program if the household or unit receives or participates in income-based state or federal public assistance benefits, including but not limited to:

(1) child care assistance programs under chapter 119B;

(2) general assistance, Minnesota supplemental aid, or food support under chapter 256D;

(3) housing support under chapter 256I;

(4) Minnesota family investment program and diversionary work program under chapter 256J; and

(5) economic assistance programs under chapter 256P.

Sec. 17. Minnesota Statutes 2022, section 462A.202, subdivision 3a, is amended to read:

Subd. 3a. **Permanent rental housing.** The agency may make loans, with or without interest, to cities and counties to finance the construction, acquisition, or rehabilitation of affordable, permanent, publicly owned rental housing, including housing owned by a public corporation created pursuant to section 469.0121. Loans made under this subdivision are subject to the restrictions of subdivision 7. In making loans under this subdivision, the agency shall give priority to projects that increase the supply of affordable family housing.

Sec. 18. **[462A.2096] ANNUAL PROJECTION OF EMERGENCY RENTAL ASSISTANCE NEEDS.**

The agency must develop a projection of emergency rental assistance needs in consultation with the commissioner of human services and representatives from county and Tribal housing administrators and housing nonprofit agencies. The projection must identify the amount of funding required to meet all emergency rental assistance needs, including the family homelessness prevention and assistance program, the emergency assistance program, and emergency general assistance. By January 15 each year, the commissioner must submit a report on the projected need for emergency rental assistance to the chairs and ranking minority members of the legislative committees having jurisdiction over housing and human services finance and policy.

Sec. 19. Minnesota Statutes 2022, section 462A.21, subdivision 7, is amended to read:

Subd. 7. **Energy efficiency loans.** The agency may make loans to low and moderate income persons who own existing residential housing for the purpose of improving the ~~efficient~~ energy ~~utilization~~ decarbonization and climate resiliency of the housing. Permitted improvements shall include installation or upgrading of ceiling, wall, floor and duct insulation, storm windows and doors, and caulking and weatherstripping. The improvements shall not be inconsistent with the energy standards as promulgated as part of the State Building Code; provided that the improvements need not bring the housing into full compliance with the energy standards. Any loan for such purpose shall be made only upon determination by the agency that such loan is not otherwise available, wholly or in part,

from private lenders upon equivalent terms and conditions. The agency may promulgate rules as necessary to implement and make specific the provisions of this subdivision. The rules shall be designed to permit the state, to the extent not inconsistent with this chapter, to seek federal grants or loans for energy ~~purposes~~ decarbonization, climate resiliency, and other qualified projects.

Sec. 20. Minnesota Statutes 2022, section 462A.21, subdivision 8b, is amended to read:

Subd. 8b. **Family rental housing.** It may establish a family rental housing assistance program to provide loans or direct rental subsidies for housing for families with incomes of up to 80 percent of state median income, or to provide grants for the operating cost of public housing. Priority must be given to those developments with resident families with the lowest income. The development may be financed by the agency or other public or private lenders. Direct rental subsidies must be administered by the agency for the benefit of eligible families. Financial assistance provided under this subdivision to recipients of aid to families with dependent children must be in the form of vendor payments whenever possible. Loans, grants, and direct rental subsidies under this subdivision may be made only with specific appropriations by the legislature. The limitations on eligible mortgagors contained in section 462A.03, subdivision 13, do not apply to loans for the recapitalization or rehabilitation of existing housing under this subdivision.

Sec. 21. Minnesota Statutes 2023 Supplement, section 462A.22, subdivision 1, is amended to read:

Subdivision 1. **Debt ceiling.** The aggregate principal amount of general obligation bonds and notes which are outstanding at any time, excluding the principal amount of any bonds and notes refunded by the issuance of new bonds or notes, shall not exceed the sum of ~~$5,000,000,000~~ $7,000,000,000.

Sec. 22. Minnesota Statutes 2022, section 462A.222, is amended by adding a subdivision to read:

Subd. 5. **Limitation on rental increases.** (a) This subdivision applies to any project that is restricted to seniors, as defined by section 462A.37, subdivision 1, paragraph (h), and that receives low-income housing tax credits provided under section 42 of the Internal Revenue Code of 1986, as amended. The rent in a project may not increase in any 12-month period by a percentage more than the greater of:

(1) the percentage that benefit amounts for Social Security or Supplemental Security Income recipients were increased pursuant to United States Code, title 42, sections 415(i) and 1382f, in the preceding 12-month period; or

(2) zero percent.

(b) This subdivision does not apply to projects owned by a nonprofit entity or to a unit occupied by an individual receiving ongoing government-subsidized rental assistance.

Sec. 23. Minnesota Statutes 2022, section 462A.35, subdivision 2, is amended to read:

Subd. 2. **Expending funds.** The agency may expend the money in the Minnesota manufactured home relocation trust fund to the extent necessary to carry out the objectives of section 327C.095, subdivision 13, by making payments to manufactured home owners, or other parties approved by the third-party neutral, under subdivision 13, paragraphs (a) and (e), and to pay the costs of administering the fund. Money in the fund is appropriated to the agency for these purposes and ~~to the commissioner of management and budget~~ to pay costs incurred ~~by the commissioner of management and budget~~ to administer the fund.

Sec. 24. Minnesota Statutes 2023 Supplement, section 462A.37, subdivision 2, is amended to read:

Subd. 2. **Authorization.** (a) The agency may issue up to $30,000,000 in aggregate principal amount of housing infrastructure bonds in one or more series to which the payment made under this section may be pledged. The housing infrastructure bonds authorized in this subdivision may be issued to fund loans, or grants for the purposes of clauses (4) and (7), on terms and conditions the agency deems appropriate, made for one or more of the following purposes:

(1) to finance the costs of the construction, acquisition, recapitalization, and rehabilitation of supportive housing where at least 50 percent of units are set aside for individuals and families who are without a permanent residence;

(2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned housing to be used for affordable rental housing or for affordable home ownership and the costs of new construction of rental housing on abandoned or foreclosed property where the existing structures will be demolished or removed;

(3) to finance that portion of the costs of acquisition of property that is attributable to the land to be leased by community land trusts to low- and moderate-income home buyers;

(4) to finance the acquisition, improvement, and infrastructure of manufactured home parks under section 462A.2035, subdivision 1b;

(5) to finance the costs of acquisition, rehabilitation, adaptive reuse, recapitalization, or new construction of senior housing;

(6) to finance the costs of acquisition, rehabilitation, recapitalization, and replacement of federally assisted rental housing and for the refinancing of costs of the construction, acquisition, and rehabilitation of federally assisted rental housing, including providing funds to refund, in whole or in part, outstanding bonds previously issued by the agency or another government unit to finance or refinance such costs;

(7) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction of single-family housing; ~~and~~

(8) to finance the costs of construction, acquisition, recapitalization, and rehabilitation of permanent housing that is affordable to households with incomes at or below 50 percent of the area median income for the applicable county or metropolitan area as published by the Department of Housing and Urban Development, as adjusted for household size;

(9) to finance the recapitalization of a distressed building; and

(10) to finance the costs of construction, acquisition, recapitalization, rehabilitation, conversion, and development of cooperatively owned housing created under chapter 308A or 308B that is affordable to low- and moderate-income households.

(b) Among comparable proposals for permanent supportive housing, preference shall be given to permanent supportive housing for veterans and other individuals or families who:

(1) either have been without a permanent residence for at least 12 months or at least four times in the last three years; or

(2) are at significant risk of lacking a permanent residence for 12 months or at least four times in the last three years.

(c) Among comparable proposals for senior housing, the agency must give priority to requests for projects that:

(1) demonstrate a commitment to maintaining the housing financed as affordable to senior households;

(2) leverage other sources of funding to finance the project, including the use of low-income housing tax credits;

(3) provide access to services to residents and demonstrate the ability to increase physical supports and support services as residents age and experience increasing levels of disability; and

(4) include households with incomes that do not exceed 30 percent of the median household income for the metropolitan area.

(d) To the extent practicable, the agency shall balance the loans made between projects in the metropolitan area and projects outside the metropolitan area. Of the loans made to projects outside the metropolitan area, the agency shall, to the extent practicable, balance the loans made between projects in counties or cities with a population of 20,000 or less, as established by the most recent decennial census, and projects in counties or cities with populations in excess of 20,000.

(e) Among comparable proposals for permanent housing, the agency must give preference to projects that will provide housing that is affordable to households at or below 30 percent of the area median income.

(f) If a loan recipient uses the loan for new construction or substantial rehabilitation as defined by the agency on a building containing more than four units, the loan recipient must construct, convert, or otherwise adapt the building to include:

(1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are accessible units, as defined by section 1002 of the current State Building Code Accessibility Provisions for Dwelling Units in Minnesota, and include at least one roll-in shower in at least one accessible unit as defined by section 1002 of the current State Building Code Accessibility Provisions for Dwelling Units in Minnesota; and

(2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are sensory-accessible units that include:

(A) soundproofing between shared walls for first and second floor units;

(B) no florescent lighting in units and common areas;

(C) low-fume paint;

(D) low-chemical carpet; and

(E) low-chemical carpet glue in units and common areas.

Nothing in this paragraph relieves a project funded by the agency from meeting other applicable accessibility requirements.

Sec. 25. Minnesota Statutes 2022, section 462A.37, is amended by adding a subdivision to read:

Subd. 2j. **Additional authorization.** In addition to the amount authorized in subdivisions 2 to 2i, the agency may issue up to $50,000,000.

Sec. 26. Minnesota Statutes 2023 Supplement, section 462A.37, subdivision 5, is amended to read:

Subd. 5. **Additional appropriation.** (a) The agency must certify annually to the commissioner of management and budget the actual amount of annual debt service on each series of bonds issued under this section.

(b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure bonds issued under subdivision 2a, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed $6,400,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure bonds issued under subdivision 2b, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed $800,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(d) Each July 15, beginning in 2019 and through 2040, if any housing infrastructure bonds issued under subdivision 2c, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed $2,800,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(e) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure bonds issued under subdivision 2d, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(f) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure bonds issued under subdivision 2e, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(g) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure bonds issued under subdivision 2f, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(h) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure bonds issued under subdivision 2g, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(i) Each July 15, beginning in 2023 and through 2044, if any housing infrastructure bonds issued under subdivision 2h, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(j) Each July 15, beginning in 2026 and through 2047, if any housing infrastructure bonds issued under subdivision 2j, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

~~(j)~~ (k) The agency may pledge to the payment of the housing infrastructure bonds the payments to be made by the state under this section.

Sec. 27. Minnesota Statutes 2023 Supplement, section 462A.39, subdivision 2, is amended to read:

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

(b) "Eligible project area" means a home rule charter or statutory city located outside of a metropolitan county as defined in section 473.121, subdivision 4~~, with a population exceeding 500; a community that has a combined population of 1,500 residents located within 15 miles of a home rule charter or statutory city located outside a metropolitan county as defined in section 473.121, subdivision 4~~; federally recognized Tribal reservations; or an area served by a joint county-city economic development authority.

(c) "Joint county-city economic development authority" means an economic development authority formed under Laws 1988, chapter 516, section 1, as a joint partnership between a city and county and excluding those established by the county only.

(d) "Market rate residential rental properties" means properties that are rented at market value, including new modular homes, new manufactured homes, and new manufactured homes on leased land or in a manufactured home park, and may include rental developments that have a portion of income-restricted units.

(e) "Qualified expenditure" means expenditures for market rate residential rental properties including acquisition of property; construction of improvements; and provisions of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related financing costs.

Sec. 28. Minnesota Statutes 2022, section 462A.40, subdivision 2, is amended to read:

Subd. 2. **Use of funds; grant and loan program.** (a) The agency may award grants and loans to be used for multifamily and single family developments for persons and families of low and moderate income. Allowable use of the funds include: gap financing, as defined in section 462A.33, subdivision 1; new construction; acquisition; rehabilitation; demolition or removal of existing structures; construction financing; permanent financing; interest rate reduction; and refinancing.

(b) The agency may give preference for grants and loans to comparable proposals that include regulatory changes or waivers that result in identifiable cost avoidance or cost reductions, including but not limited to increased density, flexibility in site development standards, or zoning code requirements.

~~(c) The agency shall separately set aside:~~

~~(1) at least ten percent of the financing under this section for housing units located in a township or city with a population of 2,500 or less that is located outside the metropolitan area, as defined in section 473.121, subdivision 2;~~

~~(2) at least 35 percent of the financing under this section for housing for persons and families whose income is 50 percent or less of the area median income for the applicable county or metropolitan area as published by the Department of Housing and Urban Development, as adjusted for household size; and~~

~~(3) at least 25 percent of the financing under this section for single-family housing.~~

~~(d) If by September 1 of each year the agency does not receive requests to use all of the amounts set aside under paragraph (c), the agency may use any remaining financing for other projects eligible under this section.~~

Sec. 29. Minnesota Statutes 2022, section 462A.40, subdivision 3, is amended to read:

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

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

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

(2) an individual who or an individual whose immediate family member owns the housing for which the grant or loan will be used ~~and is using that housing as their domicile~~;

(3) an individual who meets the following criteria:

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

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

(4) an individual who meets the following criteria:

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

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

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

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

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

(3) meets the following criteria:

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

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

(d) ~~The disqualifications in paragraphs (b) and (c) apply if the taxpayer would be disqualified either individually or in combination with one or more members of the taxpayer's family, as defined in the Internal Revenue Code, section 267(c)(4).~~ For purposes of this subdivision, "immediate family" means the taxpayer's spouse, parent or parent's spouse, sibling or sibling's spouse, or child or child's spouse. For a married couple filing a joint return, the limitations in this ~~paragraph~~ subdivision apply collectively to the taxpayer and spouse. ~~For purposes of determining the ownership interest of a taxpayer under paragraph (a), clause (4), the rules under sections 267(c) and 267(e) of the Internal Revenue Code apply.~~

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

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

(g) ~~Except for the set-aside provided in subdivision 2, paragraph (d),~~ Eligible recipients must use the funds to serve households that meet the income limits as provided in section 462A.33, subdivision 5.

Sec. 30. Minnesota Statutes 2022, section 462C.02, subdivision 6, is amended to read:

Subd. 6. **City.** "City" means any statutory or home rule charter city, a county housing and redevelopment authority created by special law or authorized by its county to exercise its powers pursuant to section 469.004, or any public body which (a) is the housing and redevelopment authority in and for a statutory or home rule charter city, the port authority of a statutory or home rule charter city, ~~or~~ an economic development authority of a city established under sections 469.090 to 469.108, or a public corporation created pursuant to section 469.0121, and (b) is authorized by ordinance to exercise, on behalf of a statutory or home rule charter city, the powers conferred by sections 462C.01 to 462C.10.

Sec. 31. Minnesota Statutes 2022, section 469.012, subdivision 2j, is amended to read:

Subd. 2j. **May be in LLP, LLC, or corporation; bound as if HRA.** (a) An authority may become a member or shareholder in and enter into or form limited partnerships, limited liability companies, or corporations for the purpose of developing, constructing, rehabilitating, managing, supporting, or preserving housing projects and housing development projects, including low-income housing tax credit projects. These limited partnerships, limited liability companies, or corporations are subject to all of the provisions of sections 469.001 to 469.047 and other laws that apply to housing and redevelopment authorities, as if the limited partnership, limited liability company, or corporation were a housing and redevelopment authority.

(b) An authority may create a public corporation in accordance with section 469.0121 for the purpose of purchasing, owning, and operating real property converted through the federal Rental Assistance Demonstration program under Public Law 112-55, as amended.

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

Sec. 32. **[469.0121] PUBLIC CORPORATION; RENTAL ASSISTANCE DEMONSTRATION PROGRAM.**

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

(b) "Authority" has the meaning given under section 469.002, subdivision 2.

(c) "Board" means the board of directors of a corporation created under this section.

(d) "Corporation" means a public corporation created under this section.

(e) "RAD" means the federal Rental Assistance Demonstration program under Public Law 112-55, as amended.

Subd. 2. **Public corporation created.** An authority may create a public corporation to purchase, own, and operate real property that has been converted through RAD to preserve and improve public housing properties. A public corporation created under this section is also a political subdivision of the state and is limited to the powers in this section.

Subd. 3. **Corporation powers.** (a) The corporation has the following general powers:

(1) to have succession until dissolved by law;

(2) to sue and be sued in its corporate name;

(3) to adopt, alter, and use a corporate seal which shall be judicially noticed;

(4) to accept, hold, and administer gifts and bequests of money, securities, or other personal property of whatsoever character, absolutely or in trust, for the purposes for which the corporation is created. Unless otherwise restricted by the terms of the gift or bequest, the corporation is authorized to sell, exchange, or otherwise dispose of and to invest or reinvest in such investments as it may determine from time to time the money, securities, or other property given or bequeathed to it. The principal of such corporate funds and the income therefrom, and all other revenues received by it from any source whatsoever shall be placed in such depositories as the board of directors shall determine and shall be subject to expenditure for corporate purposes;

(5) to enter into contracts generally and to execute all instruments necessary or appropriate to carry out its corporate purposes;

(6) to appoint and prescribe the duties of officers, agents, and employees as may be necessary to carry out its work and to compensate them;

(7) to purchase all supplies and materials necessary for carrying out its purposes;

(8) to accept from the United States or the state of Minnesota, or any of their agencies, money or other assistance whether by gift, loan, or otherwise to carry out its corporate purposes, and enter into such contracts with the United States or the state of Minnesota, or any of the agencies of either, or with any of the political subdivisions of the state, as it may deem proper and consistent with the purposes of this section;

(9) to contract and make cooperative agreements with federal, state, and municipal departments and agencies and private corporations, associations, and individuals for the use of the corporation property, including but not limited to rental agreements; and

(10) to acquire real or personal property or any interest therein in any manner authorized under section 469.012, subdivision 1g, including by the exercise of eminent domain.

(b) A corporation may acquire properties converted under RAD, subject to restrictions and conditions compatible with funding acquisitions of and improvements to real property with state general obligation bond proceeds. The commissioner of management and budget must determine the necessary restrictions and conditions under this paragraph.

Subd. 4. **Board of directors.** (a) A corporation is governed by a board of directors as follows:

(1) a member of the city council from the city in which the corporation is incorporated; and

(2) a commissioner of the authority that created the corporation.

(b) The term of a director is six years. Two members of the initial board of directors must be appointed for terms of four years, and one for a term of two years.

(c) Vacancies on the board must be filled by the authority.

(d) Board members must not be compensated for their service as board members other than to be reimbursed for reasonable expenses incurred in connection with their duties as board members. Reimbursement shall be reviewed each year by the state auditor.

(e) The board must annually elect from among its members a chair and other officers necessary for the performance of its duties.

Subd. 5. **Bylaws.** The board of directors must adopt bylaws and rules as it deems necessary for the administration of its functions and the accomplishment of its purpose, including among other matters the establishment of a business office and the rules, the use of the project-based rental assistance properties, and the administration of corporation funds.

Subd. 6. **Place of business.** The board must locate and maintain the corporation's place of business in the city in which the authority that created the corporation is located.

Subd. 7. **Open meetings; data practices.** Meetings of the board are subject to chapter 13D and meetings of the board conducted by interactive technology are subject to section 13D.02. The board is subject to chapter 13, the Minnesota Government Data Practices Act, and shall protect from unlawful disclosure data classified as not public.

Subd. 8. **Compliance.** The corporation must comply with all federal, state, and local laws, rules, ordinances, and other regulations required to own and operate properties as project-based rental assistance properties.

Subd. 9. **Dissolution.** Upon dissolution of the corporation for any reason, its wholly owned assets become property of the authority that created the corporation.

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

Sec. 33. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 1, is amended to read:

Subdivision 1. **Purpose.** The purpose of this section is to help metropolitan local governments to develop and preserve affordable housing and supportive services for residents within their jurisdictions in order to keep families from losing housing and to help those experiencing homelessness find housing.

Sec. 34. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 2, is amended to read:

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

~~(1)~~ (b) "City distribution factor" means the number of households in a tier I city that are cost-burdened divided by the total number of households that are cost-burdened in tier I cities. The number of cost-burdened households shall be determined using the most recent estimates or experimental estimates provided by the American Community Survey of the United States Census Bureau as of May 1 of the aid calculation year~~;~~.

~~(2)~~ (c) "Cost-burdened household" means a household in which gross rent is 30 percent or more of household income or in which homeownership costs are 30 percent or more of household income~~;~~.

~~(3)~~ (d) "County distribution factor" means the number of households in a county that are cost-burdened divided by the total number of households in metropolitan counties that are cost-burdened. The number of cost-burdened households shall be determined using the most recent estimates or experimental estimates provided by the American Community Survey of the United States Census Bureau as of May 1 of the aid calculation year~~;~~.

(e) "Locally funded housing expenditures" means expenditures of the aid recipient, including expenditures by a public corporation or legal entity created by the aid recipient, that are:

(1) funded from the recipient's general fund, a property tax levy of the recipient or its housing and redevelopment authority, or unrestricted money available to the recipient, but not including tax increments; and

(2) expended on one of the following qualifying activities:

(i) financial assistance to residents in arrears on rent, mortgage, utilities, or property tax payments;

(ii) support services, case management services, and legal services for residents in arrears on rent, mortgage, utilities, or property tax payments;

(iii) down payment assistance or homeownership education, counseling, and training;

(iv) acquisition, construction, rehabilitation, adaptive reuse, improvement, financing, and infrastructure of residential dwellings;

(v) costs of operating emergency shelter, transitional housing, supportive housing, or publicly owned housing, including costs of providing case management services and support services; and

(vi) rental assistance.

~~(4)~~ (f) "Metropolitan area" has the meaning given in section 473.121, subdivision 2;

~~(5)~~ (g) "Metropolitan county" has the meaning given in section 473.121, subdivision 4;

~~(6)~~ (h) "Population" has the meaning given in section 477A.011, subdivision 3; and

~~(7)~~ (i) "Tier I city" means a statutory or home rule charter city that is a city of the first, second, or third class and is located in a metropolitan county.

Sec. 35. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 4, is amended to read:

Subd. 4. **Qualifying projects.** (a) Qualifying projects ~~shall~~ include:

(1) emergency rental assistance for households earning less than 80 percent of area median income as determined by the United States Department of Housing and Urban Development;

(2) financial support to nonprofit affordable housing providers in their mission to provide safe, dignified, affordable and supportive housing; ~~and~~

(3) projects designed for the purpose of construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, refinancing, and gap financing of housing to provide affordable housing to households that have incomes which do not exceed, for homeownership projects, 115 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, and for rental housing projects, 80 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, except that the housing developed or rehabilitated with funds under this section must be affordable to the local work force;

(4) financing the operations and management of financially distressed residential properties;

(5) funding of supportive services or staff of supportive services providers for supportive housing as defined by section 462A.37, subdivision 1. Financial support to nonprofit housing providers to finance supportive housing operations may be awarded as a capitalized reserve or as an award of ongoing funding; and

(6) costs of operating emergency shelter facilities, including the costs of providing services.

~~Projects shall be prioritized~~ (b) Recipients must prioritize projects that provide affordable housing to households that have incomes which do not exceed, for homeownership projects, 80 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, and for rental housing projects, 50 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development. Priority may be given to projects that: reduce disparities in home ownership; reduce housing cost burden, housing instability, or homelessness; improve the habitability of homes; create accessible housing; or create more energy- or water-efficient homes.

~~(b)~~ (c) Gap financing is either:

(1) the difference between the costs of the property, including acquisition, demolition, rehabilitation, and construction, and the market value of the property upon sale; or

(2) the difference between the cost of the property and the amount the targeted household can afford for housing, based on industry standards and practices.

~~(c)~~ (d) If aid under this section is used for demolition or removal of existing structures, the cleared land must be used for the construction of housing to be owned or rented by persons who meet the income limits of paragraph (a).

~~(d)~~ (e) If an aid recipient uses the aid on new construction or substantial rehabilitation of a building containing more than four units, the loan recipient must construct, convert, or otherwise adapt the building to include:

(1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are accessible units, as defined by section 1002 of the current State Building Code Accessibility Provisions for Dwelling Units in Minnesota, and include at least one roll-in shower; and

(2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are sensory-accessible units that include:

(A) soundproofing between shared walls for first and second floor units;

(B) no florescent lighting in units and common areas;

(C) low-fume paint;

(D) low-chemical carpet; and

(E) low-chemical carpet glue in units and common areas.

Nothing in this paragraph relieves a project funded by this section from meeting other applicable accessibility requirements.

Sec. 36. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 5, is amended to read:

Subd. 5. **Use of proceeds.** (a) Any funds distributed under this section must be spent on a qualifying project. Funds are considered spent on a qualifying project if:

(1) a tier I city or county demonstrates to the Minnesota Housing Finance Agency that the city or county cannot expend funds on a qualifying project by the deadline imposed by paragraph (b) due to factors outside the control of the city or county; and

(2) the funds are transferred to a local housing trust fund.

Funds transferred to a local housing trust fund under this paragraph must be spent on a project or household that meets the affordability requirements of subdivision 4, paragraph (a).

(b) Funds must be spent by December 31 in the third year following the year after the aid was received. The requirements of this paragraph are satisfied if funds are:

(1) committed to a qualifying project by December 31 in the third year following the year after the aid was received; and

(2) expended by December 31 in the fourth year following the year after the aid was received.

(c) An aid recipient may not use aid money to reimburse itself for prior expenditures.

Sec. 37. Minnesota Statutes 2023 Supplement, section 477A.35, is amended by adding a subdivision to read:

Subd. 5a. **Conditions for receipt.** (a) As a condition of receiving aid under this section, a recipient must commit to using money to supplement, not supplant, existing locally funded housing expenditures, so that they are using the money to create new, or to expand existing, housing programs.

(b) In the annual report required under subdivision 6, a recipient must certify its compliance with this subdivision, including an accounting of locally funded housing expenditures in the prior fiscal year. In a tier I city's or county's first report to the Minnesota Housing Finance Agency, it must document its locally funded housing expenditures in the two prior fiscal years. If a recipient reduces one of its locally funded housing expenditures, the recipient must detail the expenditure, the amount of the reduction, and the reason for the reduction. The certification required under this paragraph must be made available publicly on the website of the recipient.

Sec. 38. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 6, is amended to read:

Subd. 6. **Administration.** (a) The commissioner of revenue must compute the amount of aid payable to each tier I city and county under this section. By August 1 of each year, the commissioner must certify the distribution factors of each tier I city and county to be used in the following year. The commissioner must pay local affordable housing aid annually at the times provided in section 477A.015, distributing the amounts available on the immediately preceding June 1 under the accounts established in section 477A.37, subdivisions 2 and 3.

(b) Beginning in 2025, tier I cities and counties shall submit a report annually, no later than December 1 of each year, to the Minnesota Housing Finance Agency. The report must include documentation of the location of any unspent funds distributed under this section and of qualifying projects completed or planned with funds under this section. If a tier I city or county fails to submit a report, if a tier I city or county fails to spend funds within the timeline imposed under subdivision 5, paragraph (b), ~~or~~ if a tier I city or county uses funds for a project that does not qualify under this section, or if a tier I city or county fails to meet its requirements of subdivision 5a, the Minnesota Housing Finance Agency shall notify the Department of Revenue and the cities and counties that must repay funds under paragraph (c) by February 15 of the following year.

(c) By May 15, after receiving notice from the Minnesota Housing Finance Agency, a tier I city or county must pay to the Minnesota Housing Finance Agency funds the city or county received under this section if the city or county:

(1) fails to spend the funds within the time allowed under subdivision 5, paragraph (b);

(2) spends the funds on anything other than a qualifying project; ~~or~~

(3) fails to submit a report documenting use of the funds~~.~~; or

(4) fails to meet the requirements of subdivision 5a.

(d) The commissioner of revenue must stop distributing funds to a tier I city or county that requests in writing that the commissioner stop payment or that, in three consecutive years, the Minnesota Housing Finance Agency has reported, pursuant to paragraph (b), to have failed to use funds, misused funds, or failed to report on its use of funds.

(e) The commissioner may resume distributing funds to a tier I city or county to which the commissioner has stopped payments in the year following the August 1 after the Minnesota Housing Finance Agency certifies that the city or county has submitted documentation of plans for a qualifying project. The commissioner may resume distributing funds to a tier I city or county to which the commissioner has stopped payments at the request of the city or county in the year following the August 1 after the Minnesota Housing Finance Agency certifies that the city or county has submitted documentation of plans for a qualifying project.

(f) By June 1, any funds paid to the Minnesota Housing Finance Agency under paragraph (c) must be deposited in the housing development fund. Funds deposited under this paragraph are appropriated to the commissioner of the Minnesota Housing Finance Agency for use on the family homeless prevention and assistance program under section 462A.204, the economic development and housing challenge program under section 462A.33, and the workforce and affordable homeownership development program under section 462A.38.

Sec. 39. Laws 2023, chapter 37, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. **Challenge Program**	60,425,000	60,425,000

(a) This appropriation is for the economic development and housing challenge program under Minnesota Statutes, sections 462A.33 and 462A.07, subdivision 14.

(b) Of this amount, $6,425,000 each year shall be made available during the first 11 months of the fiscal year exclusively for housing projects for American Indians. Any funds not committed to housing projects for American Indians within the annual consolidated request for funding processes may be available for any eligible activity under Minnesota Statutes, sections 462A.33 and 462A.07, subdivision 14.

(c) Of the amount in the first year, $5,000,000 is for a grant to Urban Homeworks to expand initiatives pertaining to deeply affordable homeownership in Minneapolis neighborhoods with over 40 percent of residents identifying as Black, Indigenous, or People of Color and at least 40 percent of residents making less than 50 percent of the area median income. The grant is to be used for acquisition, rehabilitation, gap financing as defined in section 462A.33, subdivision 1, and construction of homes to be sold to households with incomes ~~of 50 to~~ at or below 60 percent of the area median income. This is a onetime appropriation~~, and is available until June 30, 2027~~. By December 15 each year ~~until 2027~~, Urban Homeworks must submit a report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy. The report must include the amount used for (1) acquisition, (2) rehabilitation, and (3) construction of housing units, along with the number of housing units acquired, rehabilitated, or constructed, and the amount of the appropriation that has been spent. If any home was sold or transferred within the year covered by the report, Urban Homeworks must include the price at which the home was sold, as well as how much was spent to complete the project before sale.

(d) Of the amount in the first year, $2,000,000 is for a grant to Rondo Community Land Trust. This is a onetime appropriation.

(e) The base for this program in fiscal year 2026 and beyond is $12,925,000.

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

Sec. 40. Laws 2023, chapter 37, article 1, section 2, subdivision 32, is amended to read:

Subd. 32. **Northland Foundation**	1,000,000	-0-

This appropriation is for a grant to Northland Foundation for use on expenditures authorized under Minnesota Statutes, section 462C.16, subdivision 3, to assist and support communities in providing housing locally, and ~~on~~ for assisting local governments to establish local or regional housing trust funds. Northland Foundation may award grants and loans to other entities to expend on authorized expenditures under this section. This appropriation is onetime and available until June 30, 2025.

Sec. 41. Laws 2023, chapter 37, article 2, section 12, subdivision 2, is amended to read:

Subd. 2. **Eligible homebuyer.** For the purposes of this section, an "eligible homebuyer" means an individual:

(1) whose income is at or below 130 percent of area median income;

~~(2) who resides in a census tract where at least 60 percent of occupied housing units are renter-occupied, based on the most recent estimates or experimental estimates provided by the American Community Survey of the United States Census Bureau;~~

~~(3)~~ (2) who is financing the purchase of an eligible property with an interest-free, fee-based mortgage; and

~~(4)~~ (3) who is a first-time homebuyer as defined by Code of Federal Regulations, title 24, section 92.2.

Sec. 42. **TASK FORCE ON LONG-TERM SUSTAINABILITY OF AFFORDABLE HOUSING.**

Subdivision 1. **Establishment.** A task force is established to study the financial health and stability of affordable housing providers and to provide recommendations to the Minnesota legislature to promote long-term sustainability of affordable housing providers, prevent loss of affordable units, and promote housing security for renters.

Subd. 2. **Duties.** (a) The task force must assess underlying financial challenges for affordable housing providers in their pursuit of developing and preserving safe, affordable, and dignified housing, including examining:

(1) factors that are leading to increasing costs, including but not limited to insurance rates, security costs, and rehabilitation needs;

(2) factors that are leading to declining revenues for affordable housing providers, including but not limited to loss of rent and vacancy issues;

(3) the significant financial needs across the entire sector of affordable housing providers; and

(4) the potential impact of loss of housing units under current conditions.

(b) The task force must evaluate the current financing and administrative tools that are being deployed to support housing providers and their effectiveness, including examining:

(1) current funding needs, financing programs, and the availability of funding to assess the level of funding as it relates to overall needs;

(2) administrative tools utilized by the Minnesota Housing Finance Agency to support affordable housing providers; and

(3) the effectiveness of current funding programs and tools.

(c) The task force must evaluate potential solutions to address identified financial challenges for affordable housing providers, including:

(1) additional funding for existing programs and tools;

(2) new financial tools, including new uses of housing infrastructure bonds;

(3) mechanisms to fund supportive services in the development process for new affordable housing projects;

(4) underwriting practices at the Minnesota Housing Finance Agency; and

(5) recommendations for changes to financial or management practices for affordable housing providers.

Subd. 3. **Meetings and report.** The Minnesota Housing Finance Agency shall convene the first meeting of the task force no later than August 31, 2024, and shall provide accessible physical or virtual meeting space as necessary for the task force to conduct its work. The task force must submit final recommendations to the house of representatives and senate housing committees and for the commissioner of the Minnesota Housing Finance Agency no later than February 1, 2025.

Subd. 4. **Membership.** The task force shall consist of 13 members representing a cross section of the affordable housing industry and relevant agency staff. The chair of the house of representatives committee with jurisdiction over housing finance shall appoint four members. The chair of the senate committee with jurisdiction over housing finance shall appoint four members. The commissioner of the Minnesota Housing Finance Agency shall appoint five members. Members must be appointed no later than July 1, 2024.

Subd. 5. **Expiration.** The task force expires upon submission of the final recommendations required under subdivision 4.

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

Sec. 43. **DIRECTION TO COMMISSIONERS OF HUMAN SERVICES AND THE MINNESOTA HOUSING FINANCE AGENCY; EMERGENCY ASSISTANCE PROGRAM MODIFICATIONS.**

(a) The commissioner of the Minnesota Housing Finance Agency, in consultation with the commissioner of human services, shall develop program recommendations for emergency rental assistance that have the flexibility to provide relief for crises within a time frame that corresponds to the emergency and that are simple enough for applicants to understand across all emergency rental assistance programs. In the development of these recommendations, the commissioners must:

(1) recognize differences between administrative and legislative authority and propose legislative changes to the definition of emergency general assistance;

(2) adopt policies and practices that prioritize easy-to-understand eligibility criteria and definitions that prioritize accessible, culturally responsive, and trauma-informed approaches when assisting persons through a crisis; and

(3) develop guidance to emergency rental assistance program administrators that encourage the program administrators to be flexible with the required forms of documentation for the program and to avoid establishing documentation requirements that are likely to be barriers to participation in emergency rental assistance for eligible households.

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

(1) "culturally responsive" means agencies, programs, and providers of services respond respectfully and effectively to people of all cultures, languages, classes, races, ethnic backgrounds, disabilities, religions, genders, sexual orientations, and other identities in a manner that recognizes, values, and affirms differences and eliminates barriers to access; and

(2) "trauma-informed" means to recognize that many people have experienced trauma in their lifetime and that programs must be designed to respond to people with respect and accommodate the needs of people who have or are currently experiencing trauma.

Sec. 44. **E-SIGNATURE OPTIONS FOR RENTAL ASSISTANCE.**

The commissioner of the Minnesota Housing Finance Agency and the commissioner of human services are encouraged to develop uniform e-signature options to be used in applications for emergency general assistance, emergency assistance, and family homeless prevention and assistance program assistance.

Sec. 45. **LANGUAGE ACCESS IN APPLICATIONS FOR RENTAL ASSISTANCE.**

The commissioner of the Minnesota Housing Finance Agency and the commissioner of human services shall research state and federal laws and regulations to determine language access standards applying to the organizations' emergency general assistance, emergency assistance, and family homelessness prevention and assistance programs and shall ensure compliance with all applicable language access requirements. The commissioners are encouraged to identify specific languages into which program materials could be translated to improve access to emergency general assistance, emergency assistance, and family homeless prevention and assistance program assistance and shall translate the materials into the identified languages. The commissioners are encouraged to develop and implement a plan to translate any website applications for emergency general assistance, emergency assistance, and family homeless prevention and assistance program assistance into multilingual website applications.

Sec. 46. **VERIFICATION PROCEDURES FOR RENTAL ASSISTANCE.**

(a) The commissioner of the Minnesota Housing Finance Agency, in consultation with the commissioner of human services, is encouraged to consult with local officials to develop recommendations aimed at simplifying the process of verifying the information in applications for emergency general assistance, emergency assistance, and family homeless prevention and assistance program assistance. In developing recommendations, the commissioners must consider:

(1) allowing self-attestation of emergencies, assets, and income;

(2) allowing verbal authorization by applicants to allow emergency rental assistance administrators to communicate with landlords and utility providers regarding applications for assistance; and

(3) allowing landlords to apply for emergency rental assistance on tenants' behalf.

(b) The commissioners are encouraged to:

(1) prepare recommendations by January 1, 2025; and

(2) report those recommendations to the chairs and ranking minority members of the legislative committees having jurisdiction over housing.

Sec. 47. **HOUSING AFFORDABILITY PRESERVATION INVESTMENT.**

Subdivision 1. **Establishment.** The commissioner of the Minnesota Housing Finance Agency must establish and administer a grant program to support recapitalization of distressed buildings.

Subd. 2. **Definitions.** For purposes of this section:

(1) "distressed building" means an existing rental housing building in which the units are restricted to households at or below 60 percent of the area median income, and that:

(i) is in foreclosure proceedings;

(ii) has two or more years of negative net operating income;

(iii) has two or more years with a debt service coverage ratio of less than one; or

(iv) has necessary costs of repair, replacement, or maintenance that exceed the project reserves available for those purposes; and

(2) "recapitalization" means financing for the physical and financial needs of a distressed building, including restructuring and forgiveness of amortizing and deferred debt, principal and interest paydown, interest rate write-down, deferral of debt payments, mortgage payment forbearance, deferred maintenance, security services, property insurance, capital improvements, funding of reserves for supportive services, and property operations.

Subd. 3. **Grant program.** The commissioner must use a request for proposal process to consider funding requests and award grants to finance recapitalization of distressed buildings. In awarding grants, the commissioner must give priority to distressed buildings most at risk of losing affordable housing.

Subd. 4. **Report.** By February 1, 2025, and November 30, 2025, the commissioner shall submit a report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing and homelessness. The report must detail the number of applications received, the amount of funding requested, the grants awarded, and the number of affordable housing units preserved through awards under this section.

Sec. 48. **REVISOR INSTRUCTION.**

(a) If H. F. 3800 or another substantively similar bill that establishes a new cooperative chapter coded as Minnesota Statutes, chapter 308C, is enacted during the 2024 legislative session, the revisor of statutes must add "308C" to the list of chapters referenced in Minnesota Statutes, section 462A.37, subdivision 2, paragraph (a), clause (10), as amended in this act.

(b) The revisor of statutes shall renumber Minnesota Statutes, section 462A.37, subdivision 2i, as Minnesota Statutes, section 462A.37, subdivision 3a. The revisor shall also make necessary cross-reference changes in Minnesota Statutes.

ARTICLE 15
DISCRIMINATION; CIC; WORKING GROUP

Section 1. **[504B.505] DISCRIMINATION; HOUSING ASSISTANCE.**

(a) A landlord must not discriminate against a tenant based on the tenant's use of federal, state, or local government rental assistance; a housing choice voucher program; or another form of public assistance that helps a tenant pay rent; or refuse to rent to a tenant because the landlord may be responsible for meeting the terms and conditions of a public assistance program. A landlord must not deny a tenant or prospective tenant a viewing or application for a rental unit, deny them the opportunity to rent a unit, or discriminate against a tenant or prospective tenant who uses rental assistance or a housing choice voucher. A landlord cannot advertise that they will not rent to a tenant who uses rental assistance or a housing choice voucher program.

(b) A violation of this section is an unfair discriminatory practice under section 363A.09, and an individual has all the rights and remedies available under chapter 363A.

Sec. 2. Laws 2023, chapter 52, article 19, section 120, is amended to read:

Sec. 120. **EFFECTIVE DATE.**

Sections 117 ~~to~~ and 119 are effective January 1, 2024. Section 118 is effective January 1, 2024, and applies to cases filed before, on, or after that date.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2024.

Sec. 3. **WORKING GROUP ON COMMON INTEREST COMMUNITIES AND HOMEOWNERS ASSOCIATIONS.**

Subdivision 1. **Creation; duties.** (a) A working group is created to study the prevalence and impact of common interest communities (CICs) and homeowners associations (HOAs) in Minnesota and how the existing laws regulating CICs and HOAs help homeowners and tenants access safe and affordable housing. The working group shall study:

(1) how many CICs and HOAs exist, how many people may reside in those housing units, and where they are located in the state;

(2) the governing documents commonly used by CICs and HOAs and whether the governing documents or common practices create barriers for participation by homeowners in the board of directors for CICs or HOAs;

(3) the fees and costs commonly associated with CICs and HOAs and how those fees have increased, including the cost of outside management, accounting, and attorney fees that are assessed to owners and residents;

(4) whether there should be uniform, statutory standards regarding fees, fines, and costs assessed to residents;

(5) how the organization and management of CICs and HOAs, including boards and management companies, impact the affordability of CICs and HOAs;

(6) the impact of CICs and HOAs on the housing market and housing costs;

(7) the racial disparity in homeownership as it relates to CICs and HOAs;

(8) the accessibility and affordability of CICs and HOAs for Minnesotans with disabilities;

(9) how other states regulate CICs and HOAs and best practices related to board transparency, dispute resolution, and foreclosures; and

(10) how the current laws governing CICs and HOAs may be consolidated and reformed for clarity and to improve the experience of homeowners and residents in CICs and HOAs.

(b) The focus and duties of the working group shall be to recommend legislative reforms or other methods to regulate CICs and HOAs, including the consolidation or recodification of existing chapters regulating CICs and HOAs.

Subd. 2. **Membership.** The working group shall consist of the following:

(1) two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader;

(2) two members of the senate, one appointed by the senate majority leader and one appointed by the senate minority leader;

(3) one member from the Minnesota Homeownership Center;

(4) one member from the Community Associations Institute;

(5) one member from a business association that supports, educates, or provides services to CICs and HOAs in Minnesota designated by the commissioner of commerce;

(6) one member from a legal aid association familiar with housing laws and representing low-income clients;

(7) one member from the Minnesota Association of Realtors;

(8) one member who is an attorney who regularly works advising homeowners or residents in CICs and HOAs and is familiar with the state foreclosure laws designed by the State Bar Association;

(9) one member who is an attorney who regularly works advising CIC and HOA boards designated by the State Bar Association;

(10) one member from a metropolitan area government who is familiar with issues homeowners and tenants face while living in CICs and HOAs in the metropolitan area;

(11) the commissioner of the Minnesota Housing Finance Agency or the commissioner's designee;

(12) one member from the attorney general's office designated by the attorney general;

(13) two members who are currently, or have within the last five years, served on a CIC or HOA board and have knowledge about the management of CIC and HOA boards; and

(14) four members who are current or recent owners of a residence that is part of a CIC or HOA.

Subd. 3. **Facilitation; organization; meetings.** (a) The Management Analysis Division of Minnesota Management and Budget shall facilitate the working group, provide administrative assistance, and convene the first meeting by July 15, 2024. Members of the working group may receive compensation and reimbursement for expenses as authorized by Minnesota Statutes, section 15.059, subdivision 3.

(b) The working group must meet at regular intervals as often as necessary to accomplish the goals enumerated under subdivision 1. Meetings of the working group are subject to the Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D.

Subd. 4. **External consultation.** The working group shall consult with other individuals and organizations that have expertise and experience that may assist the working group in fulfilling its responsibilities, including entities engaging in additional external stakeholder input from those with experience living in CICs and HOAs as well as working with the board of directors for CICs and HOAs.

Subd. 5. **Report required.** The working group shall submit a final report by February 1, 2025, to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy, commerce, and real property. The report shall include recommendations and draft legislation based on the duties and focus for the working group provided in subdivision 1.

Subd. 6. **Expiration.** The working group expires upon submission of the final report in subdivision 5, or February 28, 2025, whichever is later.

EFFECTIVE DATE. This section is effective the day following final enactment and expires March 1, 2025."

Delete the title and insert:

"A bill for an act relating to transportation; appropriating money for a supplemental budget for the Department of Transportation, Department of Public Safety, and the Metropolitan Council; modifying prior appropriations; modifying various provisions related to transportation and public safety, including but not limited to an intensive driver testing program, greenhouse gas emissions, electric-assisted bicycles, high voltage transmission, railroad safety, and transit; establishing civil penalties; establishing an advisory committee; labor and industry; making supplemental appropriation changes to labor provisions; modifying combative sports regulations, construction codes and licensing, Bureau of Mediation provisions, public employee labor relations provisions, University of Minnesota collective bargaining units, miscellaneous labor provisions, broadband and pipeline safety, employee misclassification, and minors appearing in internet content; housing; modifying prior appropriations; establishing new programs and modifying existing programs; expanding eligible uses of housing infrastructure bonds; authorizing the issuance of housing infrastructure bonds; establishing a working group and a task force; authorizing rulemaking; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 13.6905, by adding a subdivision; 15.082; 116J.395, subdivision 6; 161.14, by adding subdivisions; 161.45, by adding subdivisions; 161.46, subdivision 1; 168.09, subdivision 7; 168.092; 168.301, subdivision 3; 168A.10, subdivision 2; 168A.11, subdivision 1; 169.011, by adding subdivisions; 169.21, subdivision 6; 169.222, subdivisions 6a, 6b; 169A.55, subdivision 4; 171.306, subdivisions 1, 8; 174.02, by adding a subdivision; 174.75, subdivisions 1, 2, by adding a subdivision; 177.27, subdivision 3; 179A.11, subdivisions 1, 2, by adding a subdivision; 179A.12, subdivision 5; 181.171, subdivision 1; 181.722; 181.723; 181.960, subdivision 3; 181A.03, by adding subdivisions; 216B.17, by adding a subdivision; 216E.02, subdivision 1; 221.0255, subdivisions 4, 9, by adding a subdivision; 270B.14, subdivision 17, by adding a subdivision; 299J.01; 299J.02, by adding a subdivision; 299J.04, subdivision 2; 299J.11; 326B.081, subdivisions 3, 6, 8; 326B.082, subdivisions 1, 2, 4, 6, 7, 10, 11, 13, by adding a subdivision; 326B.701; 326B.802, subdivision 13; 326B.89, subdivisions 1, 5; 341.28, by adding a subdivision; 341.29; 462A.02, subdivision 10; 462A.03, by adding subdivisions; 462A.05, subdivisions 3b, 14a, 14b, 15, 15b, 21, 23; 462A.07, by adding subdivisions; 462A.202, subdivision 3a; 462A.21, subdivisions 7, 8b; 462A.222, by adding a subdivision; 462A.35, subdivision 2; 462A.37, by adding a subdivision; 462A.40, subdivisions 2, 3; 462C.02, subdivision 6;

469.012, subdivision 2j; 473.13, by adding a subdivision; 473.388, by adding a subdivision; 473.3927; 626.892, subdivision 10; Minnesota Statutes 2023 Supplement, sections 116J.871, subdivision 1, as amended; 161.178; 161.46, subdivision 2; 168.1259; 169.011, subdivision 27; 169A.44, subdivision 1; 171.0705, subdivision 2; 171.13, subdivision 1; 174.38, subdivisions 3, 6; 174.634, subdivision 2, by adding a subdivision; 177.27, subdivisions 1, 2, 4, 7; 177.42, subdivision 2; 179A.03, subdivision 14; 179A.041, subdivision 10; 179A.06, subdivision 6; 179A.07, subdivisions 8, 9; 179A.10, subdivision 2; 179A.12, subdivisions 2a, 6, 11; 219.015, subdivision 2; 326B.106, subdivision 1; 326B.802, subdivision 15; 341.25; 341.28, subdivision 5; 341.30, subdivision 4; 341.321; 341.33, by adding a subdivision; 341.355; 462A.05, subdivisions 14, 45; 462A.22, subdivision 1; 462A.37, subdivisions 2, 5; 462A.39, subdivision 2; 473.4051, by adding a subdivision; 477A.35, subdivisions 1, 2, 4, 5, 6, by adding a subdivision; Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2; Laws 2023, chapter 37, article 1, section 2, subdivisions 1, 2, 17, 29, 32; article 2, section 12, subdivision 2; Laws 2023, chapter 52, article 19, section 120; Laws 2023, chapter 53, article 19, sections 2, subdivisions 1, 3, 5; 4; proposing coding for new law in Minnesota Statutes, chapters 116J; 161; 168; 169; 171; 174; 181; 181A; 219; 325F; 462A; 469; 504B; repealing Minnesota Statutes 2022, sections 116J.398; 168.1297; 179.81; 179.82; 179.83, subdivision 1; 179.84, subdivision 1; 179.85; Minnesota Rules, parts 5520.0100; 5520.0110; 5520.0120; 5520.0200; 5520.0250; 5520.0300; 5520.0500; 5520.0520; 5520.0540; 5520.0560; 5520.0600; 5520.0620; 5520.0700; 5520.0710; 5520.0800; 7410.6180."

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

The report was adopted.

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

H. F. No. 5350, A bill for an act relating to natural resources; facilitating carbon sequestration and oil and gas exploration and production leases on state-owned land; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2022, sections 92.50, subdivision 1; 93.25, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapters 92; 93.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2022, section 93.25, subdivision 1, is amended to read:

Subdivision 1. **Leases.** The commissioner may issue leases to prospect for, mine, and remove or extract gas, oil, and minerals other than iron ore ~~upon~~ from any lands owned by the state, including trust fund lands, lands forfeited for nonpayment of taxes whether held in trust or otherwise, and lands otherwise acquired, and the beds of any waters belonging to the state. For purposes of this section, iron ore means iron-bearing material where the primary product is iron metal. For purposes of this section, "gas" includes both hydrocarbon and nonhydrocarbon gases.

Sec. 2. Minnesota Statutes 2022, section 93.25, subdivision 2, is amended to read:

Subd. 2. **Lease requirements.** All leases for nonferrous metallic minerals ~~or petroleum~~, gas, or oil must be approved by the Executive Council, and any other mineral lease issued pursuant to this section that covers 160 or more acres must be approved by the Executive Council. The rents, royalties, terms, conditions, and covenants of all such leases ~~shall~~ must be fixed by the commissioner according to rules adopted by the commissioner, but no lease

shall be for a longer term than 50 years, and all rents, royalties, terms, conditions, and covenants ~~shall~~ must be fully set forth in each lease issued. No nonferrous metallic mineral lease shall be canceled by the state for failure to meet production requirements prior to the 36th year of the lease. The rents and royalties ~~shall~~ must be credited to the funds as provided in section 93.22. For purposes of this section, "gas" includes both hydrocarbon and nonhydrocarbon gases.

Sec. 3. **[93.513] PROHIBITION ON PRODUCTION OF GAS OR OIL WITHOUT PERMIT.**

Subdivision 1. **Permit required.** Except as provided in section 103I.681, a person must not engage in or carry out production of gas or oil from consolidated or unconsolidated formations in the state unless the person has first obtained a permit for the production of gas or oil from the commissioner of natural resources. Any permit under this section must be protective of natural resources and require a demonstration of control of the extraction area through ownership, lease, or agreement. For purposes of this section, "gas" includes both hydrocarbon and nonhydrocarbon gases. For purposes of this section, "production" includes extraction and beneficiation of gas or oil.

Subd. 2. **Moratorium.** Until rules are adopted under section 93.514, a permit authority may not grant a permit necessary for the production of gas or oil unless the permit authority has been given legislative approval to issue the permit.

Sec. 4. **[93.514] GAS AND OIL PRODUCTION RULEMAKING.**

(a) The following agencies may adopt rules governing gas and oil exploration or production, as applicable:

(1) the commissioner of the Pollution Control Agency may adopt or amend rules regulating air emissions; water discharges, including stormwater management; and storage tanks as they pertain to gas and oil production;

(2) the commissioner of health may adopt or amend rules on groundwater and surface water protection, exploratory boring construction, drilling registration and licensure, and inspections as they pertain to the exploration and appraisal of gas and oil resources;

(3) the Environmental Quality Board may adopt or amend rules to establish mandatory categories for environmental review as they pertain to gas and oil production;

(4) the commissioner of natural resources must adopt or amend rules pertaining to the conversion of an exploratory boring to a production well, pooling, spacing, unitization, well abandonment, siting, financial assurance, and reclamation for the production of gas and oil; and

(5) the commissioner of labor and industry may adopt or amend rules to protect workers from exposure and other potential hazards from gas and oil production.

(b) An agency adopting rules under this section must publish the notice of intent to adopt rules within 24 months of the effective date of this section. The 18-month time limit under section 14.125 does not apply to rules adopted under this section.

(c) For purposes of this section, "gas" includes both hydrocarbon and nonhydrocarbon gases. "Production" includes extraction and beneficiation of gas or oil from consolidated or unconsolidated formations in the state.

(d) Any grant of rulemaking authority in this section is in addition to existing rulemaking authority and does not replace, impair, or interfere with any existing rulemaking authority.

Sec. 5. **[93.516] GAS AND OIL LEASING.**

Subdivision 1. **Authority to lease.** (a) With the approval of the Executive Council, the commissioner of natural resources may enter into leases for gas or oil exploration and production from lands belonging to the state or in which the state has an interest.

(b) For purposes of this section, "gas or oil exploration and production" includes the exploration and production of both hydrocarbon and nonhydrocarbon gases, including noble gases. "Noble gases" means a group of gases that includes helium, neon, argon, krypton, xenon, radon, and oganesson. "Production" includes extraction and beneficiation of gas or oil from consolidated or unconsolidated formations in the state.

Subd. 2. **Application.** An application for a lease under this section must be submitted to the commissioner of natural resources. The commissioner must prescribe the information to be included in the application. The applicant must submit with the application a certified check, cashier's check, or bank money order payable to the Department of Natural Resources in the sum of $100 as a fee for filing the application. The application fee must not be refunded under any circumstances. The right is reserved to the state to reject any or all applications for an oil or gas lease.

Subd. 3. **Lease terms.** The commissioner must negotiate the terms of each lease entered into under this section on a case-by-case basis, taking into account the unique geological and environmental aspects of each proposal, control of adjacent lands, and the best interests of the state. A lease entered into under this section must be consistent with the following:

(1) the primary term of the lease may not exceed five years plus the unexpired portion of the calendar year in which the lease is issued. The commissioner and applicant may negotiate the conditions by which the lease may be extended beyond the primary term, in whole or in part;

(2) a bonus consideration of not less than $15 per acre must be paid by the applicant to the Department of Natural Resources before the lease is executed;

(3) the commissioner of natural resources may require an applicant to provide financial assurance to ensure payment of any damages resulting from the production of gas or oil;

(4) the rental rates must not be less than $5 per acre per year for the unexpired portion of the calendar year in which the lease is issued and in years thereafter; and

(5) on gas and oil produced and sold by the lessee from the lease area, the lessee must pay a production royalty to the Department of Natural Resources of not less than 18.75 percent of the gross sales price of the product sold free on board at the delivery point, and the royalty must be credited as provided in section 93.22. For purposes of this section, "gross sales price" means the total consideration paid by the first purchaser that is not an affiliate of the lessee for gas or oil produced from the leased premises.

Sec. 6. **MINNESOTA GAS AND OIL RESOURCES TECHNICAL ADVISORY COMMITTEE.**

(a) The commissioner of natural resources must appoint a Minnesota Gas and Oil Resources Technical Advisory Committee to develop recommendations according to paragraph (c). The commissioner may appoint representatives from the following entities to the technical advisory committee:

(1) the Pollution Control Agency;

(2) the Environmental Quality Board;

(3) the Department of Health;

(4) the Department of Revenue;

(5) the Office of the Attorney General;

(6) the University of Minnesota; and

(7) federal agencies.

(b) A majority of the committee members must be from state agencies, and all members must have expertise in at least one of the following areas: environmental review; air quality; water quality; taxation; mine permitting; mineral, gas, or oil exploration and development; well construction; law; or other areas related to gas or oil production.

(c) Members of the technical advisory committee may not be registered lobbyists.

(d) The technical advisory committee must make recommendations to the commissioner relating to the production of gas and oil in the state to guide the creation of a temporary regulatory framework that will govern permitting before the rules authorized in Minnesota Statutes, section 93.514, are adopted. The temporary framework must include recommendations on statutory and policy changes that govern permitting requirements and processes, financial assurance, taxation, boring monitoring and inspection protocols, environmental review, and other topics that provide for gas and oil production to be conducted in a manner that will reduce environmental impacts to the extent practicable, mitigate unavoidable impacts, and ensure that the production area is restored to a condition that protects natural resources and minimizes harm and that any ongoing maintenance required to protect natural resources is provided. The temporary framework must consider public testimony from stakeholders and Tribes, and the committee must hold at least one public meeting on this topic. Recommendations must include draft legislative language.

(e) By January 15, 2025, the commissioner must submit to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment recommendations for statutory and policy changes to facilitate gas and oil exploration and production in this state and to support the issuance of temporary permits issued under the temporary framework in a manner that benefits the people of Minnesota while adequately protecting the state's natural resources.

(f) For purposes of this section, "gas" includes both hydrocarbon and nonhydrocarbon gases. For purposes of this section, "production" includes extraction and beneficiation from consolidated or unconsolidated formations in the state.

Sec. 7. **APPROPRIATIONS; NONPETROLEUM GAS REGULATORY FRAMEWORK.**

(a) $768,000 in fiscal year 2024 is appropriated from the minerals management account in the natural resources fund to the commissioner of natural resources for the Minnesota Gas and Oil Resources Technical Advisory Committee in section 6. This is a onetime appropriation and is available until June 30, 2027.

(b) $2,406,000 in fiscal year 2024 is appropriated from the minerals management account in the natural resources fund to the commissioner of natural resources to adopt a regulatory framework for gas and oil production in Minnesota and for rulemaking. This appropriation is available until June 30, 2027.

Sec. 8. **EFFECTIVE DATE.**

Sections 1 to 7 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to natural resources; providing for gas or oil exploration and production leases and permits on state-owned land; creating advisory committee; authorizing rulemaking; requiring a report; amending Minnesota Statutes 2022, section 93.25, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapter 93."

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. 5350 was re-referred to the Committee on Rules and Legislative Administration.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2476, 4124, 5040, 5237 and 5242 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Altendorf introduced:

H. F. No. 5424, A bill for an act relating to capital investment; appropriating money for drinking water system improvements in the city of Red Wing; authorizing the sale and issuance of state bonds.

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

Newton; Bliss; Wiens; Olson, B.; Perryman and Pfarr introduced:

H. F. No. 5425, A bill for an act relating to taxation; property; establishing a property tax exemption for certain property owned and operated by a congressionally chartered veterans service organization; amending Minnesota Statutes 2022, section 272.02, by adding a subdivision; Minnesota Statutes 2023 Supplement, section 273.13, subdivision 25.

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

Wiener introduced:

H. F. No. 5426, A bill for an act relating to capital investment; appropriating money for improvements to sewer infrastructure and street reconstruction in the city of West Union; authorizing the sale and issuance of state bonds.

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

REPORT FROM THE COMMITTEE ON RULES
AND LEGISLATIVE ADMINISTRATION

Long from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bills to be placed on the Calendar for the Day for Monday, April 29, 2024 and established a prefiling requirement for amendments offered to the following bills:

S. F. No. 3204; and H. F. Nos. 4247, 3567, 4444, 4300, 601, 2609 and 3757.

MOTIONS AND RESOLUTIONS

Lillie moved that the name of Wiens be added as an author on H. F. No. 2543. The motion prevailed.

Myers moved that the name of Myers be stricken as an author on H. F. No. 2609. The motion prevailed.

Hollins moved that the name of Wiens be added as an author on H. F. No. 3138. The motion prevailed.

Demuth moved that the names of Backer and Franson be added as authors on H. F. No. 3757. The motion prevailed.

Hemmingsen-Jaeger moved that the name of Hussein be added as an author on H. F. No. 4150. The motion prevailed.

Howard moved that the name of Virnig be added as an author on H. F. No. 4569. The motion prevailed.

Curran moved that the names of Fischer and Liebling be added as authors on H. F. No. 4657. The motion prevailed.

Wolgamott moved that the name of Perryman be added as an author on H. F. No. 4955. The motion prevailed.

Kresha moved that the name of Nash be added as an author on H. F. No. 5123. The motion prevailed.

Wolgamott moved that the name of Her be added as an author on H. F. No. 5374. The motion prevailed.

Hansen, R., moved that the name of Sencer-Mura be added as an author on H. F. No. 5403. The motion prevailed.

Hill moved that the name of Wiens be added as an author on H. F. No. 5420. The motion prevailed.

Hill moved that the name of Wiens be added as an author on H. F. No. 5421. The motion prevailed.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 11:00 a.m., Monday, April 29, 2024. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and Speaker pro tempore Her declared the House stands adjourned until 11:00 a.m., Monday, April 29, 2024.

PATRICK D. MURPHY, Chief Clerk, House of Representatives