

THIRTY-SIXTH DAY

St. Paul, Minnesota, Monday, April 12, 2021

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

The members of the Senate paused for a moment of silent prayer and reflection.

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

The roll was called, and the following Senators were present:

Abeler	Draheim	Howe	Marty	Rest
Anderson	Duckworth	Ingebrigtsen	Mathews	Rosen
Bakk	Dziedzic	Isaacson	McEwen	Ruud
Benson	Eaton	Jasinski	Miller	Senjem
Bigham	Eichorn	Johnson	Murphy	Tomassoni
Carlson	Eken	Johnson Stewart	Nelson	Torres Ray
Chamberlain	Fateh	Kent	Newman	Utke
Champion	Franzen	Kiffmeyer	Newton	Weber
Clausen	Frentz	Klein	Osmek	Westrom
Coleman	Gazelka	Koran	Pappas	Wiger
Cwodzinski	Goggin	Kunesh	Port	Wiklund
Dahms	Hawj	Lang	Pratt	
Dibble	Hoffman	Latz	Putnam	
Dornink	Housley	Limmer	Rarick	

Pursuant to Rule 14.1, the President announced the following members intend to vote under Rule 40.7: Anderson, Carlson, Champion, Clausen, Coleman, Dibble, Duckworth, Eaton, Eichorn, Eken, Fateh, Howe, Isaacson, Klein, Latz, Marty, Nelson, Newman, Newton, Osmek, Senjem, Torres Ray, and Wiklund.

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

March 26, 2021

The Honorable Jeremy R. Miller
President of the Senate

Dear Senator Miller:

The Subcommittee on Committees met on March 26, 2021, and by appropriate action made the following appointments:

Pursuant to Minnesota Statutes

161.1419: Mississippi River Parkway Commission - Senator Senjem to serve until May 17, 2021.

3.922: Indian Affairs Council - Senator Kunesh to serve at the pleasure of the appointing authority.

116U.25: Explore Minnesota Tourism - Senator Kent to serve until December 3, 2024.

15.0145: LCC Subcommittee on Ethnic Councils - Senators Pappas and Pratt to serve at the pleasure of the appointing authority.

Sincerely,
Paul E. Gazelka
Chair, Subcommittee on Committees
State Senator, District 9

REPORTS OF COMMITTEES

Senator Gazelka moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Senator Chamberlain from the Committee on Education Finance and Policy, to which was referred

S.F. No. 960: A bill for an act relating to education finance; providing funding for prekindergarten through grade 12 education; modifying provisions for general education, education excellence, teachers, special education, facilities, nutrition and libraries, early childhood, community education, and state agencies; requiring reports; appropriating money; amending Minnesota Statutes 2020, sections 119A.52; 120A.22, subdivision 9; 120B.02, subdivision 1; 120B.021, subdivisions 1, 2, 4; 120B.024, subdivision 1; 120B.11, subdivision 2; 122A.21; 122A.63, subdivisions 6, 9; 123A.05, subdivision 2; 123B.53, subdivisions 4, 5, 6; 124D.09, subdivision 8; 124D.095, subdivision 7; 124D.1158; 124D.151, subdivision 6; 124D.165, subdivision 3; 124D.531, subdivision 1; 124D.59, subdivision 2; 124D.65, subdivision 5; 124D.68, subdivisions 2, 9; 124D.74, subdivision 3; 124D.81; 125A.76, subdivision 2e; 126C.05, subdivisions 1, 3, 15, 17; 126C.10, subdivisions 2, 2a, 2d, 2e, 4; 126C.15, subdivisions 1, 2, 5; 126C.17, subdivisions 5, 6, 7; 126C.21, by adding a subdivision; 126C.44; 127A.49, subdivision 3; Laws 2019, First Special Session chapter 11, article 1, section 25, subdivision 2, as amended; article 10, section 5, subdivision 2, as amended; proposing coding for new law in Minnesota Statutes, chapters 120B; 122A; 124D.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1**GENERAL EDUCATION**

Section 1. Minnesota Statutes 2020, section 123A.05, subdivision 1, is amended to read:

Subdivision 1. **Governance.** (a) A district may establish an area learning center, alternative learning program, or contract alternative in accordance with sections 124D.68, subdivision 3, paragraph (d), and 124D.69.

(b) An area learning center is encouraged to cooperate with a service cooperative, an intermediate school district, a local education and employment transitions partnership, public and private secondary and postsecondary institutions, public agencies, businesses, and foundations. ~~Except for a district located in a city of the first class,~~ An area learning center ~~must~~ is encouraged, but not required, to be established in cooperation with other districts and ~~must~~ may serve the geographic area of at least two districts. An area learning center must provide comprehensive educational services to enrolled secondary students throughout the year, including a daytime school within a school or separate site for both high school and middle school level students.

(c) An alternative learning program may serve the students of one or more districts, may designate which grades are served, and may make program hours and a calendar optional.

(d) A contract alternative is an alternative learning program operated by a private organization that has contracted with a school district to provide educational services for students under section 124D.68, subdivision 2.

Sec. 2. Minnesota Statutes 2020, section 123B.44, subdivision 1, is amended to read:

Subdivision 1. **Provided services.** The commissioner of education shall promulgate rules under the provisions of chapter 14 requiring each district or other intermediary service area: (a) to provide each year upon formal request by a specific date by or on behalf of a nonpublic school pupil enrolled in a nonpublic school located in that district or area, the same specific health services as are provided for public school pupils by the district where the nonpublic school is located; and (b) to provide each year upon formal request by a specific date by or on behalf of a nonpublic school elementary or secondary pupil enrolled in a nonpublic school located in that district or area or an elementary or secondary pupil enrolled in an American Indian-controlled tribal contract or grant school, ~~the same specific~~ guidance and counseling services ~~as are provided for public school secondary pupils by the district where the nonpublic school is located.~~ The district where the nonpublic school is located must provide the necessary transportation within the district boundaries between the nonpublic school and a public school or neutral site for nonpublic school pupils who are provided pupil support services under this section if the district elects to provide pupil support services at a site other than the nonpublic school. Each request for pupil support services must set forth the guidance and counseling or health services requested by or on behalf of all eligible nonpublic school pupils enrolled in a given nonpublic school. No district or intermediary service area must not expend an amount for these pupil support services which exceeds the amount allotted to it under this section.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2022 and later.

Sec. 3. Minnesota Statutes 2020, section 123B.44, subdivision 5, is amended to read:

Subd. 5. **Guidance and counseling services; allotment.** Each school year the commissioner shall allot to the school districts or intermediary service areas for the provision of guidance and counseling services pursuant to this section the actual cost of the services provided for the pupils in each respective nonpublic school for that school year. The allotment for guidance and counseling services for the elementary pupils in each nonpublic school must not exceed the average expenditure per public school elementary pupil for these services by those Minnesota public schools that provide these services to their elementary pupils, multiplied by the number of elementary pupils in that particular nonpublic school who request these services and who are enrolled as of September 15 of the current school year. The allotment for guidance and counseling services for the secondary pupils in each nonpublic school must not exceed the average expenditure per public school secondary pupil for these services by those Minnesota public schools ~~which~~ that provide these services to their secondary pupils, multiplied by the number of secondary pupils in that particular nonpublic school who request these services and who are enrolled as of September 15 of the current school year.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2022 and later.

Sec. 4. Minnesota Statutes 2020, section 123B.44, subdivision 6, is amended to read:

Subd. 6. **Computation of maximum allotments.** For purposes of computing maximum allotments for each school year pursuant to this section, the average public school expenditure per pupil for health services and the average public school expenditure per elementary and secondary pupil for guidance and counseling services shall be computed and established by the department by February 1 of the preceding school year from the most recent public school year data then available.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2022 and later.

Sec. 5. Minnesota Statutes 2020, section 126C.01, subdivision 8, is amended to read:

Subd. 8. **Shared time pupils.** "Shared time pupils" means those pupils who:

(1) attend public school programs for part of the regular school day; or

(2) attend public school career and technical education programs offered for secondary credit outside of the regular school day;

and who otherwise fulfill the requirements of section 120A.22 by attendance at a nonpublic school.

EFFECTIVE DATE. This section is effective for the 2021-2022 school year and later.

Sec. 6. Minnesota Statutes 2020, section 126C.10, subdivision 2a, is amended to read:

Subd. 2a. **Extended time revenue.** (a) A school district's extended time revenue is equal to the product of \$5,117 and the sum of the adjusted pupil units of the district for each pupil in average daily membership in excess of 1.0 and less than 1.2 according to section 126C.05, subdivision 8.

(b) Extended time revenue for pupils placed in an on-site education program at the Prairie Lakes Education Center or the Lake Park School, located within the borders of Independent School District No. 347, Willmar, for instruction provided after the end of the preceding regular school year and before the beginning of the following regular school year equals membership hours divided by the

minimum annual instructional hours in section 126C.05, subdivision 15, not to exceed 0.20, times the pupil unit weighting in section 126C.05, subdivision 1, times \$5,117.

(c) A school district qualifies for extended time revenue for every pupil placed in a children's residential facility, whether the education services are provided on-site or off-site for instruction provided after the end of the preceding regular school year and before the beginning of the following regular school year. Extended time revenue under this paragraph equals total membership hours in summer instruction divided by the minimum annual instructional hours in section 126C.05, subdivision 15, not to exceed 0.20, times the pupil unit weighting in section 126C.05, subdivision 1, times \$5,117.

(d) For purposes of this subdivision, "children's residential facility" means a residential facility for children, including a psychiatric residential treatment facility (PRTF), licensed by the Department of Human Services or the Department of Corrections and subject to Minnesota Rules, chapter 2960, or an inpatient hospitalization that includes mental health services.

(e) A school district's extended time revenue may be used for extended day programs, extended week programs, summer school, vacation break academies such as spring break academies and summer term academies, and other programming authorized under the learning year program.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2022 and later.

Sec. 7. Minnesota Statutes 2020, section 126C.10, subdivision 18a, is amended to read:

Subd. 18a. **Pupil transportation adjustment.** (a) An independent, common, or special school district's transportation sparsity revenue under subdivision 18 is increased by the greater of zero or ~~18.2~~ 70 percent of the difference between:

(1) the lesser of the district's total cost for regular and excess pupil transportation under section 123B.92, subdivision 1, paragraph (b), including depreciation, for the previous fiscal year or 105 percent of the district's total cost for the second previous fiscal year; and

(2) the sum of:

(i) 4.66 percent of the district's basic revenue for the previous fiscal year;

(ii) transportation sparsity revenue under subdivision 18 for the previous fiscal year;

(iii) the district's charter school transportation adjustment for the previous fiscal year; and

(iv) the district's reimbursement for transportation provided under section 123B.92, subdivision 1, paragraph (b), clause (1), item (vi).

(b) A charter school's pupil transportation adjustment equals the school district per pupil adjustment under paragraph (a).

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2022 and later.

Sec. 8. Minnesota Statutes 2020, section 126C.15, subdivision 1, is amended to read:

Subdivision 1. **Use of revenue.** The basic skills revenue under section 126C.10, subdivision 4, must be reserved and used to meet the educational needs of pupils who enroll under-prepared to learn and whose progress toward meeting state or local content or performance standards is below the level that is appropriate for learners of their age. Basic skills revenue may also be used for programs designed to prepare children and their families for entry into school whether the student first enrolls in kindergarten or first grade. Any of the following may be provided to meet these learners' needs:

(1) direct instructional services under the assurance of mastery program according to section 124D.66;

(2) remedial instruction in reading, language arts, mathematics, other content areas, or study skills to improve the achievement level of these learners;

(3) additional teachers and teacher aides to provide more individualized instruction to these learners through individual tutoring, lower instructor-to-learner ratios, or team teaching;

(4) a longer school day or week during the regular school year ~~or through a summer program that may be offered directly by the site or under a performance-based contract with a community-based organization;~~

(5) comprehensive and ongoing staff development consistent with district and site plans according to section 122A.60 and to implement plans under section 120B.12, subdivision 4a, for teachers, teacher aides, principals, and other personnel to improve their ability to identify the needs of these learners and provide appropriate remediation, intervention, accommodations, or modifications;

(6) instructional materials, digital learning, and technology appropriate for meeting the individual needs of these learners;

(7) programs to reduce truancy, encourage completion of high school, enhance self-concept, provide health services, provide nutrition services, provide a safe and secure learning environment, provide coordination for pupils receiving services from other governmental agencies, provide psychological services to determine the level of social, emotional, cognitive, and intellectual development, and provide counseling services, guidance services, and social work services;

(8) bilingual programs, bicultural programs, and programs for English learners;

~~(9) all-day kindergarten;~~

~~(10) (9) early education programs, parent-training programs, school readiness programs, kindergarten voluntary prekindergarten and school readiness plus programs for four-year-olds, voluntary home visits under section 124D.13, subdivision 4, and other outreach efforts designed to prepare children for kindergarten;~~

~~(11) (10) extended school day and extended school year programs, including summer programs that may be offered directly by the site or under a performance-based contract with a community-based organization; and~~

~~(12)~~ (11) substantial parent involvement in developing and implementing remedial education or intervention plans for a learner, including learning contracts between the school, the learner, and the parent that establish achievement goals and responsibilities of the learner and the learner's parent or guardian.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2022 and later.

Sec. 9. Minnesota Statutes 2020, section 126C.15, subdivision 5, is amended to read:

Subd. 5. **Annual expenditure report.** Each year a district that receives basic skills revenue must submit a report identifying the expenditures it incurred to meet the needs of eligible learners under subdivision 1. The report must conform to uniform financial and reporting standards established for this purpose and provide a breakdown by functional area. Using valid and reliable data and measurement criteria, the report also must determine whether increased expenditures raised student achievement levels.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2022 and later.

Sec. 10. Minnesota Statutes 2020, section 126C.17, subdivision 6, is amended to read:

Subd. 6. **Referendum equalization levy.** (a) A district's referendum equalization levy equals the sum of the first tier referendum equalization levy and the second tier referendum equalization levy.

(b) A district's first tier referendum equalization levy equals the district's first tier referendum equalization revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$567,000. For fiscal year 2023 and later, a district's first tier referendum equalization levy must not exceed the amount raised by a tax rate of 0.04 percent times the referendum market value of the district times the ratio of the district's first tier referendum equalization allowance to \$460.

(c) A district's second tier referendum equalization levy equals the district's second tier referendum equalization revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$290,000. For fiscal year 2023 and later, a district's second tier referendum equalization levy must not exceed the amount raised by a tax rate of 0.09 percent times the referendum market value of the district times the ratio of the district's second tier referendum equalization allowance to 25 percent of the formula allowance, minus the sum of \$300 and the district's first tier referendum equalization allowance.

EFFECTIVE DATE. This section is effective for taxes payable in 2022 and later.

Sec. 11. Minnesota Statutes 2020, section 127A.49, subdivision 3, is amended to read:

Subd. 3. **Excess tax increment.** (a) If a return of excess tax increment is made to a district pursuant to sections 469.176, subdivision 2, and 469.177, subdivision 9, or upon decertification of a tax increment district, the school district's aid and levy limitations must be adjusted for the fiscal year in which the excess tax increment is paid under the provisions of this subdivision.

(b) An amount must be subtracted from the district's aid for the current fiscal year equal to the product of:

(1) the amount of the payment of excess tax increment to the district in the preceding year, times

(2) the ratio of:

(i) the sum of the amounts of the district's certified levy ~~for the fiscal year in which the excess tax increment is paid~~ in the third preceding year according to the following:

(A) section 123B.57, if the district received health and safety aid according to that section for the second preceding year;

(B) section 124D.20, if the district received aid for community education programs according to that section for the second preceding year;

(C) section 124D.135, subdivision 3, if the district received early childhood family education aid according to section 124D.135 for the second preceding year;

(D) section 126C.17, subdivision 6, if the district received referendum equalization aid according to that section for the second preceding year;

(E) section 126C.10, subdivision 13a, if the district received operating capital aid according to section 126C.10, subdivision 13b, in the second preceding year;

(F) section 126C.10, subdivision 29, if the district received equity aid according to section 126C.10, subdivision 30, in the second preceding year;

(G) section 126C.10, subdivision 32, if the district received transition aid according to section 126C.10, subdivision 33, in the second preceding year;

(H) section 123B.53, subdivision 5, if the district received debt service equalization aid according to section 123B.53, subdivision 6, in the second preceding year;

(I) section 123B.535, subdivision 4, if the district received natural disaster debt service equalization aid according to section 123B.535, subdivision 5, in the second preceding year;

(J) section 124D.22, subdivision 3, if the district received school-age care aid according to section 124D.22, subdivision 4, in the second preceding year; and

(K) section 122A.415, subdivision 5, if the district received alternative teacher compensation equalization aid according to section 122A.415, subdivision 6, paragraph (a), in the second preceding year; to

(ii) the total amount of the district's certified levy ~~for the fiscal~~ in the third preceding year, plus or minus auditor's adjustments.

(c) An amount must be subtracted from the school district's levy limitation for the next levy certified equal to the difference between:

- (1) the amount of the distribution of excess increment; and
- (2) the amount subtracted from aid pursuant to clause (a).

If the aid and levy reductions required by this subdivision cannot be made to the aid for the fiscal year specified or to the levy specified, the reductions must be made from aid for subsequent fiscal years, and from subsequent levies. The school district must use the payment of excess tax increment to replace the aid and levy revenue reduced under this subdivision.

(d) This subdivision applies only to the total amount of excess increments received by a district for a calendar year that exceeds \$25,000.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2022 and later.

Sec. 12. Minnesota Statutes 2020, section 469.176, subdivision 2, is amended to read:

Subd. 2. **Excess increments.** (a) The authority shall annually determine the amount of excess increments for a district, if any. This determination must be based on the tax increment financing plan in effect on December 31 of the year and the increments and other revenues received as of December 31 of the year. The authority must spend or return the excess increments under paragraph (c) within nine months after the end of the year.

(b) For purposes of this subdivision, "excess increments" equals the excess of:

(1) total increments collected from the district since its certification, reduced by any excess increments paid under paragraph (c), clause (4), for a prior year, over

(2) the total costs authorized by the tax increment financing plan to be paid with increments from the district, reduced, but not below zero, by the sum of:

(i) the amounts of those authorized costs that have been paid from sources other than tax increments from the district;

(ii) revenues, other than tax increments from the district, that are dedicated for or otherwise required to be used to pay those authorized costs and that the authority has received and that are not included in item (i);

(iii) the amount of principal and interest obligations due on outstanding bonds after December 31 of the year and not prepaid under paragraph (c) in a prior year; and

(iv) increased by the sum of the transfers of increments made under section 469.1763, subdivision 6, to reduce deficits in other districts made by December 31 of the year.

(c) The authority shall use excess increment only to do one or more of the following:

(1) prepay any outstanding bonds;

(2) discharge the pledge of tax increment for any outstanding bonds;

(3) pay into an escrow account dedicated to the payment of any outstanding bonds; or

(4) return the excess amount to the county auditor who shall distribute the excess amount to the city or town, county, and school district in which the tax increment financing district is located in direct proportion to their respective local tax rates.

(d) For purposes of a district for which the request for certification was made prior to August 1, 1979, excess increments equal the amount of increments on hand on December 31, less the principal and interest obligations due on outstanding bonds or advances, qualifying under subdivision 1c, clauses (1), (2), (4), and (5), after December 31 of the year and not prepaid under paragraph (c).

(e) The county auditor must, prior to February 1 of each year, report to the commissioner of education the amount of any excess tax increment distributed to a school district ~~within 30 days of the distribution~~ for the preceding taxable year.

(f) For purposes of this subdivision, "outstanding bonds" means bonds which are secured by increments from the district.

(g) The state auditor may exempt an authority from reporting the amounts calculated under this subdivision for a calendar year, if the authority certifies to the auditor in its report that the total amount authorized by the tax increment plan to be paid with increments from the district exceeds the sum of the total increments collected for the district for all years by 20 percent.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2022 and later.

Sec. 13. **APPROPRIATIONS.**

Subdivision 1. Department of Education. The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. General education aid. For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

\$	<u>7,411,499,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>7,443,774,000</u>	<u>.....</u>	<u>2023</u>

The 2022 appropriation includes \$717,326,000 for 2021 and \$6,694,173,000 for 2022.

The 2023 appropriation includes \$717,081,000 for 2022 and \$6,726,693,000 for 2023.

Subd. 3. Enrollment options transportation. For transportation of pupils attending postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

\$	<u>12,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>13,000</u>	<u>.....</u>	<u>2023</u>

Subd. 4. Abatement aid. For abatement aid under Minnesota Statutes, section 127A.49:

\$	<u>2,897,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>3,558,000</u>	<u>.....</u>	<u>2023</u>

The 2022 appropriation includes \$269,000 for 2021 and \$2,628,000 for 2022.

The 2023 appropriation includes \$291,000 for 2022 and \$3,267,000 for 2023.

Subd. 5. **Consolidation transition aid.** For districts consolidating under Minnesota Statutes, section 123A.485:

\$	<u>309,000</u>	.....	<u>2022</u>
\$	<u>373,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$30,000 for 2021 and \$279,000 for 2022.

The 2023 appropriation includes \$31,000 for 2022 and \$342,000 for 2023.

Subd. 6. **Nonpublic pupil education aid.** For nonpublic pupil education aid under Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

\$	<u>18,460,000</u>	.....	<u>2022</u>
\$	<u>19,062,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$1,903,000 for 2021 and \$16,557,000 for 2022.

The 2023 appropriation includes \$1,839,000 for 2022 and \$17,223,000 for 2023.

Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid under Minnesota Statutes, section 123B.92, subdivision 9:

\$	<u>19,344,000</u>	.....	<u>2022</u>
\$	<u>19,084,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$1,910,000 for 2021 and \$17,434,000 for 2022.

The 2023 appropriation includes \$1,937,000 for 2022 and \$17,147,000 for 2023.

Subd. 8. **One-room schoolhouse.** For a grant to Independent School District No. 690, Warroad, to operate the Angle Inlet School:

\$	<u>65,000</u>	.....	<u>2022</u>
\$	<u>65,000</u>	.....	<u>2023</u>

Subd. 9. **Career and technical aid** For career and technical aid under Minnesota Statutes, section 124D.4531, subdivision 1b:

\$	<u>2,668,000</u>	.....	<u>2022</u>
\$	<u>2,279,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$323,000 for 2021 and \$2,345,000 for 2022.

The 2023 appropriation includes \$260,000 for 2022 and \$2,019,000 for 2023.

Subd. 10. **Pregnant and parenting pupil transportation reimbursement.** (a) To reimburse districts for transporting pregnant or parenting pupils under Minnesota Statutes, section 123B.92, subdivision 1, paragraph (b), clause (1), item (vi):

\$	<u>56,000</u>	.....	<u>2022</u>
\$	<u>55,000</u>	.....	<u>2023</u>

(b) To receive reimbursement, districts must apply using the form and manner of application prescribed by the commissioner. If the appropriation is insufficient, the commissioner must prorate the amount paid to districts seeking reimbursement.

(c) Any balance in the first year does not cancel but is available in the second year.

(d) The base for fiscal year 2024 and later is \$55,000.

Subd. 11. **Minnesota classroom support aid.** (a) For providing onetime aid to school districts, charter schools, intermediate school districts, and the Minnesota State Academies for Minnesota classroom support aid:

\$	<u>60,000,000</u>	.....	<u>2022</u>
\$	<u>0</u>	.....	<u>2023</u>

(b) Of the amount in paragraph (a), the commissioner must allocate \$2,000,000 to the four intermediate school districts and the Minnesota State Academies. The commissioner must directly distribute \$400,000 to each intermediate school district and \$400,000 to the Minnesota State Academies.

(c) Of the amount in paragraph (a), the commissioner must allocate the remainder of the appropriation to school districts and charter schools in an amount equal to \$58,000,000 multiplied by the ratio of an eligible school district or charter school's fiscal year 2020 average daily membership divided by the total fiscal year 2020 average daily membership of all school districts and charter schools. The aid for a school district or charter school that received \$5,000 per pupil or more of federal COVID-19 revenue must not exceed the lesser of the amount calculated under this paragraph or \$1,000,000. Federal COVID-19 revenue per pupil for each school district or charter school equals:

(1) the sum of a school district or charter school's Elementary and Secondary School Emergency Relief formula-based allocation received under:

(i) the Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136;

(ii) the Consolidated Appropriations Act, 2021, division M, Coronavirus Response and Relief Supplemental Appropriations Act, Public Law 116-260; and

(iii) the American Rescue Plan Act of 2021, Public Law 117-2; and

(2) divided by the school district or charter school's fiscal year 2020 average daily membership.

(d) One hundred percent of the aid under this section must be paid in the current year.

(e) This appropriation is available until June 30, 2023. This is a onetime appropriation.

ARTICLE 2**EDUCATION EXCELLENCE**

Section 1. Minnesota Statutes 2020, section 120A.35, is amended to read:

120A.35 ABSENCE FROM SCHOOL FOR RELIGIOUS OBSERVANCE.

Reasonable efforts must be made by a school district to accommodate any pupil who wishes to be excused from a curricular activity for a religious observance. A school board must provide annual notice to parents of the school district's policy relating to a pupil's absence from school for religious observance.

EFFECTIVE DATE. This section is effective for the 2021-2022 school year and later.

Sec. 2. Minnesota Statutes 2020, section 120A.40, is amended to read:

120A.40 SCHOOL CALENDAR.

(a) Except for learning programs during summer, ~~flexible learning year programs authorized under sections 124D.12 to 124D.127,~~ and learning year programs under section 124D.128, a district must not commence an elementary or secondary school year before Labor Day, except as provided under paragraph (b). Days devoted to teachers' workshops may be held before Labor Day. Districts that enter into cooperative agreements are encouraged to adopt similar school calendars.

(b) A district may begin the school year on any day before Labor Day:

(1) to accommodate a construction or remodeling project of \$400,000 or more affecting a district school facility;

(2) if the district has an agreement under section 123A.30, 123A.32, or 123A.35 with a district that qualifies under clause (1); or

(3) if the district agrees to the same schedule with a school district in an adjoining state.

(c) A school board may consider the community's religious observance when adopting an annual school calendar.

EFFECTIVE DATE. This section is effective for the 2021-2022 school year and later.

Sec. 3. Minnesota Statutes 2020, section 120A.41, is amended to read:

120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.

(a) A school board's annual school calendar must include at least 425 hours of instruction for a kindergarten student without a disability, 935 hours of instruction for a student in grades 1 through 6, and 1,020 hours of instruction for a student in grades 7 through 12, not including summer school. The school calendar for all-day kindergarten must include at least 850 hours of instruction for the school year. The school calendar for a prekindergarten student under section 124D.151, if offered by the district, must include at least 350 hours of instruction for the school year. A school board's

annual calendar must include at least 165 days of instruction for a student in grades 1 through 11 unless a four-day week schedule has been approved by the ~~commissioner~~ school board under section ~~124D.126~~ 124D.122.

(b) A school board's annual school calendar may include plans for ~~up to five days of instruction provided through online instruction due to inclement weather. The inclement weather~~ an unlimited number of days of instruction provided through distance learning due to weather or a health or natural disaster emergency. The distance learning plans must be developed according to section 120A.414.

(c) Hours of instruction include all learning opportunities and services designed to support a student to be prepared to succeed and lead by having the knowledge and skills to learn, engage civically, and lead meaningful lives, through implementation of evidence-based practices, quality instruction, and personalized learning supports. Such opportunities and services include but are not limited to blended learning, distance learning, project-based learning, work-based learning, service learning, supervised internships, and in-person learning in a school building.

EFFECTIVE DATE. This section is effective for the 2021-2022 school year and later.

Sec. 4. Minnesota Statutes 2020, section 120A.414, is amended to read:

120A.414 E-LEARNING DISTANCE LEARNING DAYS.

Subdivision 1. **Days.** ~~"E-learning day"~~ "Distance learning day" means a school day where a school offers full access to online instruction provided by students' individual teachers due to ~~inclement weather~~ or a health or natural disaster emergency as determined by the school board or superintendent. A school district or charter school that chooses to have ~~e-learning~~ distance learning days may have ~~up to five e-learning~~ an unlimited number of distance learning days in one school year. ~~An e-learning~~ A distance learning day is counted as a day of instruction and included in the hours of instruction under section 120A.41.

Subd. 2. **Plan.** A school board may use its 2020-2021 school year distance learning plan or may adopt ~~an e-learning~~ a distance learning day plan after consulting with the exclusive representative of the teachers. A charter school may adopt ~~an e-learning~~ a distance learning day plan after consulting with its teachers. The plan must include accommodations for students without Internet access at home and for digital device access for families without the technology or an insufficient amount of technology for the number of children in the household. A school's ~~e-learning~~ distance learning day plan must provide accessible options for students with disabilities under chapter 125A.

Subd. 3. **Annual notice.** A school district or charter school must notify parents and students of the ~~e-learning~~ distance learning day plan at the beginning of the school year.

Subd. 4. **Daily notice.** On ~~an e-learning~~ a distance learning day declared by the school, a school district or charter school must notify parents and students at least two hours prior to the normal school start time that students need to follow the ~~e-learning~~ distance learning day plan for that day.

Subd. 5. **Teacher access.** Each student's teacher must be accessible both online and by telephone during normal school hours on ~~an e-learning~~ a distance learning day to assist students and parents.

EFFECTIVE DATE. This section is effective for the 2021-2022 school year and later.

Sec. 5. Minnesota Statutes 2020, section 120A.42, is amended to read:

120A.42 CONDUCT OF SCHOOL ON CERTAIN HOLIDAYS.

(a) The governing body of any district may contract with any of the teachers of the district for the conduct of schools, and may conduct schools, on either, or any, of the following holidays, provided that a clause to this effect is inserted in the teacher's contract: Martin Luther King's birthday, Lincoln's and Washington's birthdays, Columbus Day and Veterans' Day. On Martin Luther King's birthday, Washington's birthday, Lincoln's birthday, and Veterans' Day at least one hour of the school program must be devoted to a patriotic observance of the day.

(b) A district may conduct a school program to honor Constitution Day and Citizenship Day by providing opportunities for students to learn about the principles of American democracy, the American system of government, American citizens' rights and responsibilities, American history, and American geography, symbols, and holidays. Among other activities under this paragraph, districts may administer to students the test questions United States Citizenship and Immigration Services officers pose to applicants for naturalization.

(c) Upon request of a group or organization identified as a patriotic society in United States Code, title 36, formed to serve students under the age of 21, a school district must include the group or organization in the school program identified in paragraph (a) or (b), or provide a representative of a patriotic society an opportunity each school year to speak for a reasonable amount of time to students during the school day.

Sec. 6. Minnesota Statutes 2020, section 120B.021, subdivision 4, is amended to read:

Subd. 4. **Revisions and reviews required.** (a) The commissioner of education must revise and appropriately embed technology and information literacy standards consistent with recommendations from school media specialists into the state's academic standards and graduation requirements and implement a ten-year cycle to review and, consistent with the review, revise state academic standards and related benchmarks, consistent with this subdivision. During each ten-year review and revision cycle, the commissioner also must examine the alignment of each required academic standard and related benchmark with the knowledge and skills students need for career and college readiness and advanced work in the particular subject area. The commissioner must include the contributions of Minnesota American Indian tribes and communities as related to the academic standards during the review and revision of the required academic standards.

(b) The commissioner must ensure that the statewide mathematics assessments administered to students in grades 3 through 8 and 11 are aligned with the state academic standards in mathematics, consistent with section 120B.30, subdivision 1, paragraph (b). The commissioner must implement a review of the academic standards and related benchmarks in mathematics beginning in the 2021-2022 school year and every ten years thereafter.

(c) The commissioner must implement a review of the academic standards and related benchmarks in arts beginning in the 2017-2018 school year and every ten years thereafter.

(d) The commissioner must implement a review of the academic standards and related benchmarks in science beginning in the 2018-2019 school year and every ten years thereafter.

(e) The commissioner must implement a review of the academic standards and related benchmarks in language arts beginning in the 2019-2020 school year and every ten years thereafter.

(f) The commissioner must implement a review of the academic standards and related benchmarks in social studies beginning in the 2020-2021 school year and every ten years thereafter.

(g) The commissioner must implement a review of the academic standards and related benchmarks in physical education beginning in the ~~2022-2023~~ 2026-2027 school year and every ten years thereafter.

(h) School districts and charter schools must revise and align local academic standards and high school graduation requirements in health, world languages, and career and technical education to require students to complete the revised standards beginning in a school year determined by the school district or charter school. School districts and charter schools must formally establish a periodic review cycle for the academic standards and related benchmarks in health, world languages, and career and technical education.

Sec. 7. Minnesota Statutes 2020, section 120B.11, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purposes of this section and section 120B.10, the following terms have the meanings given them.

(a) "Instruction" means methods of providing learning experiences that enable a student to meet state and district academic standards and graduation requirements including applied and experiential learning.

(b) "Curriculum" means district or school adopted programs and written plans for providing students with learning experiences that lead to expected knowledge and skills and career and college readiness.

(c) "World's best workforce" means striving to: meet school readiness goals; have all third grade students achieve grade-level literacy; close the academic achievement gap among all racial and ethnic groups of students and between students living in poverty and students not living in poverty; have all students attain career and college readiness before graduating from high school; and have all students graduate from high school.

(d) "Experiential learning" means learning for students that includes career exploration through a specific class or course or through work-based experiences such as job shadowing, mentoring, entrepreneurship, service learning, volunteering, internships, other cooperative work experience, youth apprenticeship, or employment.

(e) "On track for graduation" means that at the end of grade 9, a student has earned at least five credits and has received no more than one failing grade in a semester in a course in language arts, mathematics, science, or social studies. A student is off track for graduation if the student fails to meet either of these criteria.

Sec. 8. Minnesota Statutes 2020, section 120B.11, subdivision 1a, is amended to read:

Subd. 1a. **Performance measures.** (a) Measures to determine school district and school site progress in striving to create the world's best workforce must include at least:

(1) the size of the academic achievement gap, rigorous course taking under section 120B.35, subdivision 3, paragraph (c), clause (2), participation in honors or gifted and talented programming, and enrichment experiences by student subgroup;

(2) student performance on the Minnesota Comprehensive Assessments;

(3) high school graduation rates; ~~and~~

(4) career and college readiness under section 120B.30, subdivision 1; and

(5) the number and percentage of students, by student subgroup, who are on track for graduation.

(b) Performance measures under this subdivision must be reported for all student subgroups identified in section 120B.35, subdivision 3, paragraph (b), clause (2).

Sec. 9. Minnesota Statutes 2020, section 120B.132, subdivision 1, is amended to read:

Subdivision 1. **Establishment; eligibility.** (a) A program is established to raise kindergarten through grade 12 academic achievement through increased student participation in preadvanced placement, advanced placement, and international baccalaureate programs, consistent with section 120B.13. Schools and charter schools eligible to participate under this section:

~~(1) must have a three-year plan approved by the local school board to establish a new international baccalaureate program leading to international baccalaureate authorization, expand an existing program that leads to international baccalaureate authorization, or expand an existing authorized international baccalaureate program; or~~

~~(2) must have a three-year plan approved by the local school board to create a new or expand an existing program to implement the college board advanced placement courses and exams or preadvanced placement initiative; and~~

~~(3) must propose to further raise students' academic achievement by:~~

~~(i) (1) increasing the availability of and all students' access to advanced placement or international baccalaureate courses or programs;~~

~~(ii) (2) expanding the breadth of advanced placement or international baccalaureate courses or programs that are available to students;~~

~~(iii) (3) increasing the number and the diversity of the students who participate in advanced placement or international baccalaureate courses or programs and succeed;~~

~~(iv) (4) providing low-income and other disadvantaged students with increased access to advanced placement or international baccalaureate courses and programs; or~~

~~(4)~~ (5) increasing the number of high school students, including low-income and other disadvantaged students, who receive college credit by successfully completing advanced placement or international baccalaureate courses or programs and achieving satisfactory scores on related exams.

(b) Within 90 days of receiving a grant under this section, a school district or charter school must:

(1) adopt a three-year plan approved by the local school board to establish a new international baccalaureate program leading to international baccalaureate authorization, expand an existing program that leads to international baccalaureate authorization, or expand an existing authorized international baccalaureate program; or

(2) adopt a three-year plan approved by the local school board to create a new or expand an existing program to implement the college board advanced placement courses and exams or preadvanced placement initiative.

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

Sec. 10. Minnesota Statutes 2020, section 120B.132, subdivision 3, is amended to read:

Subd. 3. **Funding; permissible funding uses.** (a) The commissioner shall award grants to applicant school districts and charter schools that meet the requirements of subdivisions 1 and 2. The commissioner must award grants on an equitable geographical basis to the extent feasible and consistent with this section. Grant awards must not exceed ~~the lesser of:~~

~~(1) \$85 times the number of pupils enrolled at the participating sites on October 1 of the previous fiscal year;~~

~~(2) the approved supplemental expenditures based on the budget submitted under subdivision 2. For charter schools in their first year of operation, the maximum funding award must be calculated using the number of pupils enrolled on October 1 of the current fiscal year. The commissioner may adjust the maximum funding award computed using prior year data for changes in enrollment attributable to school closings, school openings, grade level reconfigurations, or school district reorganizations between the prior fiscal year and the current fiscal year; or~~

~~(3) \$150,000 per district or charter school.~~

(b) School districts and charter schools that submit an application and receive funding under this section must use the funding, consistent with the application, to:

(1) provide teacher training and instruction to more effectively serve students, including low-income and other disadvantaged students, who participate in preadvanced placement, advanced placement, or international baccalaureate courses or programs;

(2) further develop preadvanced placement, advanced placement, or international baccalaureate courses or programs;

(3) improve the transition between grade levels to better prepare students, including low-income and other disadvantaged students, for succeeding in preadvanced placement, advanced placement, or international baccalaureate courses or programs;

(4) purchase books and supplies;

(5) pay course or program fees;

(6) increase students' participation in and success with preadvanced placement, advanced placement, or international baccalaureate courses or programs;

(7) expand students' access to preadvanced placement, advanced placement, or international baccalaureate courses or programs through online learning;

(8) hire appropriately licensed personnel to teach additional advanced placement or international baccalaureate courses or programs; or

(9) engage in other activities to expand low-income or disadvantaged students' access to, participation in, and success with preadvanced placement, advanced placement, or international baccalaureate courses or programs. Other activities may include but are not limited to preparing and disseminating promotional materials to low-income and other disadvantaged students and their families.

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

Sec. 11. Minnesota Statutes 2020, section 121A.04, subdivision 4, is amended to read:

Subd. 4. **Provision of separate teams.** When an equal opportunity to participate in the elementary or secondary school level athletic program of an educational institution or public service is not provided to members of a sex whose overall athletic opportunities have previously been limited, that educational institution or public service shall, where there is demonstrated interest, provide separate teams for members of the excluded sex in sports which it determines will provide members of that excluded sex with an equal opportunity to participate in its athletic program and which will attempt to accommodate their demonstrated interests. A public elementary or secondary school, or a school that is a member of the Minnesota State High School League, that permits a person whose sex is male to participate in interscholastic or intramural athletics that are designed for women or girls, is in violation of this section. Nothing in this section may be construed to invalidate a court order.

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

Sec. 12. Minnesota Statutes 2020, section 121A.45, is amended by adding a subdivision to read:

Subd. 4. **Dismissal of students in kindergarten through grade three.** Notwithstanding subdivision 2, a pupil in kindergarten through grade 3 may only be dismissed in circumstances where the child poses a safety threat to the child or others.

Sec. 13. Minnesota Statutes 2020, section 121A.55, is amended to read:

121A.55 POLICIES TO BE ESTABLISHED.

Subdivision 1. Written discipline policies; area learning centers; removal of students. (a) The commissioner of education shall promulgate guidelines to assist each school board. Each school board shall establish uniform criteria for dismissal and adopt written policies and rules to effectuate the purposes of sections 121A.40 to 121A.56. The policies shall emphasize preventing dismissals through early detection of problems and shall be designed to address students' inappropriate behavior from recurring. The policies shall recognize the continuing responsibility of the school for the education of the pupil during the dismissal period. The alternative educational services, if the pupil wishes to take advantage of them, must be adequate to allow the pupil to make progress towards meeting the graduation standards adopted under section 120B.02 and help prepare the pupil for readmission.

(b) An area learning center under section 123A.05 may not prohibit an expelled or excluded pupil from enrolling solely because a district expelled or excluded the pupil. The board of the area learning center may use the provisions of the Pupil Fair Dismissal Act to exclude a pupil or to require an admission plan.

(c) Each school district shall develop a policy and report it to the commissioner on the appropriate use of peace officers and crisis teams to remove students who have an individualized education program from school grounds.

Subd. 2. Annual discipline policy review; stakeholder group. (a) A school board must annually convene stakeholders to review the district's discipline policy. The stakeholder group must consist of at least 25 percent parents or guardians of current students and at least 25 percent of current students. Other stakeholders may include other community members and relevant school staff. The school board may assign the duty to review the discipline policy to an existing school or site council that has the same percentage of parents and students as required of the stakeholder group.

(b) The stakeholder group may make recommendations to the school board regarding changes to the discipline policy. The stakeholder group must have access to data on discipline incidents the district reports to the Department of Education and the Office for Civil Rights. Any data that includes identifiable student information must be excluded from the data provided to the stakeholder group.

Subd. 3. Parent, guardian, or student review of suspensions. The district's discipline policy must provide a process for a parent, guardian, or student age 18 or older to request review of an imposed suspension.

Sec. 14. Minnesota Statutes 2020, section 122A.06, subdivision 4, is amended to read:

Subd. 4. Comprehensive, scientifically based reading instruction. (a) "Comprehensive, scientifically based reading instruction" includes a program or collection of instructional practices that is based on valid, replicable evidence showing that when these programs or practices are used, students can be expected to achieve, at a minimum, satisfactory reading progress. The program or collection of practices must include, at a minimum, effective, ~~balanced~~ instruction in all five areas of reading: phonemic awareness, phonics, fluency, vocabulary development, and reading comprehension.

Comprehensive, scientifically based reading instruction also includes and integrates instructional strategies for continuously assessing, evaluating, and communicating the student's reading progress

and needs in order to design and implement ongoing interventions so that students of all ages and proficiency levels can read and comprehend text, write, and apply higher level thinking skills. For English learners developing literacy skills, districts are encouraged to use strategies that teach reading and writing in the students' native language and English at the same time.

(b) "Fluency" is the ability of students to read text with speed, accuracy, and proper expression.

(c) "Phonemic awareness" is the ability of students to notice, think about, and manipulate individual sounds in spoken syllables and words.

(d) "Phonics" is the understanding that there are systematic and predictable relationships between written letters and spoken words. Phonics instruction is a way of teaching reading that stresses learning how letters correspond to sounds and how to apply this knowledge in reading and spelling.

(e) "Reading comprehension" is an active process that requires intentional thinking during which meaning is constructed through interactions between text and reader. Comprehension skills are taught explicitly by demonstrating, explaining, modeling, and implementing specific cognitive strategies to help beginning readers derive meaning through intentional, problem-solving thinking processes.

(f) "Vocabulary development" is the process of teaching vocabulary both directly and indirectly, with repetition and multiple exposures to vocabulary items. Learning in rich contexts, incidental learning, and use of computer technology enhance the acquiring of vocabulary.

(g) Nothing in this subdivision limits the authority of a school district to select a school's reading program or curriculum.

Sec. 15. Minnesota Statutes 2020, section 123B.86, subdivision 3, is amended to read:

Subd. 3. **Board control.** (a) When transportation is provided, the scheduling of routes, manner and method of transportation, control and discipline of school children and any other matter relating thereto shall be within the sole discretion, control and management of the board.

(b) A school board and a nonpublic school may mutually agree to a written plan for the board to provide nonpublic pupil transportation to nonpublic students.

(1) A school board that provides pupil transportation through its employees may transport nonpublic pupils according to the plan and retain the nonpublic pupil transportation aid attributable to that plan. A nonpublic school may make a payment to the school district to cover additional transportation services agreed to in the written plan for nonpublic pupil transportation services not required under sections 123B.84 to 123B.87.

(2) A school board that contracts for pupil transportation services may enter into a contractual arrangement with a school bus contractor according to the written plan adopted by the school board and the nonpublic school to transport nonpublic pupils and retain the nonpublic pupil transportation aid attributable to that plan for purposes of paying the school bus contractor. A nonpublic school may make a payment to the school district to cover additional transportation services agreed to in the written plan for nonpublic pupil transportation services included in the contract that are not required under sections 123B.84 to 123B.87.

(c) The school district must report the number of nonpublic pupils transported and the nonpublic pupil transportation expenditures incurred under paragraph (b) in the form and manner specified by the commissioner.

Sec. 16. Minnesota Statutes 2020, section 124D.09, subdivision 5a, is amended to read:

Subd. 5a. **Authorization; career or technical education.** A 10th, 11th, or 12th grade pupil enrolled in a district or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may enroll in a career or technical education course offered by a Minnesota state college or university. A 10th grade pupil applying for enrollment in a career or technical education course under this subdivision must have received a passing score on the 8th grade Minnesota Comprehensive Assessment in reading as a condition of enrollment. A current 10th grade pupil who did not take the 8th grade Minnesota Comprehensive Assessment in reading may substitute another reading assessment accepted by the enrolling postsecondary institution. A secondary pupil may enroll in the pupil's first postsecondary options enrollment course under this subdivision. A student who is refused enrollment by a Minnesota state college or university under this subdivision may apply to an eligible institution offering a career or technical education course. A 10th grade student who qualifies to enroll in a career or technical education course under this subdivision may enroll in more than one career or technical education course in their first semester of their 10th grade school year. The postsecondary institution must give priority to its students according to subdivision 9. If a secondary student receives a grade of "C" or better in the career or technical education course taken under this subdivision, the postsecondary institution must allow the student to take additional postsecondary courses for secondary credit at that institution, not to exceed the limits in subdivision 8. A "career or technical course" is a course that is part of a career and technical education program that provides individuals with coherent, rigorous content aligned with academic standards and relevant technical knowledge and skills needed to prepare for further education and careers in current and emerging professions and provide technical skill proficiency, an industry recognized credential, and a certificate, a diploma, or an associate degree.

Sec. 17. Minnesota Statutes 2020, section 124D.09, subdivision 7, is amended to read:

Subd. 7. **Dissemination of information; notification of intent to enroll.** By the earlier of (1) three weeks prior to the date by which a student must register for district courses for the following school year, or (2) March 1 of each year, a district must provide up-to-date information on the district's website and in materials that are distributed to parents and students about the program, including information about enrollment requirements and the ability to earn postsecondary credit to all pupils in grades 8, 9, 10, and 11. To assist the district in planning, a pupil must inform the district by May 30 of each year of the pupil's intent to enroll in postsecondary courses during the following school year. A pupil is bound by notifying or not notifying the district by May 30. The May 30 deadline does not apply if the district does not meet the requirements for dissemination of information under this subdivision.

Sec. 18. Minnesota Statutes 2020, section 124D.09, subdivision 9, is amended to read:

Subd. 9. **Enrollment priority.** (a) A postsecondary institution must give priority to its postsecondary students when enrolling pupils in grades 10, 11, and 12 in its courses. A postsecondary institution may provide information about its programs to a secondary school or to a pupil or parent

~~and it may advertise or otherwise recruit or solicit a secondary pupil to enroll in its programs, or guardian on educational and, programmatic, and financial grounds only except, notwithstanding other law to the contrary, and for the 2014-2015 through 2019-2020 school years only, An eligible postsecondary institution may advertise or otherwise recruit or solicit a secondary pupil residing in a school district with 700 students or more in grades 10, 11, and 12, to enroll in its programs on educational, programmatic, or financial grounds.~~

(b) An institution must not enroll secondary pupils, for postsecondary enrollment options purposes, in remedial, developmental, or other courses that are not college level except when a student eligible to participate and enrolled in the graduation incentives program under section 124D.68 enrolls full time in a middle or early college program. A middle or early college program must be specifically designed to allow the student to earn dual high school and college credit with a well-defined pathway to allow the student to earn a postsecondary degree or credential. In this case, the student must receive developmental college credit and not college credit for completing remedial or developmental courses.

(c) Once a pupil has been enrolled in any postsecondary course under this section, the pupil must not be displaced by another student.

(d) If a postsecondary institution enrolls a secondary school pupil in a course under this section, the postsecondary institution also must enroll in the same course an otherwise enrolled and qualified postsecondary student who qualifies as a veteran under section 197.447, and demonstrates to the postsecondary institution's satisfaction that the institution's established enrollment timelines were not practicable for that student.

(e) A postsecondary institution must allow secondary pupils to enroll in online courses under this section consistent with the institution's policy regarding postsecondary pupil enrollment in online courses.

Sec. 19. Minnesota Statutes 2020, section 124D.09, subdivision 11, is amended to read:

Subd. 11. **Participation in high school activities.** Enrolling in a course under this section shall not, by itself, prohibit a pupil from participating in activities sponsored by the pupil's high school, leadership roles, or participating in national organizations sponsored by the pupil's high school.

Sec. 20. Minnesota Statutes 2020, section 124D.09, subdivision 12, is amended to read:

Subd. 12. **Credits; grade point average weighting policy.** (a) A pupil must not audit a course under this section.

(b) A district shall grant academic credit to a pupil enrolled in a course for secondary credit if the pupil successfully completes the course. Seven quarter or four semester college credits equal at least one full year of high school credit. Fewer college credits may be prorated. A district must also grant academic credit to a pupil enrolled in a course for postsecondary credit if secondary credit is requested by a pupil. If no comparable course is offered by the district, the district must, as soon as possible, notify the commissioner, who shall determine the number of credits that shall be granted to a pupil who successfully completes a course. If a comparable course is offered by the district, the school board shall grant a comparable number of credits to the pupil. If there is a dispute between the district and the pupil regarding the number of credits granted for a particular course, the pupil

may appeal the board's decision to the commissioner. The commissioner's decision regarding the number of credits shall be final.

(c) A school board must adopt a policy regarding weighted grade point averages for any high school or dual enrollment course. The board must adopt an identical policy regarding weighted grade point averages for credits earned through postsecondary enrollment options coursework as it gives to credits earned through comparable concurrent enrollment coursework. The policy must state whether the district offers weighted grades. A school board must annually publish on its website a list of courses for which a student may earn a weighted grade.

(d) The secondary credits granted to a pupil must be counted toward the graduation requirements and subject area requirements of the district. Evidence of successful completion of each course and secondary credits granted must be included in the pupil's secondary school record. A pupil shall provide the school with a copy of the pupil's grade in each course taken for secondary credit under this section. Upon the request of a pupil, the pupil's secondary school record must also include evidence of successful completion and credits granted for a course taken for postsecondary credit. In either case, the record must indicate that the credits were earned at a postsecondary institution.

(e) If a pupil enrolls in a postsecondary institution after leaving secondary school, the postsecondary institution must award postsecondary credit for any course successfully completed for secondary credit at that institution. Other postsecondary institutions may award, after a pupil leaves secondary school, postsecondary credit for any courses successfully completed under this section. An institution may not charge a pupil for the award of credit.

(f) The Board of Trustees of the Minnesota State Colleges and Universities and the Board of Regents of the University of Minnesota must, and private nonprofit and proprietary postsecondary institutions should, award postsecondary credit for any successfully completed courses in a program certified by the National Alliance of Concurrent Enrollment Partnerships offered according to an agreement under subdivision 10. Consistent with section 135A.101, subdivision 3, all MnSCU institutions must give full credit to a secondary pupil who completes for postsecondary credit a postsecondary course or program that is part or all of a goal area or a transfer curriculum at a MnSCU institution when the pupil enrolls in a MnSCU institution after leaving secondary school. Once one MnSCU institution certifies as completed a secondary student's postsecondary course or program that is part or all of a goal area or a transfer curriculum, every MnSCU institution must consider the student's course or program for that goal area or the transfer curriculum as completed.

Sec. 21. Minnesota Statutes 2020, section 124D.09, subdivision 22, is amended to read:

Subd. 22. **Transportation.** (a) A parent or guardian of a pupil enrolled in a course for secondary credit may apply to the pupil's district of residence for reimbursement for transporting the pupil between the secondary school in which the pupil is enrolled or the pupil's home and the postsecondary institution that the pupil attends. The state shall provide state aid to a district in an amount sufficient to reimburse the parent or guardian, or district, for the necessary transportation costs when the family's or guardian's income is at or below the poverty level, as determined by the federal government. The reimbursement shall be the pupil's or district's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week. However, if the nearest postsecondary institution is more than 25 miles from the pupil's resident secondary school, the weekly reimbursement may not exceed the reimbursement rate per

mile times the actual distance between the secondary school or the pupil's home and the nearest postsecondary institution times ten. The state must pay aid to the district according to this subdivision. A district that is reimbursed for transporting an eligible pupil under this subdivision must not charge any pupil for transportation to or from a postsecondary institution.

(b) A parent or guardian of an alternative pupil enrolled in a course for secondary credit may apply to the pupil's postsecondary institution for reimbursement for transporting the pupil between the secondary school in which the pupil is enrolled or the pupil's home and the postsecondary institution in an amount sufficient to reimburse the parent or guardian for the necessary transportation costs when the family's or guardian's income is at or below the poverty level, as determined by the federal government. The amount of the reimbursement shall be determined as in paragraph (a). The state must pay aid to the postsecondary institution according to this subdivision.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2022 and later.

Sec. 22. **[124D.097] DISTANCE LEARNING OPTION.**

A school district may offer a full distance learning option to its enrolled resident students. A distance learning option may be part of a school's curriculum offerings. A student may complete all of the educational expectations and graduation requirements according to section 120B.02 through distance learning. A school district that offers distance learning is not an online learning provider and is not subject to Department of Education approval under section 124D.095. A school district may assign a student who is participating in full distance learning to a building for purposes of determining compensatory revenue pupil units under section 126C.05, subdivision 3, and free and reduced-price meal eligibility under section 126C.05, subdivision 16.

EFFECTIVE DATE. This section is effective for the 2021-2022 school year and later.

Sec. 23. Minnesota Statutes 2020, section 124D.12, is amended to read:

124D.12 PURPOSE OF FLEXIBLE LEARNING YEAR PROGRAMS.

Sections 124D.12 to 124D.127 authorize districts to evaluate, plan and employ the use of flexible learning year programs. It is anticipated that the open selection of the type of flexible learning year operation from a variety of alternatives will allow each district seeking to utilize this concept to suitably fulfill the educational needs of its pupils. These alternatives must include, but not be limited to, various 45-15 plans, four-quarter plans, quinmester plans, extended learning year plans, and flexible all-year plans. ~~A school district with an approved four-day week plan in the 2014-2015 school year may continue under a four-day week plan through the end of the 2019-2020 school year. Future approvals are contingent upon meeting the school district's performance goals established in the district's plan under section 120B.11. The commissioner must give a school district one school year's notice before revoking approval of its flexible learning year program.~~

EFFECTIVE DATE. This section is effective for the 2021-2022 school year and later.

Sec. 24. Minnesota Statutes 2020, section 124D.121, is amended to read:

124D.121 DEFINITION OF FLEXIBLE LEARNING YEAR PROGRAM.

"Flexible learning year program" means any district plan approved by the ~~commissioner~~ school board that utilizes buildings and facilities during the entire year or that provides forms of optional scheduling of pupils and personnel during the learning year in elementary and secondary schools or residential facilities for children with a disability.

EFFECTIVE DATE. This section is effective for the 2021-2022 school year and later.

Sec. 25. Minnesota Statutes 2020, section 124D.122, is amended to read:

124D.122 ESTABLISHMENT OF FLEXIBLE LEARNING YEAR PROGRAM.

The board of any district or a consortium of districts, ~~with the approval of the commissioner,~~ may establish and operate a flexible learning year program in one or more of the day or residential facilities for children with a disability within the district. Consortiums may use a single ~~application and~~ evaluation process, though results, public hearings, and board approvals must be obtained for each district as required under appropriate sections. ~~The commissioner must approve or disapprove of a flexible learning year application within 45 business days of receiving the application. If the commissioner disapproves the application, the commissioner must give the district or consortium detailed reasons for the disapproval.~~

EFFECTIVE DATE. This section is effective for the 2021-2022 school year and later.

Sec. 26. Minnesota Statutes 2020, section 124D.126, subdivision 1, is amended to read:

Subdivision 1. **Powers and duties.** The commissioner must:

~~(1) promulgate rules necessary to the operation of sections 124D.12 to 124D.127;~~

~~(2) (1) cooperate with and provide supervision of flexible learning year programs to determine compliance with the provisions of sections 124D.12 to 124D.127, the commissioner's standards and qualifications, and the proposed program as submitted and approved;~~

~~(3) (2) provide any necessary adjustments of (a) (i) attendance and membership computations and (b) (ii) the dates and percentages of apportionment of state aids; and~~

~~(4) (3) consistent with the definition of "average daily membership" in section 126C.05, subdivision 8, furnish the board of a district implementing a flexible learning year program with a formula for computing average daily membership. This formula must be computed so that tax levies to be made by the district, state aids to be received by the district, and any and all other formulas based upon average daily membership are not affected solely as a result of adopting this plan of instruction.~~

EFFECTIVE DATE. This section is effective for the 2021-2022 school year and later.

Sec. 27. Minnesota Statutes 2020, section 124D.127, is amended to read:

124D.127 TERMINATION OF FLEXIBLE LEARNING YEAR PROGRAM.

The board of any district, ~~with the approval of the commissioner of education,~~ may terminate a flexible learning year program in one or more of the day or residential facilities for children with

a disability within the district. This section shall not be construed to permit an exception to section 120A.22, 127A.41, subdivision 7, or 127A.43.

EFFECTIVE DATE. This section is effective for the 2021-2022 school year and later.

Sec. 28. **[124D.4536] RURAL CAREER AND TECHNICAL EDUCATION CONSORTIUM GRANTS.**

Subdivision 1. **Definition.** (a) "Rural career and technical education (CTE) consortium" means a voluntary collaboration of at least one greater Minnesota service cooperative and other regional public and private partners, including school districts and higher education institutions, that work together to provide career and technical education opportunities within the service cooperative's multicounty service area.

(b) A consortium that includes more than one service cooperative must designate one service cooperative to serve as fiscal host for the consortium.

Subd. 2. **Establishment.** (a) A rural CTE consortium shall:

(1) focus on the development of courses and programs that encourage collaboration between two or more school districts;

(2) develop new career and technical programs that focus on the industry sectors that fuel the rural regional economy;

(3) facilitate the development of highly trained and knowledgeable students who are equipped with technical and workplace skills needed by regional employers;

(4) improve access to career and technical education programs for students who attend sparsely populated rural school districts by developing public and private partnerships with business and industry leaders and by increasing coordination of high school and postsecondary program options;

(5) increase family and student awareness of the availability and benefit of career and technical education courses and training opportunities; and

(6) provide capital start-up costs for items, including but not limited to a mobile welding lab, medical equipment and lab, and industrial kitchen equipment.

(b) In addition to the requirements in paragraph (a), a rural CTE consortium may:

(1) address the teacher shortage crisis in career and technical education through incentive funding and training programs; and

(2) provide transportation reimbursement grants to provide equitable opportunities throughout the region for students to participate in career and technical education.

Subd. 3. **Rural career and technical education advisory committee.** In order to be eligible for a grant under this section, a greater Minnesota service cooperative must establish a rural career and technical education advisory committee to advise the cooperative on the administration of the rural CTE consortium.

Subd. 4. **Private funding.** A rural CTE consortium may receive other sources of funds to supplement state funding. All funds received shall be administered by the service cooperative that is a member of the consortium.

Subd. 5. **Reporting requirements.** By January 15 of each year, a rural CTE consortium receiving funding under this section must submit an annual report on the progress of its activities to the commissioner of education and the chairs and ranking minority members of the legislative committees with jurisdiction over secondary and postsecondary education. The annual report must contain a financial report for the preceding fiscal year.

Subd. 6. **Grant awards.** The Minnesota Service Cooperatives may consult with the commissioner to award grants to any rural CTE consortium that qualifies under this section.

Sec. 29. Minnesota Statutes 2020, section 124E.05, subdivision 5, is amended to read:

Subd. 5. Review by commissioner. (a) The commissioner shall review an authorizer's performance every five years in a manner and form determined by the commissioner, subject to paragraphs (b) and (c), and may review an authorizer's performance more frequently at the commissioner's own initiative or at the request of a charter school operator, charter school board member, or other interested party. The commissioner, after completing the review, shall transmit a report with findings to the authorizer.

(b) Consistent with this subdivision, the commissioner must:

(1) use criteria appropriate to the authorizer and the schools it charters to review the authorizer's performance; and

(2) consult with authorizers, charter school operators, and other charter school stakeholders in developing review criteria under this paragraph.

(c) The commissioner's form must use existing department data on the authorizer to minimize duplicate reporting to the extent practicable. When reviewing an authorizer's performance under this subdivision, the commissioner must not:

(1) fail to credit;

(2) withhold points; or

(3) otherwise penalize an authorizer for failing to charter additional schools or for the absence of complaints against the authorizer's current portfolio of charter schools.

(d) An authorizer that is a school district that submitted a written promise under subdivision 4, paragraph (b), may submit a new written promise to comply with the requirements to the commissioner as part of the review process.

Sec. 30. Minnesota Statutes 2020, section 124E.05, subdivision 6, is amended to read:

Subd. 6. Corrective action. (a) If, consistent with this chapter, the commissioner finds that an authorizer has not met the requirements of this chapter, the commissioner may subject the authorizer to a corrective action plan, which may ~~include terminating the contract with the charter school board~~

of directors of a school it chartered, last no longer than 130 business days. The commissioner may prohibit an authorizer on a corrective plan from accepting a transfer application from a charter school and an application to establish a charter school.

(b) The commissioner must notify the authorizer in writing of that the authorizer has been placed on a corrective plan. The notice must include any findings that may subject the authorizer to corrective action at the conclusion of the corrective plan and the authorizer then has 15 business days to request an informal hearing before the commissioner takes corrective action. The commissioner must hold an informal hearing within 15 days of the request. If the issues identified as the basis for the corrective action are not resolved at the informal hearing, the authorizer must make the requested improvements and notify the commissioner of the improvements within 45 business days. Within 20 business days, the commissioner must review the changes and notify the authorizer of any remaining issues to be resolved. An authorizer must address the remaining issues as directed by the commissioner within 20 business days. Within 15 business days, the commissioner must review the changes and notify the authorizer whether all issues in the corrective plan have been resolved.

(c) If the commissioner terminates a contract between an authorizer and a charter school under this paragraph the authorizer's ability to charter a school, the commissioner may must assist the affected charter school in acquiring a new authorizer. A charter school board of directors may submit to the commissioner a request to transfer to a new authorizer without the approval or consent of the current authorizer if that authorizer has been under a corrective action plan for more than 130 business days.

~~(b)~~ (d) The commissioner may at any time take corrective action against an authorizer, including terminating an authorizer's ability to charter a school, terminating a contract with a charter school, and other appropriate sanctions for:

(1) failing to demonstrate the criteria under subdivision 3 under which the commissioner approved the authorizer;

(2) violating a term of the chartering contract between the authorizer and the charter school board of directors;

(3) unsatisfactory performance as an approved authorizer; ~~or~~

(4) any good cause shown that gives the commissioner a legally sufficient reason to take corrective action against an authorizer; or

(5) failing to meet the terms of a corrective action plan by the specified deadline.

Sec. 31. Minnesota Statutes 2020, section 126C.05, subdivision 8, is amended to read:

Subd. 8. **Average daily membership.** (a) Membership for pupils in grades kindergarten through 12 and for prekindergarten pupils with disabilities shall mean the number of pupils on the current roll of the school, counted from the date of entry until withdrawal. The date of withdrawal shall mean the day the pupil permanently leaves the school or the date it is officially known that the pupil has left or has been legally excused. However, a pupil, regardless of age, who has been absent from school for 15 consecutive school days during the regular school year or for five consecutive school days during summer school or intersession classes of flexible school year programs without receiving

instruction in the home or hospital shall be dropped from the roll and classified as withdrawn. Nothing in this section shall be construed as waiving the compulsory attendance provisions cited in section 120A.22. Average daily membership equals the sum for all pupils of the number of days of the school year each pupil is enrolled in the district's schools divided by the number of days the schools are in session, are providing distance learning under section 124D.097, or are providing e-learning distance learning days due to inclement weather under section 120A.414. Days of summer school or intersession classes of flexible school year programs are only included in the computation of membership for pupils with a disability not appropriately served primarily in the regular classroom. A student must not be counted as more than 1.2 pupils in average daily membership under this section and section 126C.10, subdivision 2a, paragraph (b). When the initial total average daily membership exceeds 1.2 for a pupil enrolled in more than one school district during the fiscal year, each district's average daily membership must be reduced proportionately.

(b) A student must not be counted as more than one pupil in average daily membership except for purposes of section 126C.10, subdivision 2a.

EFFECTIVE DATE. This section is effective for the 2021-2022 school year and later.

Sec. 32. **[127A.20] EVIDENCE-BASED EDUCATION GRANTS.**

Subdivision 1. **Purpose and applicability.** The purpose of this section is to create a process to describe, measure, and report on the effectiveness of any prekindergarten through grade 12 education program funded in whole or in part through funds appropriated by the legislature to the commissioner of education for grants to organizations. The evidence-based evaluation required by this section applies to all grants awarded by the commissioner of education on or after July 1, 2022.

Subd. 2. **Goals.** Each applicant for a grant awarded by the commissioner of education must include in the grant application a statement of the goals of the education program and grant funds. To the extent practicable, the goals must be aligned to the state of Minnesota's world's best workforce and the federally required Every Student Succeeds Act accountability systems.

Subd. 3. **Strategies and data.** Each applicant must include in the grant application a description of the strategies that will be used to meet the goals specified in the application. The applicant must also include a plan to collect data to measure the effectiveness of the strategies outlined in the grant application.

Subd. 4. **Reporting.** Within 180 days of the end of the grant period, each grant recipient must compile a report that describes the data that was collected and evaluate the effectiveness of the strategies. The evidence-based report may identify or propose alternative strategies based on the results of the data. The report must be submitted to the commissioner of education and to the chairs and ranking minority members of the legislative committees with jurisdiction over prekindergarten through grade 12 education. The report must be filed with the Legislative Reference Library according to section 3.195.

Subd. 5. **Grant defined.** For purposes of this section, "grant" means money appropriated from the state general fund to the commissioner of education for distribution to the grant recipients.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 33. Laws 2017, First Special Session chapter 5, article 2, section 52, is amended to read:

Sec. 52. EDUCATION INNOVATION RESEARCH ZONES PILOT ZONE PROGRAM.

Subdivision 1. **Establishment; requirements for participation; ~~research~~ innovation zone plans.** (a) The innovation ~~research~~ zone ~~pilot~~ program is established to improve student and school outcomes consistent with the world's best workforce requirements under Minnesota Statutes, section 120B.11. Innovation zone partnerships allow school districts and charter schools to research and implement innovative education programming models designed to better prepare students for the world of the 21st century.

(b) One or more school districts or charter schools may join together to form an innovation zone partnership. The partnership may include other nonschool partners, including postsecondary institutions, other units of local government, nonprofit organizations, and for-profit organizations. An innovation zone plan must be collaboratively developed in concert with the school's instructional staff.

(c) An innovation ~~research~~ zone partnership ~~must research and~~ may implement innovative education programs and models that ~~are based on proposed hypotheses. An innovation zone plan may include an emerging practice not yet supported by peer-reviewed research. Examples of innovation zone research~~ may include, but are not limited to:

(1) personalized learning, allowing students to excel at their own pace and according to their interests, aspirations, and unique needs;

(2) the use of competency outcomes rather than seat time and course completion to fulfill standards, credits, and other graduation requirements;

(3) multidisciplinary, real-world, inquiry-based, and student-directed models designed to make learning more engaging and relevant, including documenting and validating learning that takes place beyond the school day and school walls;

(4) models of instruction designed to close the achievement gap, including new models for age three to grade 3 models, English as a second language models, early identification and prevention of mental health issues, and others;

(5) new partnerships between secondary schools and postsecondary institutions, employers, or career training institutions enabling students to complete industry certifications, postsecondary education credits, and other credentials;

(6) new methods of collaborative leadership including the expansion of schools where teachers have larger professional roles;

(7) new ways to enhance parental and community involvement in learning;

(8) new models of professional development for educators, including embedded professional development; ~~or~~

(9) new models in other areas such as whole child instruction, social-emotional skill development, technology-based or blended learning, parent and community involvement, professional development and mentoring, and models that increase the return on investment;

(10) new models of evaluation, assessment, and accountability using multiple indicators including models that demonstrate alternative ways to validate students' academic attainment that have predictive validity to the state tests, but also include other variables such as problem solving, creativity, analytical thinking, collaboration, respecting others, global understanding, postgraduation student performance, and other information;

(11) improving teacher and principal mentoring and evaluation;

(12) granting a high school diploma to a student who meets the graduation requirements under Minnesota Statutes, section 120B.02, subdivision 2, who demonstrates preparation for postsecondary education or a career consistent with the world's best workforce goals under Minnesota Statutes, section 120B.11, and who meets the following requirements:

(i) completes four years of high school; and

(ii) completes at least one year of postsecondary education at a two- or four-year college or university through concurrent enrollment, advanced placement, or international baccalaureate courses; or

(iii) completes a career certification up to the apprenticeship program level if one is required for that certification;

(13) using the provisions in Minnesota Statutes, sections 124D.085, governing experiential and applied learning opportunities; 124D.52, subdivision 9, governing standard adult high school diploma requirements; and 126C.05, subdivision 15, paragraph (b), item (i), governing the use of independent study;

(14) allow a student in grade 10, 11, or 12 to participate in career and technical programs after school, on weekends, and during school breaks, including summers, and be included in the average daily membership up to one. The classes must generate both high school and postsecondary credit and lead to either a career certification, technical college degree, or an apprenticeship program;

(15) methods to initiate prevention models to reduce student needs for special education and to reduce teacher time devoted to the required special education documentation; or

(16) other innovations as determined by the local boards.

(d) An innovation zone plan submitted to the commissioner must describe:

(1) how the plan will improve student and school outcomes consistent with the world's best workforce requirements under Minnesota Statutes, section 120B.11;

(2) the role of each partner in the zone;

~~(3) the research methodology used for each proposed action in the plan;~~

~~(4)~~ (3) the exemptions from statutes and rules in subdivision 2 that the ~~research~~ innovation zone partnership will use;

~~(5)~~ (4) a description of how teachers and other educational staff from the affected school sites will be included in the planning and implementation process;

~~(6)~~ (5) a detailed description of expected outcomes and graduation standards;

~~(7)~~ (6) a timeline for implementing the plan and assessing the outcomes; and

~~(8)~~ (7) how results of the plan will be disseminated.

The governing board for each partner must approve the innovation zone plan.

(e) Upon unanimous approval of the initial innovation zone partners ~~and approval of the commissioner of education~~, the innovation zone partnership may extend membership to other partners. A new partner's membership is effective 30 days after the innovation zone partnership notifies the commissioner of the proposed change in membership ~~unless the commissioner disapproves the new partner's membership and updates their plan.~~

(f) Notwithstanding any other law to the contrary, a school district or charter school participating in an innovation zone partnership under this section continues to receive all revenue and maintains its taxation authority in the same manner as before its participation in the innovation zone partnership. The innovation zone school district and charter school partners remain organized and governed by their respective school boards with general powers under Minnesota Statutes, chapter 123B or 124E, and remain subject to any employment agreements under Minnesota Statutes, chapters 122A and 179A. School district and charter school employees participating in an innovation zone partnership remain employees of their respective school district or charter school.

(g) An innovation zone partnership may submit its plan at any time to the commissioner in the form and manner specified by the commissioner. ~~The commissioner must approve or reject the plan after reviewing the recommendation of the Innovation Research Zone Advisory Panel. An initial innovation zone plan that has been rejected by the commissioner may be resubmitted to the commissioner after the innovation zone partnership has modified the plan to meet each individually identified objection.~~

(h) An innovation zone plan must not cause an increase in state aid or levies for partners.

Subd. 2. **Exemptions from laws and rules.** (a) Notwithstanding any other law to the contrary, an innovation zone partner with ~~an approved~~ a plan filed with the commissioner is exempt from each of the following state education laws and rules specifically identified in its plan:

(1) any law or rule from which a district-created, site-governed school under Minnesota Statutes, section 123B.045, is exempt;

(2) any statute or rule from which the commissioner has exempted another district or charter school, as identified in the list published on the Department of Education's Web site under subdivision 4, paragraph (b);

(3) online learning program approval under Minnesota Statutes, section 124D.095, subdivision 7, if the school district or charter school offers a course or program online combined with direct access to a teacher for a portion of that course or program;

(4) restrictions on extended time revenue under Minnesota Statutes, section 126C.10, subdivision 2a, for a student who meets the criteria of Minnesota Statutes, section 124D.68, subdivision 2; and

(5) any required hours of instruction in any class or subject area for a student who is meeting all competencies consistent with the graduation standards described in the innovation zone plan.

(b) The exemptions under this subdivision must not be construed as exempting an innovation zone partner from the Minnesota Comprehensive Assessments or as increasing any state aid or levy.

~~Subd. 3. **Innovation Research Zone Advisory Panel.** (a) The commissioner must establish and convene an Innovation Research Zone Advisory Panel to review all innovation zone plans submitted for approval.~~

~~(b) The panel must be composed of nine members. One member must be appointed by each of the following organizations: Educators for Excellence, Education Minnesota, Minnesota Association of Secondary School Principals, Minnesota Elementary School Principals' Association, Minnesota Association of School Administrators, Minnesota School Boards Association, Minnesota Association of Charter Schools, and the Office of Higher Education. The commissioner must appoint one member with expertise in evaluation and research.~~

~~Subd. 4. **Commissioner approval; duties.** (a) Upon recommendation of the Innovation Research Zone Advisory Panel, the commissioner may approve up to three innovation zone plans in the seven-county metropolitan area and up to three in greater Minnesota. If an innovation zone partnership fails to implement its innovation zone plan as described in its application and according to the stated timeline, upon recommendation of the Innovation Research Zone Advisory Panel, the commissioner ~~must~~ may alert the partnership members and provide the opportunity to remediate. If implementation continues to fail, the commissioner ~~must~~ may suspend or terminate the innovation zone plan.~~

(b) The commissioner must publish a list of the exemptions the commissioner has granted to a district or charter school on the Department of Education's Web site by July 1, 2017. The list must be updated annually.

~~Subd. 5. **Project evaluation, dissemination, and report to legislature.** Each ~~research~~ innovation zone partnership must submit project data to the commissioner in the form and manner ~~provided for in the approved application~~ specified by the commissioner. At least once every two years, the commissioner ~~must~~ may analyze each innovation zone's progress in realizing the objectives of the innovation zone partnership's plan. ~~The commissioner must~~ To the extent practicable, and using existing resources, the commissioner may summarize and categorize innovation zone plans and submit a report to the legislative committees having jurisdiction over education by February 1 of each odd-numbered year in accordance with Minnesota Statutes, section 3.195.~~

Sec. 34. **ACADEMIC STANDARDS REVIEW SUSPENSION.**

Notwithstanding Minnesota Statutes, section 120B.021, the commissioner of education must suspend any ongoing review or revision of academic standards, or implementation of revised academic standards under Minnesota Statutes, section 120B.021, until June 1, 2023.

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

Sec. 35. **DIGITAL WELL-BEING GRANT.**

Subdivision 1. Findings; grant. (a) The legislature finds that the negative effects of screen overuse and misuse impact the healthy development of young people. Research supports a growing amount of evidence on the effects of screen overuse and misuse on the following dimensions of well-being:

(1) physically, including sleep disturbances, eye strain, headaches, obesity, back and neck pain, and physiological changes in the brain;

(2) mentally, including depression, anxiety, suicidal ideation, and addictive tendencies;

(3) socially, including loneliness, social upward mobility comparison, nomophobia, sexting, cyberbullying, unfiltered access to pornography, and diminished social and interpersonal skills;

(4) emotionally, including emotional dysregulation, decreased ability to express empathy, and lowered self-esteem; and

(5) cognitive distraction, including diminished academic performance, decreased working memory, decrease in cognitive capacity and functioning, and increase in ADHD.

(b) The effects of screen overuse and misuse impact every generation, gender, race, and social class. Technology poses a greater detriment to underserved populations on social mobility comparisons, academic achievement, distraction by devices in the learning environment, compromised use of technology as a learning tool, reduced social and emotional learning skills, and lower levels of learning motivation and self-confidence.

(c) The negative effects of social media on young people include sleep disruption, increased cyberbullying and rumor spreading, increased depression and anxiety, declines in life satisfaction, loss of interest in daily activities with peers, increased tendency to send sexualized images, suicidal ideation, self-harming, and obesity.

(d) The commissioner of education must award a grant to LiveMore ScreenLess, a Minnesota-based organization that collaborates with communities to promote digital well-being. LiveMore ScreenLess must use the grant funds as described in subdivisions 2 to 5.

Subd. 2. Digital well-being resource hub. The grant to LiveMore ScreenLess must be used to support the development of a library of resources for young people, parents, schools, after-school programs, and community-based organizations to serve Minnesota as the premiere resource for promoting digital well-being.

Subd. 3. Network of organizations. LiveMore ScreenLess must identify key local and national organizations focused on particular aspects of healthy screen use and healthy youth development, including the issues of cyberbullying, suicide prevention, mental health, antipornography,

mindfulness, and social and emotional learning, in order to create a robust network for addressing digital well-being. LiveMore ScreenLess must collaborate, coordinate, and build upon Minnesota organizations and resources to address the effects of screen overuse and misuse with other advocates of young people.

Subd. 4. **Train-the-trainer series.** LiveMore ScreenLess must implement the digital well-being train-the-trainer series for all Minnesotans serving and advocating for young people in Minnesota, including youth development and leadership organizations, schools, community-based organizations, government sectors, and other related agencies.

Subd. 5. **Peer-to-peer training development.** LiveMore ScreenLess must deliver peer-to-peer training to develop young people as mentors and leaders to advocate and promote digital well-being among their peers and younger students.

Sec. 36. **EDUCATION SAVINGS ACCOUNTS FOR STUDENTS ACT.**

Subdivision 1. **Title.** This act will be known as the "Education Savings Accounts for Students Act."

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

(b) "Commissioner" means the commissioner of education.

(c) "Department" means the Department of Education.

(d) "Educational service provider" means an eligible school, tutor, or other person or organization that provides education-related services and products to participating students. The eligible student's parent shall not be an educational service provider for that student.

(e) "Eligible school" means a nonpublic school where a student can fulfill compulsory education requirements and that is recognized by the commissioner or accredited by an accrediting agency recognized by the Minnesota Nonpublic Education Council under Minnesota Statutes, section 123B.445, paragraph (a). An eligible school does not include a home school under Minnesota Statutes, sections 120A.22, subdivision 4, and 120A.24.

(f) "Eligible student" means any student who resides in Minnesota and who attended a public school or a public charter school during the semester preceding participation in the program.

(g) "Parent" means a resident of this state who is a parent, legal guardian, custodian, or other person with the authority to act on behalf of the eligible student.

(h) "Postsecondary institution" means a college or university accredited by a state, regional, or national accrediting organization.

(i) "Program" means a program to implement education savings accounts (ESAs).

(j) "Tutor" means a person who (1) is certified or licensed by a state, regional, or national certification or licensing organization to teach, (2) has earned a valid teacher's license, or (3) has experience teaching at a postsecondary institution.

Subd. 3. Education savings account (ESA) program. (a) An eligible student qualifies to participate in the program if the student's parent signs an agreement:

(1) to arrange for the provision of organized, appropriate educational services with measurable goals to the participating student in at least the subjects of reading, writing, mathematics, social studies, and science; and

(2) to not enroll the participating student in a public school or a public charter school for as long as the student is participating in the program.

(b) A parent shall use the funds deposited in a participating student's ESA for any of the following qualifying expenses to educate the student using any of the methods or combination of methods in this paragraph that meet the requirement in paragraph (a), clause (1):

(1) tuition and fees at an eligible school;

(2) payment to a tutor;

(3) payment for purchase of curriculum, including any textbooks and supplemental materials required by the curriculum;

(4) fees for transportation to and from an educational service provider paid to a fee-for-service transportation provider;

(5) tuition and fees for online learning programs or courses;

(6) fees for nationally standardized norm-referenced achievement tests, including alternate assessments, and fees for advanced placement examinations or similar courses and any examinations related to college or university admission;

(7) educational services or therapies from a licensed or certified practitioner or provider, including licensed or certified paraprofessionals or educational aides;

(8) services provided by a public school, including individual classes and extracurricular programs;

(9) tuition, fees, and textbooks at a postsecondary institution;

(10) no more than \$300 in annual consumable school supplies necessary for the student's education; or

(11) computer hardware and software and other technological devices if an eligible school, tutor, educational service provider, or licensed medical professional verifies in writing that these items are necessary for the student to meet annual, measurable goals.

(c) Neither a participating student nor anyone on the student's behalf may receive cash or cash-equivalent items, such as gift cards or store credit, from refunds or rebates from a provider of services or products in this program. Refunds or rebates shall be credited directly to the participating student's ESA. The funds in an ESA may only be used for education-related purposes. Eligible

schools, postsecondary institutions, and educational service providers that serve participating students shall provide parents with a receipt for all qualifying expenses.

(d) Payment for educational services through an ESA shall not preclude parents from paying for educational services using non-ESA funds.

(e) For purposes of continuity of educational attainment, students who enroll in the program shall remain eligible to receive monthly ESA payments until the participating student returns to a public school, graduates from high school, or completes the school year in which the student reaches the age of 21, whichever occurs first.

(f) Any funds remaining in a student's ESA upon graduation from high school may be used to attend or take courses from a postsecondary institution, with qualifying expenses subject to the applicable conditions in paragraph (b).

(g) Upon the participating student's graduation from a postsecondary institution or after any period of four consecutive years after graduation from high school that the student is not enrolled in a postsecondary institution, the participating student's ESA shall be closed and any remaining funds shall be returned to the state general fund.

(h) A participating student shall be allowed to return to the resident school district at any time after enrolling in the program, according to rules adopted by the commissioner providing for the least disruptive process for doing so. Upon a participating student's return to the resident school district, the student's ESA shall be closed and any remaining funds shall be returned to the state general fund.

(i) The commissioner shall begin accepting applications for the program on July 1, 2022.

Subd. 4. **Funding.** (a) The commissioner shall determine the amount to be deposited in each student's ESA on a first-come, first-served basis. The commissioner shall calculate the following to determine the ESA amount: the statewide average general education aid per adjusted pupil unit.

(b) The information in paragraph (a) must be provided by the school in the form required by the commissioner.

Subd. 5. **District aid adjustment.** The commissioner shall make a onetime adjustment to a serving school district's general education aid in the fiscal year following a participating student's withdrawal from the district. The commissioner shall increase the district's general education aid for each participating student who withdrew from the district by an amount equal to ten percent of the statewide average general education revenue per adjusted pupil unit for the previous fiscal year.

Subd. 6. **Administration.** (a) The commissioner shall create a standard form that parents of students may submit to establish the student's eligibility for an ESA. The commissioner shall ensure that the application is readily available to interested families through various sources, including the department's website, and a copy of procedural safeguards annually given to parents.

(b) The commissioner shall provide parents of participating students with a written explanation of the allowable uses of ESAs, the responsibilities of parents, and the duties of the commissioner. The information shall also be made available on the department's website.

(c) The commissioner shall annually notify all students who are eligible to participate of the existence of the program and shall ensure that low-income families are made aware of their potential eligibility.

(d) The commissioner may deduct up to three percent from appropriations made to fund ESAs to cover the costs of overseeing and administering the program.

(e) The commissioner shall make payments to the ESAs of participating students on a monthly basis unless there is evidence of misuse of the ESA pursuant to this subdivision.

(f) The commissioner shall make a determination of eligibility and shall approve the application within 45 business days of receiving an application for participation in the program.

Subd. 7. ESA establishment. (a) To ensure that funds are spent appropriately, the commissioner shall adopt rules and policies necessary for the administration of the program, including the auditing of ESAs, and shall conduct or contract for random audits throughout the year.

(b) Beginning with the 2022-2023 school year, the commissioner shall issue ESA cards to parents making expenditures under this section on behalf of a participating student. ESA cards shall be issued to parents upon enrollment in the program and shall expire when the participating student's ESA is closed, except for the periodic expiration and replacement of cards in the normal course of business. All unexpended amounts shall remain in the student's ESA and be combined with the following year's allocation of ESA funds, subject to subdivision 3, paragraphs (f) and (g).

(c) The commissioner, taking into consideration requests from the parents of participating students, shall use merchant category classification (MCC) codes, or a similar system as practicable and consistent with current technology, to identify categories of providers that provide services and products consistent with subdivision 3, paragraph (b). The commissioner shall make a list of blocked and unblocked MCC codes publicly available for purposes of the program.

(d) The commissioner shall adopt a process for removing educational service providers that defraud parents and for referring cases of fraud to law enforcement.

(e) The commissioner shall establish or contract for the establishment of an online, anonymous fraud-reporting service and an anonymous telephone hotline for fraud reporting.

(f) The commissioner shall adopt rules implementing policies on misspending of ESA funds.

(g) Any amount not spent in the allowable categories pursuant to the agreement will cause the ESA card to be temporarily suspended and the parent contacted within five business days by United States mail at the parent's home address explaining the suspension, detailing the violation, and requesting the parent to:

(1) provide additional documentation within 15 business days justifying the expenditure; or

(2) repay the misspent amount within 15 business days.

(h) If the parent does not provide sufficient documentation and refuses to repay the amount, the commissioner shall begin the removal process and shall seek to recover the misspent funds using

administrative measures or other appropriate measures, including referral to collections, seeking a civil judgment, or referral to law enforcement.

(i) If the parent repays the amount within the requested time frame, then the offense will be recorded and held in the parent's file.

(j) Three offenses within a consecutive three-year period shall disqualify the student from participating in the program.

(k) If the commissioner determines that a parent has failed to comply with the terms of the agreement as specified in subdivision 3, the commissioner shall suspend the participating student's ESA. The commissioner shall notify the parent in writing within five business days that the ESA has been suspended and that no further transactions will be allowed or disbursements made. The notification shall specify the reason for the suspension and state that the parent has 21 business days to respond and take corrective action.

(l) If the parent fails to respond to the commissioner, furnish reasonable and necessary information, or make a report that may be required for reinstatement within the 21-day period, the commissioner may remove the participating student from the program.

(m) The decision of the commissioner under this section is subject to judicial review under Minnesota Statutes, sections 14.63 to 14.69. The decision of the commissioner is stayed pending an appeal.

(n) The commissioner shall refer cases of substantial misuse of funds to law enforcement agencies for investigation if evidence of fraudulent intent and use of an ESA is obtained.

Subd. 8. **Scope.** An eligible nonpublic school is autonomous and not an agent of the state or federal government, and therefore:

(1) the commissioner, department, or any other government agency shall not in any way regulate the educational program of a nonpublic school or educational service provider that accepts funds from the parent of a participating student;

(2) the creation of the program does not expand the regulatory authority of the state, its officers, or any school district to impose any additional regulation of nonpublic schools or educational service providers beyond those necessary to enforce the requirements of the program; and

(3) eligible schools and educational service providers shall be given the maximum freedom to provide for the educational needs of their students without governmental control. No eligible school or educational service provider shall be required to alter its creed, practices, admission policies, or curriculum in order to accept participating students.

Subd. 9. **Severability.** If any provision of this law or its application is found to be unconstitutional and void, the remaining provisions or applications of this law that can be given effect without the invalid provision or application are valid.

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

Sec. 37. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Achievement and integration aid.** For achievement and integration aid under Minnesota Statutes, section 124D.862:

\$	<u>83,930,000</u>	.....	<u>2022</u>
\$	<u>83,228,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$8,868,000 for 2021 and \$75,062,000 for 2022.

The 2023 appropriation includes \$8,340,000 for 2022 and \$74,888,000 for 2023.

Subd. 3. **Interdistrict desegregation or integration transportation grants.** For interdistrict desegregation or integration transportation grants under Minnesota Statutes, section 124D.87:

\$	<u>12,319,000</u>	.....	<u>2022</u>
\$	<u>14,822,000</u>	.....	<u>2023</u>

Subd. 4. **Literacy incentive aid.** For literacy incentive aid under Minnesota Statutes, section 124D.98:

\$	<u>45,103,000</u>	.....	<u>2022</u>
\$	<u>45,964,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$4,463,000 for 2021 and \$40,640,000 for 2022.

The 2023 appropriation includes \$4,515,000 for 2022 and \$41,449,000 for 2023.

Subd. 5. **Tribal contract school aid.** For tribal contract school aid under Minnesota Statutes, section 124D.83:

\$	<u>2,634,000</u>	.....	<u>2022</u>
\$	<u>2,936,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$240,000 for 2021 and \$2,394,000 for 2022.

The 2023 appropriation includes \$266,000 for 2022 and \$2,670,000 for 2023.

Subd. 6. **American Indian education aid.** For American Indian education aid under Minnesota Statutes, section 124D.81, subdivision 2a:

\$	<u>11,358,000</u>	.....	<u>2022</u>
\$	<u>11,774,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$1,102,000 for 2021 and \$10,256,000 for 2022.

The 2023 appropriation includes \$1,139,000 for 2022 and \$10,635,000 for 2023.

Subd. 7. **ServeMinnesota program.** (a) For funding ServeMinnesota programs under Minnesota Statutes, sections 124D.37 to 124D.45:

<u>\$</u>	<u>900,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>900,000</u>	<u>.....</u>	<u>2023</u>

(b) A grantee organization may provide health and child care coverage to the dependents of each participant enrolled in a full-time ServeMinnesota program to the extent such coverage is not otherwise available. Any balance in the first year does not cancel but is available in the second year.

Subd. 8. **Early childhood literacy programs.** (a) For early childhood literacy programs under Minnesota Statutes, section 119A.50, subdivision 3:

<u>\$</u>	<u>7,950,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>7,950,000</u>	<u>.....</u>	<u>2023</u>

(b) Up to \$7,950,000 each year is for leveraging federal and private funding to support AmeriCorps members serving in the Minnesota reading corps program established by ServeMinnesota, including costs associated with training and teaching early literacy skills to children ages three through grade 3 and evaluating the impact of the program under Minnesota Statutes, sections 124D.38, subdivision 2, and 124D.42, subdivision 6.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 9. **Minnesota math corps program.** (a) For the Minnesota math corps program under Minnesota Statutes, section 124D.42, subdivision 9:

<u>\$</u>	<u>500,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>500,000</u>	<u>.....</u>	<u>2023</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 10. **Student organizations.** (a) For student organizations:

<u>\$</u>	<u>768,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>768,000</u>	<u>.....</u>	<u>2023</u>

(b) \$46,000 each year is for student organizations serving health occupations (HOSA).

(c) \$100,000 each year is for student organizations serving trade and industry occupations (Skills USA, secondary and postsecondary).

(d) \$95,000 each year is for student organizations serving business occupations (BPA, secondary and postsecondary).

(e) \$193,000 each year is for student organizations serving agriculture occupations (FFA, PAS).

(f) \$185,000 each year is for student organizations serving family and consumer science occupations (FCCLA). Notwithstanding Minnesota Rules, part 3505.1000, subparts 28 and 31, the student organizations serving FCCLA shall continue to serve students younger than grade 9.

(g) \$109,000 each year is for student organizations serving marketing occupations (DECA and DECA collegiate).

(h) \$40,000 each year is for the Minnesota Foundation for Student Organizations.

(i) Any balance in the first year does not cancel but is available in the second year.

Subd. 11. **Museums and education centers.** (a) For grants to museums and education centers:

<u>\$</u>	<u>460,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>460,000</u>	<u>.....</u>	<u>2023</u>

(b) \$269,000 each year is for the Minnesota Children's Museum.

(c) \$50,000 each year is for the Children's Museum of Rochester.

(d) \$50,000 each year is for the Duluth Children's Museum.

(e) \$41,000 each year is for the Minnesota Academy of Science.

(f) \$50,000 each year is for the Headwaters Science Center.

(g) Any balance in the first year does not cancel but is available in the second year.

Subd. 12. **Starbase MN.** (a) For a grant to Starbase MN for a rigorous science, technology, engineering, and math (STEM) program providing students in grades 4 through 6 with a multisensory learning experience and a hands-on curriculum in an aerospace environment using state-of-the-art technology:

<u>\$</u>	<u>500,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>500,000</u>	<u>.....</u>	<u>2023</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 13. **Recovery program grants.** (a) For recovery program grants under Minnesota Statutes, section 124D.695:

<u>\$</u>	<u>750,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>750,000</u>	<u>.....</u>	<u>2023</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 14. **Minnesota Principals Academy.** (a) For grants to the University of Minnesota College of Education and Human Development for the operation of the Minnesota Principals Academy:

<u>\$</u>	<u>200,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>200,000</u>	<u>.....</u>	<u>2023</u>

(b) Of these amounts, \$50,000 must be used to pay the costs of attendance for principals and school leaders from schools identified for intervention under the state's accountability system as implemented to comply with the federal Every Student Succeeds Act. To the extent funds are available, the Department of Education is encouraged to use up to \$200,000 of federal Title II funds to support additional participation in the Principals Academy by principals and school leaders from

schools identified for intervention under the state's accountability system as implemented to comply with the federal Every Student Succeeds Act.

(c) The Principals Academy must provide participating principals and school leaders with information on, or instruction in, the language essentials for teachers of reading and spelling program and other comprehensive, scientifically based reading instruction as defined in Minnesota Statutes, section 122A.06.

(d) Any balance in the first year does not cancel but is available in the second year.

Subd. 15. Charter school building lease aid. For building lease aid under Minnesota Statutes, section 124E.22:

\$	<u>93,242,000</u>	.....	<u>2022</u>
\$	<u>99,545,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$8,617,000 for 2021 and \$84,625,000 for 2022.

The 2023 appropriation includes \$9,402,000 for 2022 and \$90,143,000 for 2023.

Subd. 16. Statewide testing and reporting system. (a) For the statewide testing and reporting system under Minnesota Statutes, section 120B.30:

\$	<u>9,692,000</u>	.....	<u>2022</u>
\$	<u>9,692,000</u>	.....	<u>2023</u>

(b) Any balance in the first year does not cancel but is available in the second year.

(c) The base for fiscal year 2024 and later is \$10,892,000.

Subd. 17. Examination fees; teacher training and support programs. (a) For students' advanced placement and international baccalaureate examination fees under Minnesota Statutes, section 120B.13, subdivision 3, and the training and related costs for teachers and other interested educators under Minnesota Statutes, section 120B.13, subdivision 1:

\$	<u>4,500,000</u>	.....	<u>2022</u>
\$	<u>4,500,000</u>	.....	<u>2023</u>

(b) The advanced placement program shall receive 75 percent of the appropriation each year and the international baccalaureate program shall receive 25 percent of the appropriation each year. The department, in consultation with representatives of the advanced placement and international baccalaureate programs selected by the Advanced Placement Advisory Council and International Baccalaureate Minnesota, respectively, shall determine the amounts of the expenditures each year for examination fees and training and support programs for each program.

(c) Notwithstanding Minnesota Statutes, section 120B.13, subdivision 1, at least \$500,000 each year is for teachers to attend subject matter summer training programs and follow-up support workshops approved by the advanced placement or international baccalaureate programs. The amount of the subsidy for each teacher attending an advanced placement or international baccalaureate

summer training program or workshop shall be the same. The commissioner shall determine the payment process and the amount of the subsidy.

(d) The commissioner shall pay all examination fees for all students of low-income families under Minnesota Statutes, section 120B.13, subdivision 3, and to the extent of available appropriations, shall also pay examination fees for students sitting for an advanced placement examination, international baccalaureate examination, or both.

(e) Any balance in the first year does not cancel but is available in the second year.

Subd. 18. Grants to increase science, technology, engineering, and math course offerings.

(a) For grants to schools to encourage low-income and other underserved students to participate in advanced placement and international baccalaureate programs according to Minnesota Statutes, section 120B.132:

\$	<u>250,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>250,000</u>	<u>.....</u>	<u>2023</u>

(b) Any balance in the first year does not cancel but is available in the second year.

(c) The commissioner must consider grant applications from schools located in greater Minnesota and from schools located in the seven-county metropolitan area.

Subd. 19. Rural career and technical education consortium. (a) To the Minnesota Service Cooperatives for rural career and technical education consortium grants under Minnesota Statutes, section 124D.4536:

\$	<u>5,000,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>5,000,000</u>	<u>.....</u>	<u>2023</u>

(b) If the appropriation in the first year is insufficient, the 2023 appropriation is available. Any balance in the first year does not cancel but is available in the second year.

Subd. 20. Concurrent enrollment aid. (a) For concurrent enrollment aid under Minnesota Statutes, section 124D.091:

\$	<u>4,000,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>4,000,000</u>	<u>.....</u>	<u>2023</u>

(b) If the appropriation is insufficient, the commissioner must proportionately reduce the aid payment to each school district.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 21. P-TECH schools. (a) For P-TECH support grants under Minnesota Statutes, section 124D.093, subdivision 5:

\$	<u>791,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>791,000</u>	<u>.....</u>	<u>2023</u>

(b) The amounts in this subdivision are for grants to a public-private partnership that includes Independent School District No. 535, Rochester.

(c) Any balance in the first year does not cancel but is available in the second year.

(d) The base for fiscal year 2024 and later is \$791,000 for a public-private partnership that includes Independent School District No. 535, Rochester.

Subd. 22. **College entrance examination reimbursement.** (a) To reimburse districts for students who qualify under Minnesota Statutes, section 120B.30, subdivision 1, paragraph (e), for payment of their college entrance examination fee:

<u>\$</u>	<u>1,011,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>1,011,000</u>	<u>.....</u>	<u>2023</u>

(b) The commissioner must reimburse school districts for the costs for free or reduced-price meal eligible students who take the ACT or SAT test under Minnesota Statutes, section 120B.30, subdivision 1.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 23. **Minnesota Independence College and Community.** (a) For transfer to the Office of Higher Education for grants to Minnesota Independence College and Community for tuition reduction and institutional support:

<u>\$</u>	<u>625,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>625,000</u>	<u>.....</u>	<u>2023</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 24. **Sanneh Foundation.** (a) For grants to the Sanneh Foundation for purposes of paragraph (b):

<u>\$</u>	<u>1,000,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>1,000,000</u>	<u>.....</u>	<u>2023</u>

(b) The grants to the Sanneh Foundation must be directed toward programs for low-performing and chronically absent students with a focus on low-income students and students of color. The goals of the grants include decreasing absenteeism, encouraging school engagement, improving grades, and improving graduation rates. The grants may be used to:

(1) provide all-day, in-school academic and behavioral interventions and social and emotional learning throughout the school year;

(2) provide year-round, out-of-school behavioral, social, and emotional learning interventions and enrichment activities;

(3) enhance career exploration opportunities, including exposure to businesses and business activities; and

(4) develop pathways in cooperation with business higher education partners for participants to pursue careers in education and youth development.

(c) Any balance in the first year does not cancel but is available in the second year. The base for fiscal year 2024 and later is \$0.

Subd. 25. **Digital well-being.** (a) For a grant to LiveMore ScreenLess to promote digital well-being:

\$	<u>1,500,000</u>	.....	<u>2022</u>
\$	<u>0</u>	.....	<u>2023</u>

(b) Prior to receiving funds under this subdivision, LiveMore ScreenLess must submit a proposed budget and timeline for expenditure of grant funds to the commissioner. LiveMore ScreenLess must submit regular progress reports in a form and manner determined by the commissioner in each year of the grant, which may include financial reconciliation of expenditures made by LiveMore ScreenLess.

(c) By January 15 of each year, LiveMore ScreenLess must submit a report detailing expenditures, activities, and outcomes to the commissioner and the chairs and ranking minority members of the legislative committees with primary jurisdiction over kindergarten through grade 12 education policy and finance.

(d) Any balance in the first year does not cancel but is available in the second year. The base for fiscal year 2024 and later is \$0.

Subd. 26. **Education savings accounts.** (a) For education savings accounts development and funding:

\$	<u>2,245,000</u>	.....	<u>2022</u>
\$	<u>74,186,000</u>	.....	<u>2023</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 27. **Online access to music education.** (a) For a grant to the MacPhail Center for Music to broaden access to music education in Minnesota:

\$	<u>150,000</u>	.....	<u>2022</u>
\$	<u>150,000</u>	.....	<u>2023</u>

(b) The MacPhail Center must use the grants received under paragraph (a) to broaden access to music education in Minnesota. The program must supplement and enhance an existing program and may provide individual instruction, sectional ensembles, and other group activities, workshops, and early childhood music activities. The MacPhail Center must design its program in consultation with the Department of Education arts education specialist under Minnesota Statutes, section 127A.155. The grants may be used by the MacPhail Center for employee costs and for any related travel costs.

(c) Upon request from a school's music educator, the MacPhail Center may enter into an agreement with the school to provide a program according to paragraph (b). In an early childhood

setting, the MacPhail Center may provide a program upon a request initiated by an early childhood educator.

(d) By January 15 of each year, the MacPhail Center shall prepare and submit a report to the legislative committees with jurisdiction over education finance describing the online programs offered, program outcomes, the students served, an estimate of the unmet need for music education, and a detailed list of expenditures for the previous year.

(e) The base for fiscal year 2024 and later is \$0.

Sec. 38. **REVISOR INSTRUCTION.**

(a) The revisor of statutes shall codify section 33 as Minnesota Statutes, section 124D.901.

(b) The revisor of statutes shall renumber each section of Minnesota Statutes listed in column A with the number listed in column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering. The revisor shall also make any technical language and other changes necessitated by the renumbering and cross-reference changes in this act.

<u>Column A</u>	<u>Column B</u>
<u>General Requirements Statewide Assessments</u>	
<u>120B.30, subdivision 1a, paragraph (h)</u>	<u>120B.30, subdivision 1</u>
<u>120B.30, subdivision 1, paragraph (q)</u>	<u>120B.30, subdivision 2</u>
<u>120B.30, subdivision 1a, paragraph (g)</u>	<u>120B.30, subdivision 3</u>
<u>120B.30, subdivision 1b</u>	<u>120B.30, subdivision 4</u>
<u>120B.30, subdivision 1, paragraph (n)</u>	<u>120B.30, subdivision 5, paragraph (a)</u>
<u>120B.30, subdivision 1, paragraph (a)</u>	<u>120B.30, subdivision 5, paragraph (b)</u>
<u>120B.30, subdivision 1a, paragraph (e)</u>	<u>120B.30, subdivision 6, paragraph (a)</u>
<u>120B.30, subdivision 2, paragraph (a)</u>	<u>120B.30, subdivision 6, paragraph (b)</u>
<u>120B.30, subdivision 2, paragraph (b), clauses (1) and (2)</u>	<u>120B.30, subdivision 6, paragraph (c)</u>
<u>120B.30, subdivision 2</u>	<u>120B.30, subdivision 6, paragraph (d)</u>
<u>120B.30, subdivision 4</u>	<u>120B.30, subdivision 7</u>
<u>120B.30, subdivision 5</u>	<u>120B.30, subdivision 8</u>
<u>120B.30, subdivision 6</u>	<u>120B.30, subdivision 9</u>
<u>120B.30, subdivision 1, paragraph (e)</u>	<u>120B.30, subdivision 10</u>
<u>General Requirements Test Design</u>	
<u>120B.30, subdivision 1a, paragraph (a), clauses (1) to (5)</u>	<u>120B.301, subdivision 1</u>
<u>120B.30, subdivision 1, paragraph (a)</u>	<u>120B.301, subdivision 2</u>
<u>120B.30, subdivision 1, paragraph (b)</u>	<u>120B.301, subdivision 3, paragraph (a)</u>
<u>120B.30, subdivision 1, paragraph (n)</u>	<u>120B.301, subdivision 3, paragraph (b)</u>
<u>120B.30, subdivision 1a, paragraph (b)</u>	<u>120B.301, subdivision 3, paragraph (c)</u>
<u>120B.30, subdivision 1a, paragraph (c), clauses (1) and (2)</u>	<u>120B.301, subdivision 3, paragraph (d)</u>

Assessment Graduation Requirements

<u>120B.30, subdivision 1, paragraph (c), clauses (1) and (2)</u>	<u>120B.304, subdivision 1</u>
<u>120B.30, subdivision 1, paragraph (d)</u>	<u>120B.304, subdivision 2</u>
<u>120B.30, subdivision 1, paragraph (i)</u>	<u>120B.304, subdivision 3</u>

Assessment Reporting Requirements

<u>120B.30, subdivision 1a, paragraph (f), clauses (1) to (3)</u>	<u>120B.305, subdivision 1</u>
<u>120B.30, subdivision 1a, paragraph (d), clauses (1) to (4)</u>	<u>120B.305, subdivision 2, paragraph (a)</u>
<u>120B.30, subdivision 1, paragraph (m)</u>	<u>120B.305, subdivision 2, paragraph (b)</u>
<u>120B.30, subdivision 1, paragraph (n)</u>	<u>120B.305, subdivision 2, paragraph (c)</u>
<u>120B.30, subdivision 1, paragraph (o), clauses (1) to (4)</u>	<u>120B.305, subdivision 3, paragraph (a)</u>
<u>120B.30, subdivision 3</u>	<u>120B.305, subdivision 3, paragraph (b)</u>

District Assessment Requirements

<u>120B.301, paragraphs (a) to (c)</u>	<u>120B.306, subdivision 1</u>
<u>120B.304, paragraphs (a) and (b)</u>	<u>120B.306, subdivision 2</u>

College and Career Readiness

<u>120B.30, subdivision 1, paragraph (p)</u>	<u>120B.307, subdivision 1</u>
<u>120B.30, subdivision 1, paragraph (d)</u>	<u>120B.307, subdivision 2</u>
<u>120B.30, subdivision 1, paragraph (f)</u>	<u>120B.307, subdivision 3</u>
<u>120B.30, subdivision 1, paragraph (g)</u>	<u>120B.307, subdivision 4, paragraph (a)</u>
<u>120B.30, subdivision 1, paragraph (h)</u>	<u>120B.307, subdivision 4, paragraph (b)</u>
<u>120B.30, subdivision 1, paragraph (j)</u>	<u>120B.307, subdivision 4, paragraph (c)</u>
<u>120B.30, subdivision 1, paragraph (k)</u>	<u>120B.307, subdivision 4, paragraph (d)</u>
<u>120B.30, subdivision 1, paragraph (l)</u>	<u>120B.307, subdivision 4, paragraph (e)</u>

Sec. 39. **REPEALER.**

Minnesota Rules, part 3500.1000, is repealed.

ARTICLE 3**TEACHERS**

Section 1. Minnesota Statutes 2020, section 121A.53, subdivision 2, is amended to read:

Subd. 2. **Report.** (a) The school board must include state student identification numbers of affected pupils on all dismissal and other disciplinary reports required by the department. The department must report annually to the commissioner summary data on the number of dismissals and physical assaults of district employees by a student by age, grade, gender, race, and special education status of the affected pupils. All dismissal and other disciplinary reports must be submitted through the department electronic reporting system.

(b) The commissioner must aggregate the district data reported under this section and include the aggregated data, including aggregated data on physical assaults of a district employee by a student, in the annual school performance reports under section 120B.36.

(c) A teacher that is physically assaulted by a student must receive a copy of the report to the commissioner submitted according to subdivision 1.

Sec. 2. Minnesota Statutes 2020, section 121A.61, subdivision 3, is amended to read:

Subd. 3. **Policy components.** The policy must include at least the following components:

- (a) rules governing student conduct and procedures for informing students of the rules;
- (b) the grounds for removal of a student from a class;
- (c) the authority of the classroom teacher to remove students from the classroom pursuant to procedures and rules established in the district's policy;
- (d) the procedures for removal of a student from a class by a teacher, school administrator, or other school district employee;
- (e) the period of time for which a student may be removed from a class, which may not exceed five class periods for a violation of a rule of conduct;
- (f) provisions relating to the responsibility for and custody of a student removed from a class;
- (g) the procedures for return of a student to the specified class from which the student has been removed;
- (h) the procedures for notifying a student and the student's parents or guardian of violations of the rules of conduct and of resulting disciplinary actions;
- (i) any procedures determined appropriate for encouraging early involvement of parents or guardians in attempts to improve a student's behavior;
- (j) any procedures determined appropriate for encouraging early detection of behavioral problems;
- (k) any procedures determined appropriate for referring a student in need of special education services to those services;
- (l) the procedures for consideration of whether there is a need for a further assessment or of whether there is a need for a review of the adequacy of a current individualized education program of a student with a disability who is removed from class;
- (m) procedures for detecting and addressing chemical abuse problems of a student while on the school premises;
- (n) the minimum consequences for violations of the code of conduct;
- (o) procedures for immediate and appropriate interventions tied to violations of the code;

(p) a provision that states that a teacher, school employee, school bus driver, or other agent of a district may use reasonable force in compliance with section 121A.582 and other laws;

(q) an agreement regarding procedures to coordinate crisis services to the extent funds are available with the county board responsible for implementing sections 245.487 to 245.4889 for students with a serious emotional disturbance or other students who have an individualized education program whose behavior may be addressed by crisis intervention; and

(r) a provision that states a student must be removed from class immediately if the student engages in assault or violent behavior. For purposes of this paragraph, "assault" has the meaning given it in section 609.02, subdivision 10. The removal shall be for a period of time deemed appropriate by the principal, in consultation with the teacher. The principal must remove the student from class for at least three school days following the day of the incident. A student may only return to the class from which they were removed after the student has been given assistance to prevent the inappropriate behavior from recurring.

Sec. 3. Minnesota Statutes 2020, section 121A.64, is amended to read:

121A.64 NOTIFICATION; TEACHERS' AND PARAPROFESSIONALS' LEGITIMATE EDUCATIONAL INTEREST.

(a) A classroom teacher has a legitimate educational interest in knowing which students placed in the teacher's classroom have a history of violent behavior, including any documented physical assault of a district employee by the student, and must be notified before such students are placed in the teacher's classroom.

(b) A paraprofessional assigned to work alone or on a regular basis with a student with a disability has a legitimate educational interest in knowing whether the student has a history of violent behavior, including any documented physical assault of a district employee by the student, and must be notified before being assigned to work with the student.

~~(b)~~ (c) Representatives of the school board and the exclusive representative of the teachers shall discuss issues related to the model policy on student records adopted under Laws 1999, chapter 241, article 9, section 50, and any modifications adopted under Laws 2003, First Special Session chapter 9, for notifying classroom teachers and other school district employees having a legitimate educational interest in knowing about students with a history of violent behavior, including any documented physical assault of a district employee by students placed in classrooms. The representatives of the school board and the exclusive representative of the teachers also may discuss the need for intervention services or conflict resolution or training for staff related to placing students with a history of violent behavior in teachers' classrooms.

Sec. 4. Minnesota Statutes 2020, section 122A.06, is amended by adding a subdivision to read:

Subd. 9. **Professional license.** A "professional license" means a Tier 1, Tier 2, Tier 3, or Tier 4 teacher license issued by the Professional Educator Licensing and Standards Board in accordance with sections 122A.18 to 122A.184.

Sec. 5. Minnesota Statutes 2020, section 122A.092, is amended by adding a subdivision to read:

Subd. 9. **Agreements with out-of-state program providers.** The Professional Educator Licensing and Standards Board must encourage Minnesota teacher preparation providers to develop teacher preparation programs in licensure areas where no teacher preparation program exists in Minnesota. The board must encourage these programs to have at least 80 percent of the required coursework available online. If an in-state approved teacher preparation program is not established for a teacher licensure area, the board must identify one or more out-of-state programs with national accreditation. The board is encouraged to identify out-of-state programs that have a majority of required coursework online and post program information on the board's website of approved licensure programs.

Sec. 6. Minnesota Statutes 2020, section 122A.181, subdivision 1, is amended to read:

Subdivision 1. **Application requirements.** The Professional Educator Licensing and Standards Board must approve a request from a district or charter school to issue a Tier 1 license in a specified content area to a candidate if:

- (1) the candidate meets the professional requirement in subdivision 2;
- (2) the district or charter school affirms that the candidate has the necessary skills and knowledge to teach in the specified content area; and
- (3) the district or charter school demonstrates that:
 - (i) a criminal background check under section 122A.18, subdivision 8, has been completed on the candidate; ~~and~~
 - (ii) ~~the district or charter school has posted the teacher position but was unable to hire an acceptable teacher with a Tier 2, 3, or 4 license for the position.~~

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

Sec. 7. Minnesota Statutes 2020, section 122A.181, subdivision 3, is amended to read:

Subd. 3. **Term of license and renewal.** (a) The Professional Educator Licensing and Standards Board must issue an initial Tier 1 license for a term of one year. A Tier 1 license may be renewed subject to paragraphs (b) and (c). The board may submit written comments to the district or charter school that requested the renewal regarding the candidate.

(b) The Professional Educator Licensing and Standards Board must renew a Tier 1 license if:

- ~~(1) the district or charter school requesting the renewal demonstrates that it has posted the teacher position but was unable to hire an acceptable teacher with a Tier 2, 3, or 4 license for the position;~~
- ~~(2)~~ (1) the teacher holding the Tier 1 license took a content examination in accordance with section 122A.185 and submitted the examination results to the teacher's employing district or charter school within one year of the board approving the request for the initial Tier 1 license;
- ~~(3)~~ (2) the teacher holding the Tier 1 license participated in cultural competency training consistent with section 120B.30, subdivision 1, paragraph (q), within one year of the board approving the request for the initial Tier 1 license; and

~~(4)~~ (3) the teacher holding the Tier 1 license met the mental illness training renewal requirement under section 122A.187, subdivision 6.

The requirement in clause ~~(2)~~ (1) does not apply to a teacher that teaches a class in a career and technical education or career pathways course of study.

(c) A Tier 1 license must not be renewed more than three times, unless the requesting district or charter school can show good cause for additional renewals. A Tier 1 license issued to teach (1) a class or course in a career and technical education or career pathway course of study or (2) in a shortage area, as defined in section 122A.06, subdivision 6, may be renewed without limitation.

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

Sec. 8. Minnesota Statutes 2020, section 122A.40, subdivision 3, is amended to read:

Subd. 3. **Hiring, dismissing.** (a) School boards must hire or dismiss teachers at duly called meetings. Where a husband and wife, brother and sister, or two brothers or sisters, constitute a quorum, no contract employing a teacher shall be made or authorized except upon the unanimous vote of the full board. A teacher related by blood or marriage, within the fourth degree, computed by the civil law, to a board member shall not be employed except by a unanimous vote of the full board. The initial employment of the teacher in the district must be by written contract, signed by the teacher and by the chair and clerk. All subsequent employment of the teacher in the district must be by written contract, signed by the teacher and by the chair and clerk, except where there is a master agreement covering the employment of the teacher. Contracts for teaching or supervision of teaching can be made only with qualified teachers. A teacher shall not be required to reside within the employing district as a condition to teaching employment or continued teaching employment.

(b) A school district must not give preference in the hiring or dismissal of a teacher based on the teacher's seniority.

(c) A school district must report all new teacher hires and terminations, including layoffs, by race and ethnicity annually to the Professional Educator Licensing and Standards Board. The report must not include data that would personally identify individuals.

EFFECTIVE DATE. This section is effective for collective bargaining agreements entered into on or after July 1, 2021.

Sec. 9. Minnesota Statutes 2020, section 122A.40, subdivision 10, is amended to read:

Subd. 10. **Negotiated unrequested leave of absence.** (a) The school board and the exclusive bargaining representative of the teachers must negotiate a plan providing for unrequested leave of absence without pay or fringe benefits for as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts.

(b) The plan for unrequested leave of absence must not require the school board to place a teacher on unrequested leave of absence first based on their tier of licensure.

EFFECTIVE DATE. This section is effective for collective bargaining agreements entered into on or after July 1, 2021.

Sec. 10. Minnesota Statutes 2020, section 122A.41, subdivision 14a, is amended to read:

Subd. 14a. **Negotiated unrequested leave of absence.** (a) The school board and the exclusive bargaining representative of the teachers must negotiate a plan providing for unrequested leave of absence without pay or fringe benefits for as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts.

(b) The plan for unrequested leave of absence must not require the school board to place a teacher on unrequested leave of absence first based on their tier of licensure.

EFFECTIVE DATE. This section is effective for collective bargaining agreements entered into on or after July 1, 2021.

Sec. 11. Minnesota Statutes 2020, section 122A.41, is amended by adding a subdivision to read:

Subd. 16. **Hiring and dismissal.** (a) A school district must not give preference in the hiring or dismissal of a teacher based on the teacher's seniority.

(b) A school district must report all new teacher hires and terminations, including layoffs, by race and ethnicity annually to the Professional Educator Licensing and Standards Board. The report must not include data that would personally identify individuals.

EFFECTIVE DATE. This section is effective for collective bargaining agreements entered into on or after July 1, 2021.

Sec. 12. **[122A.59] COME TEACH IN MINNESOTA HIRING BONUSES.**

Subdivision 1. **Purpose.** This section establishes a program to support districts and schools recruiting and offering hiring bonuses for licensed teachers who are American Indian or a person of color from another state or country in order to meet staffing needs in shortage areas in economic development regions in Minnesota.

Subd. 2. **Eligibility.** A district or school must verify that the hiring bonus is given to teachers licensed in another state who:

(1) qualify for a Tier 3 or Tier 4 Minnesota license;

(2) have moved to the economic development region in Minnesota where they were hired; and

(3) belong to a racial or ethnic group that is underrepresented among teachers compared to students in the district or school under section 120B.35, subdivision 3, paragraph (b), clause (2).

Subd. 3. **Bonus amount.** A district or school may offer a signing and retention bonus of a minimum of \$2,500 and a maximum of \$5,000 to a teacher who meets the eligibility requirements. A teacher who meets eligibility requirements and meets a licensure shortage area in the economic development region of the state where the school is located may be offered a signing bonus of a

minimum of \$4,000 and a maximum of \$8,000. A teacher must be paid half of the bonus when starting employment and half after completing four years of service in the hiring district or school if they have demonstrated teaching effectiveness and are not on a professional improvement plan under section 122A.40, subdivision 8, paragraph (b), clause (12) or (13), or are being considered for termination under section 122A.40, subdivision 9. A teacher who does not complete their first school year upon receiving a hiring bonus must repay the hiring bonus. The maximum bonus amounts listed in this section are only for purposes of reimbursement under subdivision 4. A district may include a signing and retention bonus in its achievement and integration plan under section 124D.861, subdivision 2.

Subd. 4. **Administration.** The commissioner must establish a process for districts or schools to seek reimbursement for hiring bonuses given to teachers in shortage areas moving to and working in Minnesota schools experiencing specific shortages. The commissioner must provide guidance for districts to seek repayment of a hiring bonus from a teacher who does not complete their first year of employment. The department may conduct a pilot program with a small number of teachers during the 2022-2023 biennium to establish feasibility. The department must submit a report by December 1, 2022, to the chairs and ranking minority members of the legislative committees having jurisdiction over K-12 education detailing the effectiveness of the program and recommendations for improvement in future years.

EFFECTIVE DATE. This section applies to teacher contracts entered into on or after July 1, 2021.

Sec. 13. Minnesota Statutes 2020, section 122A.61, subdivision 1, is amended to read:

Subdivision 1. **Staff development revenue.** (a) A district is required to reserve an amount equal to at least two percent of the basic revenue under section 126C.10, subdivision 2, for:

- (1) teacher development and evaluation under section 122A.40, subdivision 8, or 122A.41, subdivision 5;
- (2) principal development and evaluation under section 123B.147, subdivision 3;
- (3) professional development under section 122A.60; ~~and~~
- (4) in-service education for programs under section 120B.22, subdivision 2-; and
- (5) teacher mentorship under section 122A.70, subdivision 1.

(b) To the extent extra funds remain, staff development revenue may be used for staff development plans, including plans for challenging instructional activities and experiences under section 122A.60, and for curriculum development and programs, other in-service education, ~~teachers' mentoring under section 122A.70 and evaluation,~~ teachers' workshops, teacher conferences, the cost of substitute teachers for staff development purposes, preservice and in-service education for special education professionals and paraprofessionals, and other related costs for staff development efforts.

(c) A district may annually waive the requirement to reserve their basic revenue under this section if a majority vote of the licensed teachers in the district and a majority vote of the school board agree to a resolution to waive the requirement. A district in statutory operating debt is exempt

from reserving basic revenue according to this section. Districts may expend an additional amount of unreserved revenue for staff development based on their needs.

Sec. 14. Minnesota Statutes 2020, section 122A.635, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The Professional Educator Licensing and Standards Board must award competitive grants to increase the number of teacher candidates of color or who are American Indian, and meet the requirements for a Tier 1, 2, or 3 license under section 122A.181, 122A.182, or 122A.183. Eligibility for a grant under this section is limited to public or private higher education institutions that offer a teacher preparation program approved by the Professional Educator Licensing and Standards Board programs, including alternative teacher preparation programs, located in Minnesota.

Sec. 15. Minnesota Statutes 2020, section 122A.635, subdivision 2, is amended to read:

Subd. 2. **Competitive grants.** (a) The Professional Educator Licensing and Standards Board must award competitive grants under this section based on the following criteria:

(1) the number or percentage of teacher candidates being supported in the program who are of color or who are American Indian;

(2) program outcomes, including graduation or program completion rates, licensure rates, and placement rates and, for each outcome measure, the number of those teacher candidates of color or who are American Indian; and

(3) the percent of racially and ethnically diverse teacher candidates enrolled in the institution compared to:

(i) the total percent of students of color and American Indian students enrolled at the institution, regardless of major; and

(ii) the percent of underrepresented racially and ethnically diverse teachers in the economic development region of the state where the institution is located and where a shortage of diverse teachers exists, as reported under section 122A.091, subdivision 5.

~~(b) The board must give priority in awarding grants under this section to institutions that received grants under Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 27, and have demonstrated continuing success at recruiting, retaining, graduating, and inducting teacher candidates of color or who are American Indian. If the board awards a competitive grant based on the criteria in paragraph (a) to a program that has not previously received funding, the board must thereafter give priority to the program equivalent to other programs given priority under this paragraph.~~

~~(c)~~ (b) The board must determine award amounts for maintenance and expansion of programs based on the number of candidates supported by an applicant program, sustaining support for those candidates, and funds available.

Sec. 16. Minnesota Statutes 2020, section 122A.70, is amended to read:

122A.70 TEACHER MENTORSHIP AND RETENTION OF EFFECTIVE TEACHERS.

Subdivision 1. **Teacher mentoring, induction, and retention programs.** (a) School districts ~~are encouraged to~~ must develop teacher mentoring programs for teachers new to the profession or district, including teaching residents, teachers of color, teachers who are American Indian, teachers in license shortage areas, teachers with special needs, or experienced teachers in need of peer coaching.

(b) Teacher mentoring programs must be included in or aligned with districts' teacher evaluation and peer review processes under sections 122A.40, subdivision 8, and 122A.41, subdivision 5. A district may use staff development revenue under section 122A.61, special grant programs established by the legislature, or another funding source to pay a stipend to a mentor who may be a current or former teacher who has taught at least three years and is not on an improvement plan. Other initiatives using such funds or funds available under sections 124D.861 and 124D.862 may include:

(1) additional stipends as incentives to mentors of color or who are American Indian;

(2) financial supports for professional learning community affinity groups across schools within and between districts for teachers from underrepresented racial and ethnic groups to come together throughout the school year. For purposes of this section, "affinity groups" are groups of educators who share a common racial or ethnic identity in society as persons of color or who are American Indian;

(3) programs for induction aligned with the district or school mentorship program during the first three years of teaching, especially for teachers from underrepresented racial and ethnic groups; or

(4) grants supporting licensed and nonlicensed educator participation in professional development, such as workshops and graduate courses, related to increasing student achievement for students of color and American Indian students in order to close opportunity and achievement gaps.

(c) A school or district that receives a grant must negotiate additional retention strategies or protection from unrequested leave of absences in the beginning years of employment for teachers of color and teachers who are American Indian. Retention strategies may include providing financial incentives for teachers of color and teachers who are American Indian to work in the school or district for at least five years and placing American Indian educators at sites with other American Indian educators and educators of color at sites with other educators of color to reduce isolation and increase opportunity for collegial support.

Subd. 2. **Applications Board grants.** The Professional Educator Licensing and Standards Board must make grant application forms available to sites interested in developing or expanding a mentorship program. A school district; a group of school districts; a coalition of districts, teachers, and teacher education institutions; or a coalition of schools, teachers, or nonlicensed educators may apply for a program grant. The Professional Educator Licensing and Standards Board, in consultation with the teacher mentoring task force, must approve or disapprove the applications. To the extent possible, the approved applications must reflect effective mentoring, professional development, and retention components, and be geographically distributed throughout the state. The Professional Educator Licensing and Standards Board must encourage the selected sites to consider the use of its assessment procedures.

Subd. 3. **Criteria for selection.** At a minimum, applicants for grants under subdivision 2 must express commitment to:

- (1) allow staff participation;
- (2) assess skills of both beginning and mentor teachers;
- (3) provide appropriate in-service to needs identified in the assessment;
- (4) provide leadership to the effort;
- (5) cooperate with higher education institutions;
- (6) provide facilities and other resources;
- (7) share findings, materials, and techniques with other school districts; and
- (8) retain teachers of color and teachers who are American Indian.

Subd. 4. **Additional funding.** Grant applicants are required to must seek additional funding and assistance from sources such as school districts, postsecondary institutions, foundations, and the private sector.

Subd. 5. **Program implementation.** New and expanding mentorship sites that ~~are funded~~ receive a board grant under subdivision 2 to design, develop, implement, and evaluate their program must participate in activities that support program development and implementation. ~~The Professional Educator Licensing and Standards Board must provide resources and assistance to support new sites in their program efforts. These activities and services may include, but are not limited to: planning, planning guides, media, training, conferences, institutes, and regional and statewide networking meetings. Nonfunded schools or districts interested in getting started may participate. Fees may be charged for meals, materials, and the like.~~

Subd. 6. **Report.** By June 30 of each year after receiving a grant, recipients must submit a report to the Professional Educator Licensing and Standards Board on program efforts that describes mentoring and induction activities and assesses the impact of these programs on teacher effectiveness and retention.

Sec. 17. Minnesota Statutes 2020, section 122A.76, is amended to read:

122A.76 STATEWIDE CONCURRENT ENROLLMENT TEACHER TRAINING PROGRAM PARTNERSHIP.

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

(b) ~~"Northwest Regional Partnership"~~ "Concurrent Enrollment Teacher Partnership" means a voluntary association of the Lakes Country Service Cooperative, the Northwest Service Cooperative, ~~and the Metropolitan Education Cooperative Service Unit, Minnesota State University-Moorhead, and other interested Minnesota state colleges and universities~~ that ~~works~~ work together to provide coordinated higher learning opportunities for teachers.

(c) ~~"State Partnership" means a voluntary association of the Northwest Regional Partnership and the Metropolitan Educational Cooperative Service Unit.~~

~~(d) "Eligible postsecondary institution" means a public or private postsecondary institution that awards graduate credits.~~

~~(e)~~ (d) "Eligible teacher" means a licensed teacher of ~~secondary school~~ courses for postsecondary credit.

Subd. 1a. **Fiscal host.** Lakes Country Service Cooperative is the fiscal host for the Concurrent Enrollment Teacher Partnership.

~~Subd. 2. **Establishment.** (a) Lakes Country Service Cooperative, in consultation with the Northwest Service Cooperative, The Concurrent Enrollment Teacher Partnership may develop a continuing education program to allow eligible teachers to attain the requisite graduate credits necessary to be qualified to teach secondary school courses for postsecondary credit.~~

(b) ~~If established, the State Partnership~~ The Concurrent Enrollment Teacher Partnership must contract with one or more eligible postsecondary institutions to establish a continuing education credit program to allow eligible teachers to attain sufficient graduate credits to qualify to teach secondary school courses for postsecondary credit. Members of the State Concurrent Enrollment Teacher Partnership must work to eliminate duplication of service and develop the continuing education credit program efficiently and cost-effectively.

~~Subd. 3. **Curriculum development.** The continuing education program must use flexible delivery models, such as an online education curriculum, that allow eligible secondary school teachers to attain graduate credit at a reduced credit rate. Information about the curriculum, including course length and course requirements, must be posted on the website of the eligible institution offering the course at least two weeks before eligible teachers are required to register for courses in the continuing education program.~~

~~Subd. 4. **Funding for course participation; course development; scholarships; stipends; participation incentives.** (a) Lakes Country Service Cooperative, in consultation with the other members of the Northwest Regional Concurrent Enrollment Teacher Partnership, shall: must~~

~~(1) provide funding for course development~~ eligible teachers to participate in the program for up to 18 credits in applicable postsecondary subject areas;

~~(2) provide scholarships for eligible teachers to enroll in the continuing education program; and~~

~~(3) develop criteria for awarding educator stipends on a per-credit basis to incentivize participation in the continuing education program.~~

~~(b) If established, the State Partnership must:~~

~~(1) provide funding for course development for up to 18 credits in applicable postsecondary subject areas;~~

~~(2) provide scholarships for eligible teachers to enroll in the continuing education program; and~~

~~(3) develop criteria for awarding educator stipends on a per-credit basis to incentivize participation in the continuing education program.~~

(b) The Concurrent Enrollment Teacher Partnership may:

(1) provide funding for course development in applicable postsecondary subject areas;

(2) work with school districts to develop incentives for teachers to participate in the program;
and

(3) enroll college faculty, as space permits, and provide financial assistance if state aid remains available.

Subd. 5. **Private funding.** The partnerships may receive private resources to supplement the available public money. ~~All money received in fiscal year 2017 shall be administered by the Lakes Country Service Cooperative. All money received in fiscal year 2018 and later shall be administered by the State Partnership.~~

Subd. 6. **Report required.** ~~(a) The Northwest Regional Partnership must submit a report by January 15, 2018, on the progress of its activities to the legislature, commissioner of education, and Board of Trustees of the Minnesota State Colleges and Universities. The report shall contain a financial report for the preceding year.~~

~~(b) If established, the State~~ The Concurrent Enrollment Teacher Partnership must submit an annual joint report to the legislature and the Office of Higher Education by January 15 of each year on the progress of its activities. The report must include the number of teachers participating in the program, the geographic location of the teachers, the number of credits earned, and the subject areas of the courses in which participants earned credit. The report must include a financial report for the preceding year.

Sec. 18. **[122A.85] TEACHER AND CLASSROOM SAFETY CODED ELSEWHERE.**

Subdivision 1. **Scope.** The sections referred to in subdivisions 2 to 5 are codified outside this section. Those sections include many but not all the sections governing teacher and classroom safety.

Subd. 2. **Dismissal and disciplinary report to the commissioner.** A teacher who was physically assaulted by a student must receive a copy of the report to the commissioner under section 121A.53.

Subd. 3. **Discipline and removal of students from class.** A student must be removed from class immediately if the student engages in assault or violent behavior under section 121A.61.

Subd. 4. **Teachers' and paraprofessionals' legitimate educational interest.** (a) A teacher has a legitimate educational interest in knowing which students placed in their classroom have a history of violent behavior and must be notified before such students are placed in their classroom under section 121A.64.

(b) A paraprofessional has a legitimate educational interest in knowing whether a student with a disability that the paraprofessional works with alone or on a regular basis has a history of violent behavior and must be notified before being assigned to work with the student under section 121A.64.

Subd. 5. **General control of school and classroom.** A teacher of record must have the general control and government of a school and classroom and a teacher may remove violent or disruptive students from class as provided under section 122A.42.

Subd. 6. **Notice of rights and responsibilities.** At least once each school year, in the form and manner determined by the charter school or school district, a teacher and administrator must be informed of their rights and responsibilities under these statutes and related school or district policies.

Sec. 19. PROFESSIONAL EDUCATOR LICENSING AND STANDARDS BOARD.

Notwithstanding any law to the contrary, the Professional Educator Licensing and Standards Board must extend by six months any calendar year 2021 deadline for completion of license renewal requirements because of interruptions due to COVID-19 for licenses under their jurisdiction.

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

Sec. 20. SHORT-CALL SUBSTITUTE TEACHER PILOT.

(a) A school district may employ a person who meets the professional requirements of Minnesota Statutes, section 122A.181, subdivision 2, paragraph (b), as a short-call substitute teacher in any content area, not only career and technical education, notwithstanding any licensing requirements in Minnesota Statutes, chapter 122A. A school district must request a background check in accordance with section 123B.03 on a short-call substitute teacher employed under this section. Each assignment to replace a teacher of record must last no longer than 15 consecutive school days.

(b) A district must report to the Professional Educator Licensing and Standards Board all persons it employs under this section and affirm that each person meets the professional requirements for a short-call substitute teacher.

EFFECTIVE DATE. This section is effective for the 2020-2021, 2021-2022, and 2022-2023 school years only.

Sec. 21. APPROPRIATIONS; DEPARTMENT OF EDUCATION.

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the commissioner of education for the fiscal years designated.

Subd. 2. **Statewide concurrent enrollment teacher training program.** (a) For the concurrent enrollment teacher partnership under Minnesota Statutes, section 122A.76:

<u>\$</u>	<u>375,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>375,000</u>	<u>.....</u>	<u>2023</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 3. **Paraprofessional pathway to teacher licensure.** (a) For grants to school districts for Grow Your Own new teacher programs:

<u>\$</u>	<u>4,000,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>4,000,000</u>	<u>.....</u>	<u>2023</u>

(b) The grants are for school districts with more than 30 percent minority students for a Professional Educator Licensing and Standards Board-approved nonconventional teacher residency pilot program or alternative teacher preparation program. The program must provide tuition scholarships or stipends to enable school district employees or community members affiliated with a school district who seek an education license to participate in a nonconventional or an alternative teacher preparation program. School districts that receive funds under this subdivision are strongly encouraged to recruit candidates of color and American Indian candidates to participate in the Grow Your Own new teacher programs. Districts or schools providing financial support may require a commitment as determined by the district to teach in the district or school for a reasonable amount of time that does not exceed five years.

(c) School districts and charter schools may also apply for grants to develop innovative expanded Grow Your Own programs that encourage secondary school students to pursue teaching, including developing and offering dual-credit postsecondary course options in schools for "Introduction to Teaching" or "Introduction to Education" courses consistent with Minnesota Statutes, section 124D.09, subdivision 10.

(d) Programs must annually report to the commissioner by the date determined by the commissioner on their activities under this section, including the number of participants, the percentage of participants who are of color or who are American Indian, and an assessment of program effectiveness, including participant feedback, areas for improvement, the percentage of participants continuing to pursue teacher licensure, and the number of participants hired in the school or district as teachers after completing preparation programs.

(e) The department may retain up to \$120,000 of the appropriation amount in each fiscal year to monitor and administer the grant program.

(f) Any balance in the first year does not cancel but is available in the second year.

Subd. 4. **Expanded concurrent enrollment grants.** (a) For grants to institutions offering "Introduction to Teaching" or "Introduction to Education" college in the schools courses under Minnesota Statutes, section 124D.09, subdivision 10, paragraph (b):

<u>\$</u>	<u>375,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>375,000</u>	<u>.....</u>	<u>2023</u>

(b) The department may retain up to \$18,750 of the appropriation amount in each fiscal year to monitor and administer the grant program.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 5. **Alternative teacher compensation aid.** (a) For alternative teacher compensation aid under Minnesota Statutes, section 122A.415, subdivision 4:

<u>\$</u>	<u>88,617,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>88,518,000</u>	<u>.....</u>	<u>2023</u>

(b) The 2022 appropriation includes \$8,877,000 for 2021 and \$79,740,000 for 2022.

(c) The 2023 appropriation includes \$8,859,000 for 2022 and \$79,659,000 for 2023.

Subd. 6. **Agricultural educator grants.** (a) For agricultural educator grants under Laws 2017, First Special Session chapter 5, article 2, section 51:

\$	<u>250,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>250,000</u>	<u>.....</u>	<u>2023</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 7. **American Indian teacher preparation grants.** (a) For joint grants to assist people who are American Indian to become teachers under Minnesota Statutes, section 122A.63:

\$	<u>460,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>460,000</u>	<u>.....</u>	<u>2023</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 8. **Language Essentials for Teachers of Reading and Spelling grant.** (a) For grants to licensed teachers to complete the Language Essentials for Teachers of Reading and Spelling (LETRS) program:

\$	<u>3,000,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>3,000,000</u>	<u>.....</u>	<u>2023</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 9. **Come Teach in Minnesota hiring bonuses.** (a) For the Come Teach in Minnesota hiring bonuses pilot program under Minnesota Statutes, section 122A.59:

\$	<u>350,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>350,000</u>	<u>.....</u>	<u>2023</u>

(b) The department may use up to \$35,000 of the appropriation amount to develop and administer the program under this subdivision.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 10. **Black Men Teach Twin Cities grant** (a) For transfer to the Office of Higher Education for a grant to Black Men Teach Twin Cities to establish partnerships with eight school district elementary schools or elementary charter schools with a goal of increasing the number of black male teachers to 20 percent of the employees at each school site:

\$	<u>750,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>0</u>	<u>.....</u>	<u>2023</u>

(b) Any balance does not cancel but is available until June 30, 2024. The base for fiscal year 2024 and later is \$0.

(c) The grant recipient must provide a detailed report to the chairs and ranking minority members of the legislative committees having jurisdiction over higher education and kindergarten through grade 12 education by January 15 of each year until 2025 describing how the grant funds were used.

The report must describe the progress made toward the goal of increasing the number of black male teachers at each school site and strategies used.

Sec. 22. APPROPRIATIONS; PROFESSIONAL EDUCATOR LICENSING AND STANDARDS BOARD.

Subdivision 1. Professional Educator Licensing and Standards Board. The sums indicated in this section are appropriated from the general fund to the Professional Educator Licensing and Standards Board for the fiscal years designated.

Subd. 2. Mentoring, induction, and retention incentive program grants. (a) For the development and expansion of mentoring, induction, and retention programs designed for teachers of color or American Indian teachers under Minnesota Statutes, section 122A.70:

\$	<u>2,000,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>2,000,000</u>	<u>.....</u>	<u>2023</u>

(b) Any balance does not cancel but is available in the following fiscal year.

(c) For fiscal year 2024 and later, the base for grants under Minnesota Statutes, section 122A.70 is \$2,000,000.

(d) The board may retain up to \$60,000 of the appropriation amount in each fiscal year to monitor and administer the grant program.

Subd. 3. Teacher recruitment marketing campaign. (a) For developing two contracts to develop and implement an outreach and marketing campaign under this subdivision:

\$	<u>500,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>500,000</u>	<u>.....</u>	<u>2023</u>

(b) The Professional Educator Licensing and Standards Board must issue a request for proposals to develop and implement an outreach and marketing campaign to elevate the profession and recruit teachers, especially teachers of color and American Indian teachers. Outreach efforts should include and support current and former Teacher of the Year finalists interested in being recruitment fellows to encourage prospective educators throughout the state.

(c) The outreach and marketing campaign must focus on making the following individuals become interested in teaching in Minnesota public schools:

(1) high school and college students of color or American Indian students who have not chosen a career path; or

(2) adults from racial or ethnic groups underrepresented in the teacher workforce who may be seeking to change careers.

(d) The board must award two \$250,000 grants each year to firms or organizations that demonstrate capacity to reach wide and varied audiences of prospective teachers based on a work plan with quarterly deliverables. Preferences should be given to firms or organizations that are led by people of color and that have people of color working on the campaign with a proven record of

success. The grant recipients must recognize current pathways or programs to become a teacher and must partner with educators, schools, institutions, and racially diverse communities. The grant recipients are encouraged to provide in-kind contributions or seek funds from nonstate sources to supplement the grant award.

(e) The board may use no more than \$15,000 of the appropriation amount in each fiscal year to administer the program under this subdivision, and may have an interagency agreement with the Department of Education including transfer of funds to help administer the program.

(f) Any balance in the first year does not cancel but is available in the second year.

Subd. 4. Collaborative urban and greater Minnesota educators of color grants. (a) For collaborative urban and greater Minnesota educators of color grants under Minnesota Statutes, section 122A.635:

\$	<u>1,000,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>1,000,000</u>	<u>.....</u>	<u>2023</u>

(b) The board may retain up to \$30,000 of the appropriation amount in each fiscal year to monitor and administer the grant program and a portion of these funds may be transferred to the Office of Higher Education as determined by the executive director of the board and the commissioner to support the administration of the program.

(c) Any balance in the first year does not cancel but is available in the second year.

Sec. 23. REVISOR INSTRUCTION.

The revisor of statutes shall codify Laws 2017, First Special Session chapter 5, article 2, section 51, as Minnesota Statutes, section 122A.77.

ARTICLE 4

SPECIAL EDUCATION

Section 1. Minnesota Statutes 2020, section 121A.21, is amended to read:

121A.21 SCHOOL HEALTH SERVICES.

Subdivision 1. Requirements. (a) Every school board must provide services to promote the health of its pupils.

(b) The board of a district with 1,000 pupils or more in average daily membership in early childhood family education, preschool disabled, elementary, and secondary programs must comply with the requirements of this paragraph. It may use one or a combination of the following methods:

(1) employ personnel, including at least one full-time equivalent licensed school nurse;

(2) contract with a public or private health organization or another public agency for personnel during the regular school year, determined appropriate by the board, who are currently licensed under chapter 148 and who are certified public health nurses; or

(3) enter into another arrangement approved by the commissioner.

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

(b) "Clinical nursing provider" means an agency or nurse that renders clinical nursing services or their designee.

(c) "Clinical nursing services" means specific health care services, based on a physician's or advanced practice nurse's orders, as provided by a registered nurse or licensed practical nurse with specialized pediatric training who either attends to the pupil directly or supervises the work of their designee.

(d) "Pupil who is medically fragile" means a school-aged child who has a life-threatening medical condition, and as a result of such condition, requires individualized and continuous clinical nursing services.

Subd. 3. **Clinical nursing services at school.** (a) Maintaining a continuity of care for students who are medically fragile is necessary for those pupils' safety, creates a safer environment at school and during transportation, and fosters learning and inclusion.

(b) A pupil who is medically fragile who requires clinical nursing services must receive services and care needed to meet the child's clinical nursing service needs while attending school or during transportation to and from school. The school and the parent or legal guardian are encouraged to consult and collaborate with the pupil's treating or ordering provider about services and care needed to meet the pupil's clinical nursing service needs in the school. If the school and the parent or legal guardian do not agree about the service and care needed to meet the child's clinical nursing service needs while attending school or during transportation to and from school, the school and the parent or legal guardian must contact the pupil's licensed care provider to attempt to mutually consult and clarify the medical orders outlined in the plan of care. The objective of the consultation is to review and revise, as necessary, the services proposed by the school to ensure the proposed services are sufficient to meet the student's needs.

(c) If a pupil who is medically fragile requires clinical nursing services care at school or during transportation to and from school, the school and the parent or legal guardian must meet to discuss options for arranging for clinical nursing services during school. Options may include but are not limited to:

(1) the pupil's clinical nursing provider in the home provides clinical nursing services to the pupil at school and during transportation to and from school;

(2) the school contracts with the pupil's existing clinical nursing provider to provide clinical nursing services to the pupil at school and during transportation to and from school; and

(3) the school arranges for clinical nursing services for the pupil at school and during transportation to and from school, either by school staff or a contract with another clinical nursing services provider.

(d) When considering options for arranging for clinical nursing services, the school and the parents or legal guardians shall take into account the following factors:

(1) the ability of a clinical nursing provider to provide the specific clinical nursing services the pupil requires;

(2) the familiarity of the clinical nursing provider with the pupil's specific clinical nursing services needs and any training that may be required; and

(3) the impact of the selection of a clinical nursing provider on the availability of clinical nursing services to the pupil at home.

The meeting and decision between the school and parents or legal guardians may take place during individualized education plan team meetings under the Individuals with Disabilities in Education Act or meetings required by Section 504 of the Rehabilitation Act, if applicable, and, if applicable, the dispute resolution processes available under either act are available to the school and to the parents or legal guardian.

(e) For the purposes of this subdivision, the school district and nurse or clinical nursing service provider must enter into agreements as necessary to establish mutual expectations of the nurse's or provider's conduct in the school environment, including confidentiality agreements, who they are designated to report to in the school environment, supervision, and the nurse's or provider's authority within the school environment.

Sec. 2. SPECIAL EDUCATION RECOVERY SERVICES AND SUPPORTS.

Subdivision 1. **Special education recovery.** The commissioner of education, school districts, and charter schools must collaborate with families of students with disabilities as provided in this section to address the impact of disruptions to in-person instruction on students' access to a free appropriate public education due to COVID-19.

Subd. 2. **Special education services and supports.** (a) A school district or charter school that serves one or more students with disabilities must invite the parents of a student with a disability to a meeting of each individualized education program (IEP) team as soon as practicable, to determine whether special education services and supports are necessary to address lack of progress on IEP goals or in the general education curriculum or loss of learning or skills due to disruptions due to COVID-19. The services and supports may include but are not limited to extended school year services, additional IEP services, compensatory services, or other appropriate services. This meeting may occur in an annual or other regularly scheduled IEP meeting. If the IEP team determines that the services and supports are necessary, the team shall determine what services and supports are appropriate for the student and when and how those services should be provided, in accordance with relevant guidance from the Minnesota Department of Education and the United States Department of Education. The services and supports must be included in the IEP of the student. A district or charter school must report to the commissioner, in the form and manner determined by the commissioner, the services and supports provided to students with disabilities under this section, including the cost of providing the services.

(b) In determining whether a student is eligible for services and supports described in paragraph (a), and what services and supports are appropriate for the student, the IEP team must consider, in

conjunction with any other considerations advised by guidance from the Minnesota Department of Education or the United States Department of Education:

(1) services and supports provided to the student before the disruptions to in-person instruction due to COVID-19;

(2) the ability of the student to access services and supports;

(3) the student's progress toward IEP goals, including the goals in the IEP in effect before disruptions to in-person instruction related to COVID-19, and progress in the general education curriculum;

(4) the student's regression or lost skills resulting from disruptions to instruction;

(5) other significant influences on the student's ability to participate in and benefit from instruction as a result of COVID-19, including family loss, changed family circumstances, other trauma, and illness; and

(6) the types of services and supports that would benefit the student and improve the student's ability to benefit from school, including academic supports, behavioral supports, mental health supports, related services, and other services and supports.

(c) When considering how and when the services and supports described in paragraph (a) should be provided, the IEP team must take into account the timing and delivery method most appropriate for the student, such as time of day, day of the week, or time of year; and the availability of other services accessible to the student to address learning loss. The IEP team may determine that providers in addition to school district or charter school staff are most appropriate to provide the services and supports described in paragraph (a).

(d) A school district or charter school must make available the services and supports included in an IEP, as described in paragraph (a), until the IEP team determines that services and supports are no longer necessary to address lack of progress on IEP goals or in the general education curriculum or loss of learning or skills due to disruptions due to COVID-19.

(e) A school district or charter school may use federal funds to comply with this section.

Sec. 3. REPORT ON BEHAVIORAL HEALTH SERVICES REIMBURSEMENT.

The commissioners of education and human services shall consult with stakeholders to identify strategies to streamline access and reimbursement for behavioral health services for children with an individualized education program or an individualized family service plan who are enrolled in medical assistance and, whenever possible, avoid duplication of services and procedures. The commissioners shall identify strategies to reduce administrative burden for schools while ensuring continuity of care for student's accessing services when not in school and shall review models in other states. The commissioners shall provide an update, including any recommendations for statutory changes, to the chairs and ranking minority members of the committees with jurisdiction over kindergarten through grade 12 education and human services by November 1, 2021.

Sec. 4. APPROPRIATIONS.

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Special education; regular.** For special education aid under Minnesota Statutes, section 125A.75:

\$	<u>1,821,955,000</u>	.....	<u>2022</u>
\$	<u>1,942,616,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$215,125,000 for 2021 and \$1,606,830,000 for 2022.

The 2023 appropriation includes \$226,195,000 for 2022 and \$1,716,421,000 for 2023.

Subd. 3. **Aid for children with disabilities.** For aid under Minnesota Statutes, section 125A.75, subdivision 3, for children with disabilities placed in residential facilities within the district boundaries for whom no district of residence can be determined:

\$	<u>1,818,000</u>	.....	<u>2022</u>
\$	<u>2,010,000</u>	.....	<u>2023</u>

If the appropriation for either year is insufficient, the appropriation for the other year is available.

Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based services under Minnesota Statutes, section 125A.75, subdivision 1:

\$	<u>465,000</u>	.....	<u>2022</u>
\$	<u>512,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$23,000 for 2021 and \$442,000 for 2022.

The 2023 appropriation includes \$49,000 for 2022 and \$463,000 for 2023.

Subd. 5. **Court-placed special education revenue.** For reimbursing serving school districts for unreimbursed eligible expenditures attributable to children placed in the serving school district by court action under Minnesota Statutes, section 125A.79, subdivision 4:

\$	<u>24,000</u>	.....	<u>2022</u>
\$	<u>25,000</u>	.....	<u>2023</u>

Subd. 6. **Special education out-of-state tuition.** For special education out-of-state tuition under Minnesota Statutes, section 125A.79, subdivision 8:

\$	<u>250,000</u>	.....	<u>2022</u>
\$	<u>250,000</u>	.....	<u>2023</u>

Subd. 7. **Clinical nursing services guidance.** For the commissioner to develop guidance for school districts on arranging for and accommodating clinical nursing services at school under Minnesota Statutes, section 121A.21:

\$	<u>100,000</u>	.....	<u>2022</u>
\$	<u>0</u>	.....	<u>2023</u>

This is a onetime appropriation.

ARTICLE 5

HEALTH AND SAFETY

Section 1. [121A.24] SEIZURE TRAINING AND ACTION PLAN.

Subdivision 1. **Seizure action plan.** (a) For purposes of this section, "seizure action plan" means a written individualized health plan designed to acknowledge and prepare for the health care needs of a student with a seizure disorder diagnosed by the student's treating licensed health care provider.

(b) The requirements of this subdivision apply to a school district or charter school where an enrolled student's parent or guardian has notified the school district or charter school that the student has a diagnosed seizure disorder and has seizure rescue medication or medication prescribed by the student's licensed health care provider to treat seizure disorder symptoms approved by the United States Food and Drug Administration. The parent or guardian of a student with a diagnosed seizure disorder must collaborate with school personnel to implement the seizure action plan.

(c) A seizure action plan must:

(1) identify at least one employee at each school site who is on duty during the entire school day and can administer or assist with the administration of seizure rescue medication or medication prescribed to treat seizure disorder symptoms approved by the United States Food and Drug Administration;

(2) require training on seizure medications for an employee identified under clause (1), recognition of signs and symptoms of seizures, and appropriate steps to respond to seizures; and

(3) be filed in the office of the school principal or licensed school nurse or, in the absence of a licensed school nurse, a professional nurse or designated individual.

(d) A school district or charter school employee or volunteer responsible for the supervision or care of a student with a diagnosed seizure disorder must be given notice and a copy of the seizure action plan, the name of the employee identified under paragraph (c), clause (1), and the method by which the trained school employee may be contacted in an emergency.

Subd. 2. **Training requirements.** A school district or charter school must provide all licensed school nurses or, in the absence of a licensed school nurse, a professional nurse or designated individual, and other school staff working with students with self-study materials on seizure disorder signs, symptoms, medications, and appropriate responses.

Subd. 3. **Department of Health.** A school district or charter school may consult with the commissioner of health regarding training resources to comply with the requirements of this section.

EFFECTIVE DATE. This section is effective for the 2022-2023 school year and later.

Sec. 2. **[121A.336] NOTIFICATION OF ENVIRONMENTAL HAZARDS.**

Upon notification by the Department of Health or Pollution Control Agency to a school district, charter school, or nonpublic school of environmental hazards that may affect the health of students or school staff, the school must notify school staff, students, and parents of the hazards as soon as practicable. The notice must include direction on how to obtain additional information about the hazard, including any actions that may reduce potential harm to those affected by the hazard.

Sec. 3. Minnesota Statutes 2020, section 126C.44, is amended to read:

126C.44 SAFE SCHOOLS ~~LEVY~~ REVENUE.

Subdivision 1. **Safe schools revenue.** (a) ~~Each district may make a levy on all taxable property located within the district for the purposes specified in this section. The maximum amount which may be levied for all costs under this section shall be equal to \$36 multiplied by~~ For fiscal year 2022 and fiscal year 2023, the safe schools revenue for a school district equals \$37 times the district's adjusted pupil units for the school year. For fiscal year 2024 and later, the safe schools revenue for a school district equals \$46 times the district's adjusted pupil units for the school year.

Subd. 2. **Safe schools levy.** (a) For fiscal year 2022, a district's safe schools levy equals \$36 times the district's adjusted pupil units for the school year.

(b) To obtain safe schools revenue for fiscal year 2023 and later, a district may levy an amount not more than \$37 times the district's adjusted pupil units for the school year, times the lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil unit to the safe schools equalizing factor. The safe schools equalizing factor equals 60 percent of the state average net tax capacity per adjusted pupil unit for all school districts.

Subd. 3. **Safe schools aid.** (a) Basic safe schools aid equals safe schools revenue minus the permitted safe schools levy.

(b) Safe schools equalization aid equals the safe schools revenue minus the basic safe schools aid minus the safe schools levy. If a school district does not levy the entire amount permitted, the safe schools equalization aid must be reduced in proportion to the actual amount levied.

(c) For fiscal year 2022, a district's safe schools aid equals basic safe schools aid. For fiscal year 2023 and later, a district's safe schools aid equals basic safe schools aid plus safe schools equalization aid.

Subd. 4. **Cooperative safe schools revenue.** In addition to the amounts in subdivision 1, the cooperative safe schools revenue for a school district that is a member of a cooperative unit that enrolls students equals the district's adjusted pupil units for the school year, times \$16 for fiscal year 2022, \$20 for fiscal year 2023, and \$26 for fiscal year 2024 and later. Revenue raised under this subdivision must be transferred to the cooperative unit and be reserved and used only for costs associated with safe schools activities authorized under subdivision 10. For purposes of this section, "cooperative unit" has the meaning given under section 123A.24, subdivision 2.

Subd. 5. **Cooperative safe schools levy.** (a) For fiscal year 2022, the cooperative safe schools levy for a school district that is a member of an intermediate district may not exceed \$15 times the adjusted pupil units of the member district. The cooperative safe schools levy authority is in addition to a district's safe schools levy authority under subdivision 2.

(b) For fiscal year 2023 and later, the cooperative safe schools levy for a school district that is a member of a cooperative unit that enrolls students may not exceed \$20 times the adjusted pupil units of the member district times the lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil unit to the safe schools equalizing factor. The cooperative safe schools levy authority is in addition to a district's safe schools levy authority under subdivision 2.

Subd. 6. **Cooperative safe schools aid.** (a) Basic cooperative safe schools aid equals cooperative safe schools revenue minus the permitted cooperative safe schools levy.

(b) Cooperative safe schools equalization aid equals cooperative safe schools revenue minus basic cooperative safe schools aid minus the cooperative safe schools levy. If a school district does not levy the entire amount permitted, the cooperative safe schools equalization aid must be reduced in proportion to the actual amount levied.

(c) For fiscal year 2022, the cooperative safe schools aid for a school district that is a member of a cooperative unit that enrolls students equals basic cooperative safe schools aid. For fiscal year 2023 and later, the cooperative safe schools aid for a school district that is a member of a cooperative unit that enrolls students equals basic cooperative safe schools aid plus cooperative safe schools equalization aid.

Subd. 7. **Safe schools aid for charter schools.** (a) For fiscal year 2022 and fiscal year 2023, safe schools aid for a charter school equals \$37 times the adjusted pupil units for the school year. For fiscal year 2024 and later, safe schools aid for a charter school equals \$46 times the adjusted pupil units for the school year.

(b) Safe schools aid must be reserved and used only for costs associated with safe schools activities authorized under subdivision 10.

Subd. 8. **Safe schools aid for nonpublic schools.** (a) For fiscal year 2022 and fiscal year 2023, safe schools aid for a nonpublic school, excluding a home school, equals \$37 times enrollment for the school year. For fiscal year 2024 and later, safe schools aid for a nonpublic school, excluding a home school, equals \$46 times enrollment for the school year.

(b) Safe schools aid must be reserved and used only for costs associated with safe schools activities authorized under subdivision 10.

Subd. 9. **Safe schools aid for American Indian tribal contract or grant schools.** (a) For fiscal year 2022 and fiscal year 2023, safe schools aid for an American Indian tribal contract or grant school equals \$37 times enrollment for the school year. For fiscal year 2024 and later, safe schools aid for an American Indian tribal contract or grant school equals \$46 times enrollment for the school year.

(b) Safe schools aid must be reserved and used only for costs associated with safe schools activities authorized under subdivision 10.

Subd. 10. **Uses of safe schools revenue.** ~~The proceeds of the levy~~ (a) For fiscal year 2021 and later, safe schools revenue must be reserved and used for directly funding the following purposes or for reimbursing the cities and counties who contract with the district for the following purposes:

(1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison in services in the district's schools;

(2) to pay the costs for a drug abuse prevention program as defined in section 609.101, subdivision 3, paragraph (e), in the elementary schools;

(3) to pay the costs for a gang resistance education training curriculum in the district's schools;

(4) to pay the costs for security in the district's schools and on school property;

(5) to pay the costs for other crime prevention, drug abuse, student and staff safety, voluntary opt-in suicide prevention tools, and violence prevention measures taken by the school district;

(6) to pay costs for licensed school counselors, licensed school nurses, licensed school social workers, licensed school psychologists, and licensed alcohol and chemical dependency counselors to help provide early responses to problems;

(7) to pay for facility security enhancements including laminated glass, public announcement systems, emergency communications devices, and equipment and facility modifications related to violence prevention and facility security;

(8) to pay for costs associated with improving the school climate; ~~or~~

(9) to pay costs for colocating and collaborating with mental health professionals who are not district employees or contractors or for school-linked mental health services delivered by telemedicine;
or

(10) to pay for the costs of enhancing cybersecurity in the district's information system.

(b) For expenditures under paragraph (a), clause (1), the district must initially attempt to contract for services to be provided by peace officers or sheriffs with the police department of each city or the sheriff's department of the county within the district containing the school receiving the services. If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries.

~~(c) A school district that is a member of an intermediate school district may include in its authority under this section the costs associated with safe schools activities authorized under paragraph (a) for intermediate school district programs. This authority must not exceed \$15 times the adjusted pupil units of the member districts. This authority is in addition to any other authority authorized under this section. Revenue raised under this paragraph must be transferred to the intermediate school district. A school district, charter school, or cooperative unit receiving revenue under this section must annually report safe schools expenditures to the commissioner, in the form and manner specified by the commissioner. The report must conform to uniform financial and reporting standards established for this purpose and provide a breakdown by functional area.~~

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2022 and later, except that subdivision 10 is effective the day following final enactment.

Sec. 4. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Safe schools aid.** For safe schools aid under Minnesota Statutes, section 126C.44:

\$	<u>9,489,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>6,935,000</u>	<u>.....</u>	<u>2023</u>

The fiscal year 2022 appropriation includes \$0 for 2021 and \$9,489,000 for 2022. The fiscal year 2023 appropriation includes \$1,055,000 for 2022 and \$5,880,000 for 2023.

Subd. 3. **Suicide prevention training for teachers.** (a) For a grant to a nationally recognized provider of evidence-based online training on suicide prevention and engagement of students experiencing mental distress:

\$	<u>265,000</u>	<u>.....</u>	<u>2022</u>
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(b) Training funded by the grant must be accessible to teachers in every school district, charter school, intermediate school district, service cooperative, and tribal school in Minnesota.

(c) The grant recipient must report to the commissioner of education the number of teachers completing the online training, average length of time to complete training, and length of average stay using the online training. The commissioner must survey online training users to determine their perception of the online training. By January 8, 2023, the commissioner must report the grant recipient's information and the survey results to the chairs and ranking minority members of the legislative committees having jurisdiction over kindergarten through grade 12 education.

(d) This is a onetime appropriation and is available until June 30, 2023.

ARTICLE 6

FACILITIES, FUND TRANSFERS, & ACCOUNTING

Section 1. Minnesota Statutes 2020, section 123B.10, is amended by adding a subdivision to read:

Subd. 5. **Consulting fees.** The board must also publish at the same time and in a conspicuous place on the district's official website a summary of actual expenditures by vendor which exceed \$25,000 for the prior fiscal year for consulting fees for professional services, consistent with the Uniform Financial Accounting and Reporting Standards Object Code 305. The summary must include a notice that the district must provide more detailed information upon request.

Sec. 2. Minnesota Statutes 2020, section 123B.595, subdivision 3, is amended to read:

Subd. 3. **Intermediate districts and other cooperative units.** (a) Upon approval through the adoption of a resolution by each member district school board of an intermediate district or other cooperative ~~units~~ unit under section 123A.24, subdivision 2, or a joint powers district under section 471.59, and the approval of the commissioner of education, a school district may include in its authority under this section a proportionate share of the long-term maintenance costs of the intermediate district ~~or,~~ cooperative unit, or joint powers district. The cooperative unit or joint powers

district may issue bonds to finance the project costs or levy for the costs; using long-term maintenance revenue transferred from member districts to make debt service payments or pay project costs or, for leased facilities, pay the portion of lease costs attributable to the amortized cost of long-term facilities maintenance projects completed by the landlord. Authority under this subdivision is in addition to the authority for individual district projects under subdivision 1.

(b) The resolution adopted under paragraph (a) may specify which member districts will share the project costs under this subdivision, except that debt service payments for bonds issued by a cooperative unit or joint powers district to finance long-term maintenance project costs must be the responsibility of all member districts.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2023 and later.

Sec. 3. Minnesota Statutes 2020, section 126C.40, subdivision 1, is amended to read:

Subdivision 1. **To lease building or land.** (a) When an independent or a special school district or a group of independent or special school districts finds it economically advantageous to rent or lease a building or land for any instructional purposes or for school storage or furniture repair, and it determines that the operating capital revenue authorized under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this subdivision must contain financial justification for the proposed levy, the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use.

(b) The criteria for approval of applications to levy under this subdivision must include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building or land, conformity of the lease to the laws and rules of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the financial condition of the district. The commissioner must not authorize a levy under this subdivision in an amount greater than the cost to the district of renting or leasing a building or land for approved purposes. The proceeds of this levy must not be used for custodial or other maintenance services. A district may not levy under this subdivision for the purpose of leasing or renting a district-owned building or site to itself.

(c) For agreements finalized after July 1, 1997, a district may not levy under this subdivision for the purpose of leasing: (1) a newly constructed building used primarily for regular kindergarten, elementary, or secondary instruction; or (2) a newly constructed building addition or additions used primarily for regular kindergarten, elementary, or secondary instruction that contains more than 20 percent of the square footage of the previously existing building.

(d) Notwithstanding paragraph (b), a district may levy under this subdivision for the purpose of leasing or renting a district-owned building or site to itself only if the amount is needed by the district to make payments required by a lease purchase agreement, installment purchase agreement, or other deferred payments agreement authorized by law, and the levy meets the requirements of paragraph (c). A levy authorized for a district by the commissioner under this paragraph may be in the amount needed by the district to make payments required by a lease purchase agreement, installment purchase agreement, or other deferred payments agreement authorized by law, provided

that any agreement include a provision giving the school districts the right to terminate the agreement annually without penalty.

(e) The total levy under this subdivision for a district for any year must not exceed \$212 times the adjusted pupil units for the fiscal year to which the levy is attributable.

(f) For agreements for which a review and comment have been submitted to the Department of Education after April 1, 1998, the term "instructional purpose" as used in this subdivision excludes expenditures on stadiums.

(g) The commissioner of education may authorize a school district to exceed the limit in paragraph (e) if the school district petitions the commissioner for approval. The commissioner shall grant approval to a school district to exceed the limit in paragraph (e) for not more than five years if the district meets the following criteria:

- (1) the school district has been experiencing pupil enrollment growth in the preceding five years;
- (2) the purpose of the increased levy is in the long-term public interest;
- (3) the purpose of the increased levy promotes colocation of government services; and

(4) the purpose of the increased levy is in the long-term interest of the district by avoiding over construction of school facilities.

(h) A school district that is a member of an intermediate school district or other cooperative unit under section 123A.24, subdivision 2, or a joint powers district under section 471.59 may include in its authority under this section the costs associated with leases of administrative and classroom space for intermediate school district programs of the intermediate school district or other cooperative unit under section 123A.24, subdivision 2, or joint powers district under section 471.59. This authority must not exceed \$65 times the adjusted pupil units of the member districts. This authority is in addition to any other authority authorized under this section. The intermediate school district, other cooperative unit, or joint powers district may specify which member districts will levy for lease costs under this paragraph.

(i) In addition to the allowable capital levies in paragraph (a), for taxes payable in 2012 to 2023, a district that is a member of the "Technology and Information Education Systems" data processing joint board, that finds it economically advantageous to enter into a lease agreement to finance improvements to a building and land for a group of school districts or special school districts for staff development purposes, may levy for its portion of lease costs attributed to the district within the total levy limit in paragraph (e). The total levy authority under this paragraph shall not exceed \$632,000.

(j) Notwithstanding paragraph (a), a district may levy under this subdivision for the purpose of leasing administrative space if the district can demonstrate to the satisfaction of the commissioner that the lease cost for the administrative space is no greater than the lease cost for instructional space that the district would otherwise lease. The commissioner must deny this levy authority unless the district passes a resolution stating its intent to lease instructional space under this section if the commissioner does not grant authority under this paragraph. The resolution must also certify that

the lease cost for administrative space under this paragraph is no greater than the lease cost for the district's proposed instructional lease.

(k) Notwithstanding paragraph (a), a district may levy under this subdivision for the district's proportionate share of deferred maintenance expenditures for a district-owned building or site leased to a cooperative unit under section 123A.24, subdivision 2, or a joint powers district under section 471.59 for any instructional purposes or for school storage.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2023 and later.

Sec. 4. Laws 2020, chapter 116, article 3, section 8, is amended to read:

Sec. 8. FUND TRANSFERS; FOR FISCAL YEARS 2020 AND 2021 ONLY; REVENUE REDIRECTION FISCAL YEAR 2021 ONLY.

Subdivision 1. **Fund and account transfers allowed.** Notwithstanding Minnesota Statutes, section 123B.80, subdivision 3, for fiscal years 2020 and 2021 only, a school district, charter school, or cooperative unit may transfer any funds not already assigned to or encumbered by staff salary and benefits, or otherwise encumbered by federal law, from any accounts or operating fund to the undesignated balance in any other operating fund.

Subd. 1a. **Redirected revenue uses.** Notwithstanding any law to the contrary, for fiscal year 2021 only, a school district may redirect any reserved or restricted revenue to another use upon adoption of a written resolution of the school board. This authority applies to any funds not already assigned to or encumbered by staff salary and benefits, or otherwise encumbered by federal law.

Subd. 2. **No aid or levy effect.** A fund ~~or~~ transfer, account transfer, or redirection of revenue is allowed under this section if the transfer or revenue redirection does not increase state aid obligations to the district or school, or result in additional property tax authority for the district. Redirected revenue, a fund transfer, or an account transfer is limited to the operating funds and accounts of a school district, charter school, or cooperative unit.

Subd. 3. **Board approval required; reporting; audit trail.** (a) A fund or account transfer under this section for fiscal year 2020 is effective June 30, 2020, and a fund or account transfer under this section for fiscal year 2021 is effective June 30, 2021. The school board must approve any fund or account transfer before the reporting deadline for the respective fiscal year.

(b) A school board that redirects reserved or restricted revenue or uses revenue for a different purpose than the specific purposes listed in statute for that revenue must adopt a written resolution outlining the purpose for, and specifying the amount of, funds that are redirected.

(c) A school district, charter school, or cooperative unit must maintain accounting records for the purposes of this section that are sufficient to document ~~both~~ the specific funds transferred or redirected and use of those funds. The accounting records are subject to auditor review. Any execution of flexibility must not interfere with or jeopardize funding per federal requirements. Any transfer or redirection of funds must not interfere with the equitable delivery of distance learning or social distancing models.

Subd. 4. **Commissioner's guidance.** The commissioner must prepare and post to the department's website a document providing guidance on the process for approval of fund and account balance transfers authorized under this section.

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

Sec. 5. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Debt service equalization aid.** For debt service equalization aid under Minnesota Statutes, section 123B.53, subdivision 6:

\$	<u>25,001,000</u>	.....	<u>2022</u>
\$	<u>24,286,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$2,588,000 for 2021 and \$22,413,000 for 2022.

The 2023 appropriation includes \$2,490,000 for 2022 and \$21,796,000 for 2023.

Subd. 3. **Long-term facilities maintenance equalized aid.** For long-term facilities maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

\$	<u>108,468,000</u>	.....	<u>2022</u>
\$	<u>110,899,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$10,660,000 for 2021 and \$97,808,000 for 2022.

The 2023 appropriation includes \$10,867,000 for 2022 and \$100,032,000 for 2023.

Subd. 4. **Equity in telecommunications access.** (a) For equity in telecommunications access:

\$	<u>3,750,000</u>	.....	<u>2022</u>
\$	<u>3,750,000</u>	.....	<u>2023</u>

(b) If the appropriation amount is insufficient, the commissioner shall reduce the reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the revenue for fiscal years 2022 and 2023 shall be prorated.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 5. **Maximum effort loan aid.** For aid payments to schools under Minnesota Statutes, section 477A.09.

\$	<u>3,288,000</u>	.....	<u>2022</u>
\$	<u>0</u>	.....	<u>2023</u>

The base for fiscal year 2024 is \$0.

ARTICLE 7

NUTRITION AND LIBRARIES

Section 1. Minnesota Statutes 2020, section 124D.111, is amended to read:

124D.111 SCHOOL MEALS POLICIES; LUNCH AID; FOOD SERVICE ACCOUNTING.

Subdivision 1. **School ~~lunch-aid-computation~~ meals policies.** (a) Each Minnesota participant in the national school lunch program must adopt and post to its website, or the website of the organization where the meal is served, a school meals policy.

(b) The policy must be in writing and clearly communicate student meal charges when payment cannot be collected at the point of service. The policy must be reasonable and well-defined and maintain the dignity of students by prohibiting lunch shaming or otherwise ostracizing the student.

(c) The policy must address whether the participant uses a collections agency to collect unpaid school meals debt.

(d) The policy must ensure that once a participant has placed a meal on a tray or otherwise served the meal to a student, the meal may not be subsequently withdrawn from the student by the cashier or other school official, whether or not the student has an outstanding meals balance.

(e) The policy must ensure that a student who has been determined eligible for free and reduced-price lunch must always be served a reimbursable meal even if the student has an outstanding debt.

(f) If a school contracts with a third party for its meal services, it must provide the vendor with its school meals policy. Any contract between the school and a third-party provider entered into or modified after July 1, 2021, must ensure that the third-party provider adheres to the participant's school meals policy.

Subd. 1a. School lunch aid amounts. Each school year, the state must pay participants in the national school lunch program the amount of 12.5 cents for each full paid and free student lunch and 52.5 cents for each reduced-price lunch served to students.

Subd. 2. Application. A school district, charter school, nonpublic school, or other participant in the national school lunch program shall apply to the department for this payment on forms provided by the department.

Subd. 2a. Federal child and adult care food program; criteria and notice. The commissioner must post on the department's website eligibility criteria and application information for nonprofit organizations interested in applying to the commissioner for approval as a multisite sponsoring organization under the federal child and adult care food program. The posted criteria and information must inform interested nonprofit organizations about:

(1) the criteria the commissioner uses to approve or disapprove an application, including how an applicant demonstrates financial viability for the Minnesota program, among other criteria;

(2) the commissioner's process and time line for notifying an applicant when its application is approved or disapproved and, if the application is disapproved, the explanation the commissioner provides to the applicant; and

(3) any appeal or other recourse available to a disapproved applicant.

Subd. 3. **School food service fund.** (a) The expenses described in this subdivision must be recorded as provided in this subdivision.

(b) In each district, the expenses for a school food service program for pupils must be attributed to a school food service fund. Under a food service program, the school food service may prepare or serve milk, meals, or snacks in connection with school or community service activities.

(c) Revenues and expenditures for food service activities must be recorded in the food service fund. The costs of processing applications, accounting for meals, preparing and serving food, providing kitchen custodial services, and other expenses involving the preparing of meals or the kitchen section of the lunchroom may be charged to the food service fund or to the general fund of the district. The costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, and other administrative costs of the food service program must be charged to the general fund.

That portion of superintendent and fiscal manager costs that can be documented as attributable to the food service program may be charged to the food service fund provided that the school district does not employ or contract with a food service director or other individual who manages the food service program, or food service management company. If the cost of the superintendent or fiscal manager is charged to the food service fund, the charge must be at a wage rate not to exceed the statewide average for food service directors as determined by the department.

(d) Capital expenditures for the purchase of food service equipment must be made from the general fund and not the food service fund, unless the restricted balance in the food service fund at the end of the last fiscal year is greater than the cost of the equipment to be purchased.

(e) If the condition set out in paragraph (d) applies, the equipment may be purchased from the food service fund.

(f) If a deficit in the food service fund exists at the end of a fiscal year, and the deficit is not eliminated by revenues from food service operations in the next fiscal year, then the deficit must be eliminated by a permanent fund transfer from the general fund at the end of that second fiscal year. However, if a district contracts with a food service management company during the period in which the deficit has accrued, the deficit must be eliminated by a payment from the food service management company.

(g) Notwithstanding paragraph (f), a district may incur a deficit in the food service fund for up to three years without making the permanent transfer if the district submits to the commissioner by January 1 of the second fiscal year a plan for eliminating that deficit at the end of the third fiscal year.

(h) If a surplus in the food service fund exists at the end of a fiscal year for three successive years, a district may recode for that fiscal year the costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, and other administrative costs of the food service program

charged to the general fund according to paragraph (c) and charge those costs to the food service fund in a total amount not to exceed the amount of surplus in the food service fund.

Subd. 4. **No fees.** A participant that receives school lunch aid under this section must make lunch available without charge and must not deny a school lunch to all participating students who qualify for free or reduced-price meals, whether or not that student has an outstanding balance in the student's meals account attributable to a la carte purchases or for any other reason.

Subd. 5. **Respectful treatment.** (a) The participant must also provide meals to students in a respectful manner according to the policy adopted under subdivision 1. The participant must ensure that any reminders for payment of outstanding student meal balances do not demean or stigmatize any child participating in the school lunch program, including but not limited to dumping meals, withdrawing a meal that has been served, announcing or listing students' names publicly, or affixing stickers, stamps, or pins. The participant must not impose any other restriction prohibited under section 123B.37 due to unpaid student meal balances. The participant must not limit a student's participation in any school activities, graduation ceremonies, field trips, athletics, activity clubs, or other extracurricular activities or access to materials, technology, or other items provided to students due to an unpaid student meal balance.

(b) If the commissioner or the commissioner's designee determines a participant has violated the requirement to provide meals to participating students in a respectful manner, the commissioner or the commissioner's designee must send a letter of noncompliance to the participant. The participant is required to respond and, if applicable, remedy the practice within 60 days.

Sec. 2. Minnesota Statutes 2020, section 134.355, subdivision 5, is amended to read:

Subd. 5. **Base aid distribution.** ~~Five~~ Fifteen percent of the available aid funds shall be paid to each system as base aid for basic system services.

EFFECTIVE DATE. This section is effective for state aid for fiscal year 2022 and later.

Sec. 3. Minnesota Statutes 2020, section 134.355, subdivision 6, is amended to read:

Subd. 6. **Adjusted net tax capacity per capita distribution.** ~~Twenty-five~~ Fifteen percent of the available aid funds shall be distributed to regional public library systems based upon the adjusted net tax capacity per capita for each member county or participating portion of a county as calculated for the ~~second~~ third year preceding the fiscal year for which aid is provided. Each system's entitlement shall be calculated as follows:

~~(a)~~ (1) multiply the adjusted net tax capacity per capita for each county or participating portion of a county by .0082;

~~(b)~~ (2) add sufficient aid funds that are available under this subdivision to raise the amount of the county or participating portion of a county with the lowest value calculated according to ~~paragraph (a)~~ clause (1) to the amount of the county or participating portion of a county with the next highest value calculated according to ~~paragraph (a)~~ clause (1). Multiply the amount of the additional aid funds by the population of the county or participating portion of a county;

~~(e)~~ (3) continue the process described in ~~paragraph (b)~~ clause (2) by adding sufficient aid funds that are available under this subdivision to the amount of a county or participating portion of a county with the next highest value calculated in ~~paragraph (a)~~ clause (1) to raise it and the amount of counties and participating portions of counties with lower values calculated in ~~paragraph (a)~~ clause (1) up to the amount of the county or participating portion of a county with the next highest value, until reaching an amount where funds available under this subdivision are no longer sufficient to raise the amount of a county or participating portion of a county and the amount of counties and participating portions of counties with lower values up to the amount of the next highest county or participating portion of a county; and

~~(d)~~ (4) if the point is reached using the process in ~~paragraphs (b) and (e)~~ clauses (2) and (3) at which the remaining aid funds under this subdivision are not adequate for raising the amount of a county or participating portion of a county and all counties and participating portions of counties with amounts of lower value to the amount of the county or participating portion of a county with the next highest value, those funds are to be divided on a per capita basis for all counties or participating portions of counties that received aid funds under the calculation in ~~paragraphs (b) and (e)~~ clauses (2) and (3).

EFFECTIVE DATE. This section is effective for state aid for fiscal year 2022 and later.

Sec. 4. Minnesota Statutes 2020, section 134.355, subdivision 7, is amended to read:

Subd. 7. **Population determination.** A regional public library system's population shall be determined according to must be calculated using the most recent estimate available under section 477A.011, subdivision 3, at the time the aid amounts are calculated, which must be by April 1 in the year the calculation is made.

EFFECTIVE DATE. This section is effective for state aid for fiscal year 2022 and later.

Sec. 5. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated. Any balance in the first year does not cancel but is available in the second year.

Subd. 2. **School lunch.** For school lunch aid under Minnesota Statutes, section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

\$	<u>16,635,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>16,917,000</u>	<u>.....</u>	<u>2023</u>

Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota Statutes, section 124D.1158:

\$	<u>11,745,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>12,090,000</u>	<u>.....</u>	<u>2023</u>

Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes, section 124D.118:

\$	<u>656,000</u>	.....	<u>2022</u>
\$	<u>658,000</u>	.....	<u>2023</u>

Subd. 5. **Summer school food service replacement.** For summer school food service replacement aid under Minnesota Statutes, section 124D.119:

\$	<u>150,000</u>	.....	<u>2022</u>
\$	<u>150,000</u>	.....	<u>2023</u>

Subd. 6. **Basic system support.** For basic system support aid under Minnesota Statutes, section 134.355:

\$	<u>15,010,000</u>	.....	<u>2022</u>
\$	<u>15,170,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$1,357,000 for 2021 and \$13,653,000 for 2022.

The 2023 appropriation includes \$1,517,000 for 2022 and \$13,653,000 for 2023.

Subd. 7. **Multicounty, multitype library systems.** For aid under Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

\$	<u>1,300,000</u>	.....	<u>2022</u>
\$	<u>1,300,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$130,000 for 2021 and \$1,170,000 for 2022.

The 2023 appropriation includes \$130,000 for 2022 and \$1,170,000 for 2023.

Subd. 8. **Electronic library for Minnesota.** For statewide licenses to online databases selected in cooperation with the Minnesota Office of Higher Education for school media centers, public libraries, state government agency libraries, and public or private college or university libraries:

\$	<u>900,000</u>	.....	<u>2022</u>
\$	<u>900,000</u>	.....	<u>2023</u>

Subd. 9. **Regional library telecommunications.** For regional library telecommunications aid under Minnesota Statutes, section 134.355:

\$	<u>2,300,000</u>	.....	<u>2022</u>
\$	<u>2,300,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$230,000 for 2021 and \$2,070,000 for 2022.

The 2023 appropriation includes \$230,000 for 2022 and \$2,070,000 for 2023.

ARTICLE 8

EARLY CHILDHOOD

Section 1. [124D.166] LIMIT ON SCREEN TIME FOR CHILDREN IN PRESCHOOL AND KINDERGARTEN.

A child in a publicly funded preschool or kindergarten program may not use an individual-use screen, such as a tablet, smartphone, or other digital media, without engagement from a teacher or other students. This section does not apply to a child for whom the school has an individualized family service plan or an individualized education program in effect.

Sec. 2. APPROPRIATIONS.

Subdivision 1. Department of Education. The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. School readiness. (a) For revenue for school readiness programs under Minnesota Statutes, sections 124D.15 and 124D.16:

\$	<u>33,683,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>33,683,000</u>	<u>.....</u>	<u>2023</u>

(b) The 2022 appropriation includes \$3,368,000 for 2021 and \$30,315,000 for 2022.

(c) The 2023 appropriation includes \$3,368,000 for 2022 and \$30,315,000 for 2023.

Subd. 3. Early learning scholarships. (a) For the early learning scholarship program under Minnesota Statutes, section 124D.165:

\$	<u>70,709,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>70,709,000</u>	<u>.....</u>	<u>2023</u>

(b) This appropriation is subject to the requirements under Minnesota Statutes, section 124D.165, subdivision 6.

Subd. 4. Head Start program. For Head Start programs under Minnesota Statutes, section 119A.52:

\$	<u>25,100,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>25,100,000</u>	<u>.....</u>	<u>2023</u>

Subd. 5. Early childhood family education aid. (a) For early childhood family education aid under Minnesota Statutes, section 124D.135:

\$	<u>33,772,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>34,055,000</u>	<u>.....</u>	<u>2023</u>

(b) The 2022 appropriation includes \$3,341,000 for 2021 and \$30,431,000 for 2022.

(c) The 2023 appropriation includes \$3,381,000 for 2022 and \$30,674,000 for 2023.

Subd. 6. **Developmental screening aid.** (a) For developmental screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

\$	<u>3,582,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>3,476,000</u>	<u>.....</u>	<u>2023</u>

(b) The 2022 appropriation includes \$360,000 for 2021 and \$3,222,000 for 2022.

(c) The 2023 appropriation includes \$357,000 for 2022 and \$3,119,000 for 2023.

Subd. 7. **ParentChild+ program.** For a grant to the ParentChild+ program:

\$	<u>900,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>900,000</u>	<u>.....</u>	<u>2023</u>

The grant must be used for an evidence-based and research-validated early childhood literacy and school readiness program for children ages 16 months to four years at its existing suburban program location. The program must include urban and rural program locations for fiscal years 2022 and 2023.

Subd. 8. **Kindergarten entrance assessment initiative and intervention program.** For the kindergarten entrance assessment initiative and intervention program under Minnesota Statutes, section 124D.162:

\$	<u>281,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>281,000</u>	<u>.....</u>	<u>2023</u>

Subd. 9. **Quality rating and improvement system.** (a) For transfer to the commissioner of human services for the purposes of expanding the quality rating and improvement system under Minnesota Statutes, section 124D.142, in greater Minnesota and increasing supports for providers participating in the quality rating and improvement system:

\$	<u>1,750,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>1,750,000</u>	<u>.....</u>	<u>2023</u>

(b) The amounts in paragraph (a) must be in addition to any federal funding under the child care and development block grant authorized under Public Law 101-508 in that year for the system under Minnesota Statutes, section 124D.142.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 10. **Early childhood programs at tribal contract schools.** For early childhood family education programs at tribal contract schools under Minnesota Statutes, section 124D.83, subdivision 4:

\$	<u>68,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>68,000</u>	<u>.....</u>	<u>2023</u>

Subd. 11. **Educate parents partnership.** For the educate parents partnership under Minnesota Statutes, section 124D.129:

<u>\$</u>	<u>49,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>49,000</u>	<u>.....</u>	<u>2023</u>

Subd. 12. **Home visiting aid.** (a) For home visiting aid under Minnesota Statutes, section 124D.135:

<u>\$</u>	<u>462,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>444,000</u>	<u>.....</u>	<u>2023</u>

(b) The 2022 appropriation includes \$47,000 for 2021 and \$415,000 for 2022.

(c) The 2023 appropriation includes \$46,000 for 2022 and \$398,000 for 2023.

ARTICLE 9

COMMUNITY EDUCATION AND LIFELONG LEARNING

Section 1. Minnesota Statutes 2020, section 124D.19, subdivision 2, is amended to read:

Subd. 2. **Advisory council.** (a) Each board must provide for an advisory council to consist of members who represent: various service organizations; churches; public and nonpublic schools; local government including elected officials; public and private nonprofit agencies serving youth and families; parents; youth; park, recreation or forestry services of municipal or local government units located in whole or in part within the boundaries of the school district; and any other groups participating in the community education program in the school district.

(b) The advisory council must create a system to receive and review feedback and input on the use of general community education revenue under section 124D.20, subdivision 3. The advisory council must make written recommendations to the community education director and to the school board on the use of general community education revenue under section 124D.20, subdivision 3.

Sec. 2. Minnesota Statutes 2020, section 124D.20, subdivision 3, is amended to read:

Subd. 3. **General community education revenue.** The general community education revenue for a district equals \$5.23 for fiscal years 2005 and 2006 and \$5.42 for fiscal year 2007 through fiscal year 2022 and \$5.97 for fiscal year 2023 and later, times the greater of 1,335 or the population of the district. The population of the district is determined according to section 275.14.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2023 and later.

Sec. 3. Minnesota Statutes 2020, section 124D.20, subdivision 7, is amended to read:

Subd. 7. **Community education aid.** (a) A district's community education aid is the difference between its community education revenue and the community education levy. If the district does not levy the entire amount permitted, the community education aid must be reduced in proportion to the actual amount levied.

(b) In addition to the community education aid under paragraph (a), a district's supplemental community education aid equals \$3.90 for fiscal year 2023 and \$16.30 for fiscal year 2024 and later, times the district's average daily membership for the school year.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2023 and later.

Sec. 4. Minnesota Statutes 2020, section 124D.20, subdivision 8, is amended to read:

Subd. 8. **Uses of general revenue.** (a) General community education revenue may be used for:

- (1) nonvocational, recreational, and leisure time activities and programs;
- (2) programs for adults with disabilities, if the programs and budgets are approved by the department;
- (3) adult basic education programs, according to section 124D.52;
- (4) summer programs for elementary and secondary pupils;
- (5) implementation of a youth development plan;
- (6) implementation of a youth service program;
- (7) early childhood family education programs, according to section 124D.13;
- (8) school readiness programs, according to section 124D.15; ~~and~~
- (9) school-age care programs, according to section 124D.19, subdivision 11; and
- (10) other programs, including programs offered by other nonschool organizations, consistent with the purpose of community education programs under section 124D.18.

(b) In addition to money from other sources, a district may use up to ten percent of its community education revenue for equipment that is used exclusively in community education programs. This revenue may be used only for the following purposes:

- (1) to purchase or lease computers and related materials;
- (2) to purchase or lease equipment for instructional programs; and
- (3) to purchase textbooks and library books.

(c) General community education revenue must not be used to subsidize the direct activity costs for adult enrichment programs. Direct activity costs include, but are not limited to, the cost of the activity leader or instructor, cost of materials, or transportation costs.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 5. Minnesota Statutes 2020, section 124D.531, subdivision 1, is amended to read:

Subdivision 1. **State total adult basic education aid.** (a) The state total adult basic education aid for fiscal year 2011 equals \$44,419,000, plus any amount that is not paid during the previous fiscal year as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3. The state total adult basic education aid for later fiscal years equals:

(1) the state total adult basic education aid for the preceding fiscal year plus any amount that is not paid for during the previous fiscal year, as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3; times

(2) the greater of 1.00 or the lesser of:

(i) 1.03; or

(ii) the average growth in state total contact hours over the prior ten program years.

Three percent of the state total adult basic education aid must be set aside for adult basic education supplemental service grants under section 124D.522.

(b) The state total adult basic education aid, excluding basic population aid, equals the difference between the amount computed in paragraph (a), and the state total basic population aid under subdivision 2.

Sec. 6. **APPROPRIATIONS.**

Subdivision 1. Department of Education. The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated. Any balances in the first year do not cancel but are available in the second year.

Subd. 2. Community education aid. For community education aid under Minnesota Statutes, section 124D.20:

\$	<u>180,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>3,043,000</u>	<u>.....</u>	<u>2023</u>

The 2022 appropriation includes \$22,000 for 2021 and \$158,000 for 2022.

The 2023 appropriation includes \$17,000 for 2022 and \$3,026,000 for 2023.

Subd. 3. Adults with disabilities program aid. For adults with disabilities programs under Minnesota Statutes, section 124D.56:

\$	<u>710,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>710,000</u>	<u>.....</u>	<u>2023</u>

The 2022 appropriation includes \$71,000 for 2021 and \$639,000 for 2022.

The 2023 appropriation includes \$71,000 for 2022 and \$639,000 for 2023.

Subd. 4. Hearing-impaired adults. For programs for hearing-impaired adults under Minnesota Statutes, section 124D.57:

\$	<u>70,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>70,000</u>	<u>.....</u>	<u>2023</u>

Subd. 5. School-age care aid. For school-age care aid under Minnesota Statutes, section 124D.22:

\$	<u>1,000</u>	<u>.....</u>	<u>2022</u>
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\$ 1,000 2023

The 2022 appropriation includes \$0 for 2021 and \$1,000 for 2022.

The 2023 appropriation includes \$0 for 2022 and \$1,000 for 2023.

Subd. 6. **Tier 1 grants.** (a) For education partnership program Tier 1 sustaining grants under Minnesota Statutes, section 124D.99:

\$ 2,600,000 2022

\$ 2,600,000 2023

(b) Of the amounts in paragraph (a), \$1,300,000 each year is for the Northside Achievement Zone and \$1,300,000 each year is for the St. Paul Promise Neighborhood.

Subd. 7. **Tier 2 implementing grants.** For Tier 2 implementing grants under Minnesota Statutes, section 124D.99:

\$ 480,000 2022

\$ 480,000 2023

Subd. 8. **Adult basic education aid.** For adult basic education aid under Minnesota Statutes, section 124D.531:

\$ 53,191,000 2022

\$ 54,768,000 2023

The 2022 appropriation includes \$5,177,000 for 2021 and \$48,014,000 for 2022.

The 2023 appropriation includes \$5,334,000 for 2022 and \$49,434,000 for 2023.

Subd. 9. **High school equivalency tests.** For payment of the costs of the commissioner-selected high school equivalency tests under Minnesota Statutes, section 124D.55:

\$ 125,000 2022

\$ 125,000 2023

ARTICLE 10

STATE AGENCIES

Section 1. Minnesota Statutes 2020, section 12.21, subdivision 3, is amended to read:

Subd. 3. **Specific authority.** (a) In performing duties under this chapter and to effect its policy and purpose, the governor may:

(1) make, amend, and rescind the necessary orders and rules to carry out the provisions of this chapter and section 216C.15 within the limits of the authority conferred by this section, with due consideration of the plans of the federal government and without complying with sections 14.001 to 14.69, but no order or rule has the effect of law except as provided by section 12.32;

(2) ensure that a comprehensive emergency operations plan and emergency management program for this state are developed and maintained, and are integrated into and coordinated with the emergency plans of the federal government and of other states to the fullest possible extent;

(3) in accordance with the emergency operations plan and the emergency management program of this state, procure supplies, equipment, and facilities; institute training programs and public information programs; and take all other preparatory steps, including the partial or full activation of emergency management organizations in advance of actual disaster to ensure the furnishing of adequately trained and equipped forces of emergency management personnel in time of need;

(4) make studies and surveys of the industries, resources, and facilities in this state as may be necessary to ascertain the capabilities of the state for emergency management and to plan for the most efficient emergency use of those industries, resources, and facilities;

(5) on behalf of this state, enter into mutual aid arrangements or cooperative agreements with other states, tribal authorities, and Canadian provinces, and coordinate mutual aid plans between political subdivisions of this state;

(6) delegate administrative authority vested in the governor under this chapter, except the power to make rules, and provide for the subdelegation of that authority;

(7) cooperate with the president and the heads of the armed forces, the Emergency Management Agency of the United States and other appropriate federal officers and agencies, and with the officers and agencies of other states in matters pertaining to the emergency management of the state and nation, including the direction or control of:

(i) emergency preparedness drills and exercises;

(ii) warnings and signals for drills or actual emergencies and the mechanical devices to be used in connection with them;

(iii) shutting off water mains, gas mains, electric power connections and the suspension of all other utility services;

(iv) the conduct of persons in the state, including entrance or exit from any stricken or threatened public place, occupancy of facilities, and the movement and cessation of movement of pedestrians, vehicular traffic, and all forms of private and public transportation during, prior, and subsequent to drills or actual emergencies;

(v) public meetings or gatherings; and

(vi) the evacuation, reception, and sheltering of persons;

(8) contribute to a political subdivision, within the limits of the appropriation for that purpose, not more than 25 percent of the cost of acquiring organizational equipment that meets standards established by the governor;

(9) formulate and execute, with the approval of the Executive Council, plans and rules for the control of traffic in order to provide for the rapid and safe movement over public highways and streets of troops, vehicles of a military nature, and materials for national defense and war or for use

in any war industry, for the conservation of critical materials, or for emergency management purposes; and coordinate the activities of the departments or agencies of the state and its political subdivisions concerned directly or indirectly with public highways and streets, in a manner that will best effectuate those plans;

(10) alter or adjust by executive order, without complying with sections 14.01 to 14.69, the working hours, workdays and work week of, and annual and sick leave provisions and payroll laws regarding all state employees in the executive branch as the governor deems necessary to minimize the impact of the disaster or emergency, conforming the alterations or adjustments to existing state laws, rules, and collective bargaining agreements to the extent practicable; and

~~(11) authorize the commissioner of education to alter school schedules, curtail school activities, or order schools closed as defined in section 120A.05, subdivisions 9, 11, 13, and 17, and including charter schools under chapter 124E, and elementary schools enrolling prekindergarten pupils in district programs; and~~

~~(12) transfer the direction, personnel, or functions of state agencies to perform or facilitate response and recovery programs.~~

(b) The governor may not use any authority provided under this chapter to issue any order or to authorize the commissioner of education to alter school schedules, curtail school activities, or order schools closed. "School" as used in this section means a school as defined in section 120A.05, subdivisions 9, 11, 13, and 17, and includes a charter school under chapter 124E, and an elementary school enrolling prekindergarten pupils in district programs. The governor may not use any authority provided under this chapter to prevent the typical presence of students in school buildings. The governor may advise and consult with school leaders regarding any action needed for emergency management purposes.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to peacetime emergencies in effect or declared on or after that date.

Sec. 2. Minnesota Statutes 2020, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. **Unclassified positions.** Unclassified positions are held by employees who are:

(1) chosen by election or appointed to fill an elective office;

(2) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service;

(3) deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a and in the Office of Strategic and Long-Range Planning;

(4) the confidential secretary to each of the elective officers of this state and, for the secretary of state and state auditor, an additional deputy, clerk, or employee;

(5) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;

(6) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the Office of the Adjutant General;

(7) employees of the Washington, D.C., office of the state of Minnesota;

(8) employees of the legislature and of legislative committees or commissions; provided that employees of the Legislative Audit Commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;

(9) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants, and student employees eligible under terms of the federal Economic Opportunity Act work study program in the ~~Perpich Center for Arts Education and the~~ Minnesota State Colleges and Universities, but not the custodial, clerical, or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions;

(10) officers and enlisted persons in the National Guard;

(11) attorneys, legal assistants, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;

(12) judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the Department of Labor and Industry;

(13) members of the State Patrol; provided that selection and appointment of State Patrol troopers must be made in accordance with applicable laws governing the classified service;

(14) examination monitors and intermittent training instructors employed by the Departments of Management and Budget and Commerce and by professional examining boards and intermittent staff employed by the technical colleges for the administration of practical skills tests and for the staging of instructional demonstrations;

(15) student workers;

(16) executive directors or executive secretaries appointed by and reporting to any policy-making board or commission established by statute;

(17) employees unclassified pursuant to other statutory authority;

(18) intermittent help employed by the commissioner of agriculture to perform duties relating to pesticides, fertilizer, and seed regulation;

(19) the administrators and the deputy administrators at the State Academies for the Deaf and the Blind; and

(20) chief executive officers in the Department of Human Services.

EFFECTIVE DATE. This section is effective June 30, 2022.

Sec. 3. Minnesota Statutes 2020, 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; Commerce; Corrections; Education; Employment and Economic Development; Explore Minnesota Tourism; Management and Budget; Health; Human Rights; Labor and Industry; Natural Resources; Public Safety; Human Services; 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 Office of MN.IT 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.

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 June 30, 2022.

Sec. 4. Minnesota Statutes 2020, section 122A.416, is amended to read:

122A.416 ALTERNATIVE TEACHER COMPENSATION REVENUE FOR ~~PERPICH CENTER FOR ARTS EDUCATION AND~~ MULTIDISTRICT INTEGRATION COLLABORATIVES.

Notwithstanding sections 122A.414, 122A.415, and 126C.10, multidistrict integration collaboratives ~~and the Perpich Center for Arts Education~~ are eligible to receive alternative teacher compensation revenue as if they were intermediate school districts. To qualify for alternative teacher compensation revenue, a multidistrict integration collaborative ~~or the Perpich Center for Arts Education~~ must meet all of the requirements of sections 122A.414 and 122A.415 that apply to

intermediate school districts, must report its enrollment as of October 1 of each year to the department, and must annually report its expenditures for the alternative teacher professional pay system consistent with the uniform financial accounting and reporting standards to the department by November 30 of each year.

EFFECTIVE DATE. This section is effective June 30, 2022.

Sec. 5. Minnesota Statutes 2020, section 123A.30, subdivision 6, is amended to read:

Subd. 6. **Severance pay.** A district must pay severance pay to a teacher who is placed on unrequested leave of absence by the district as a result of the agreement. A teacher is eligible under this subdivision if the teacher:

- (1) is a teacher, but not a superintendent;
- (2) has a continuing contract with the district according to section 122A.40, subdivision 7.

The amount of severance pay must be equal to the teacher's salary for the school year during which the teacher was placed on unrequested leave of absence minus the gross amount the teacher was paid during the 12 months following the teacher's termination of salary, by an entity whose teachers by statute or rule must possess a valid Minnesota teaching license, and minus the amount a teacher receives as severance or other similar pay according to a contract with the district or district policy. These entities requiring a valid Minnesota teaching license include, but are not limited to, the district that placed the teacher on unrequested leave of absence, another district in Minnesota, an education district, an intermediate school district, a service cooperative, a board formed under section 471.59, a state residential academy, ~~the Perpich Center for Arts Education~~, a vocational center, or a special education cooperative. These entities do not include a district in another state, a Minnesota public postsecondary institution, or a state agency. Only amounts earned by the teacher as a substitute teacher or in a position requiring a valid Minnesota teaching license shall be subtracted. A teacher may decline any offer of employment as a teacher without loss of rights to severance pay.

To determine the amount of severance pay that is due for the first six months following termination of the teacher's salary, the district may require the teacher to provide documented evidence of the teacher's employers and gross earnings during that period. The district must pay the teacher the amount of severance pay it determines to be due from the proceeds of the levy for this purpose. To determine the amount of severance pay that is due for the second six months of the 12 months following the termination of the teacher's salary, the district may require the teacher to provide documented evidence of the teacher's employers and gross earnings during that period. The district must pay the teacher the amount of severance pay it determines to be due from the proceeds of the levy for this purpose.

A teacher who receives severance pay under this subdivision waives all further reinstatement rights under section 122A.40, subdivision 10 or 11. If the teacher receives severance pay, the teacher shall not receive credit for any years of service in the district paying severance pay prior to the year in which the teacher becomes eligible to receive severance pay.

The severance pay is subject to section 465.72. The district may levy annually according to section 126C.43, for the severance pay.

EFFECTIVE DATE. This section is effective June 30, 2022.

Sec. 6. Minnesota Statutes 2020, section 124D.05, subdivision 3, is amended to read:

Subd. 3. **Severance pay.** A district must pay severance pay to a teacher who is placed on unrequested leave of absence by the district as a result of an agreement under this section. A teacher is eligible under this subdivision if the teacher:

- (1) is a teacher, as defined in section 122A.40, subdivision 1, but not a superintendent;
- (2) has a continuing contract with the district according to section 122A.40, subdivision 7.

The amount of severance pay must be equal to the teacher's salary for the school year during which the teacher was placed on unrequested leave of absence minus the gross amount the teacher was paid during the 12 months following the teacher's termination of salary, by an entity whose teachers by statute or rule must possess a valid Minnesota teaching license, and minus the amount a teacher receives as severance or other similar pay according to a contract with the district or district policy. These entities include, but are not limited to, the district that placed the teacher on unrequested leave of absence, another district in Minnesota, an education district, an intermediate school district, a service cooperative, a board formed under section 471.59, a state residential academy, ~~the Perpich Center for Arts Education~~, a vocational center, or a special education cooperative. These entities do not include a district in another state, a Minnesota public postsecondary institution, or a state agency. Only amounts earned by the teacher as a substitute teacher or in a position requiring a valid Minnesota teaching license shall be subtracted. A teacher may decline any offer of employment as a teacher without loss of rights to severance pay.

To determine the amount of severance pay that is due for the first six months following termination of the teacher's salary, the district may require the teacher to provide documented evidence of the teacher's employers and gross earnings during that period. The district must pay the teacher the amount of severance pay it determines to be due from the proceeds of the levy for this purpose. To determine the amount of severance pay that is due for the second six months of the 12 months following the termination of the teacher's salary, the district may require the teacher to provide documented evidence of the teacher's employers and gross earnings during that period. The district must pay the teacher the amount of severance pay it determines to be due from the proceeds of the levy for this purpose.

A teacher who receives severance pay under this subdivision waives all further reinstatement rights under section 122A.40, subdivision 10 or 11. If the teacher receives severance pay, the teacher must not receive credit for any years of service in the district paying severance pay prior to the year in which the teacher becomes eligible to receive severance pay.

The severance pay is subject to section 465.72. The district may levy annually according to section 126C.43 for the severance pay.

EFFECTIVE DATE. This section is effective June 30, 2022.

Sec. 7. **[127A.155] LOLA AND RUDY PERPICH ARTS EDUCATION SPECIALIST.**

Subdivision 1. **Establishment of arts education specialist position.** The department must provide arts support services to school districts throughout Minnesota through the establishment of the Lola and Rudy Perpich arts education specialist position in the unclassified service.

Subd. 2. **Specialist duties.** (a) The arts education specialist must offer resources and outreach services statewide to enhance arts education opportunities for pupils in elementary and secondary school. The arts education specialist must work with school districts across Minnesota to:

- (1) gather and conduct research in arts education;
- (2) develop exemplary curriculum, instructional practices, and assessment;
- (3) disseminate information regarding arts education opportunities; and
- (4) provide materials, training, and assistance to the arts education committees in school districts.

(b) The arts education specialist must collaborate with the commissioner of education to develop arts standards and strengthen state policies related to arts education.

(c) The arts education specialist must serve as liaison for the Department of Education to national organizations for arts education.

(d) The arts education specialist must collaborate with the MacPhail Center for Music to provide online learning instruction to students.

EFFECTIVE DATE. This section is effective June 30, 2022.

Sec. 8. Minnesota Statutes 2020, section 128C.01, subdivision 4, is amended to read:

Subd. 4. **Board.** (a) The league must have at least a 20-member governing board.

(1) The governor must appoint four members according to section 15.0597. Each of the four appointees must be a parent. At least one of them must be an American Indian, an Asian, a Black, or a Hispanic.

(2) The Minnesota Association of Secondary School Principals must appoint two of its members.

(3) The remaining ~~14~~ members must be selected according to ~~league bylaws~~ the league's constitution.

(b) The terms, compensation, removal of members, and the filling of membership vacancies are governed by section 15.0575, except that the four-year terms begin on August 1 and end on July 31. As provided by section 15.0575, members who are full-time state employees or full-time employees of school districts or other political subdivisions of the state may not receive any per diem payment for service on the board.

Sec. 9. Minnesota Statutes 2020, section 297A.70, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EFFECTIVE DATE. This section is effective June 30, 2022.

Sec. 10. Minnesota Statutes 2020, section 352.01, subdivision 2a, is amended to read:

Subd. 2a. **Included employees.** (a) "State employee" includes:

- (1) employees of the Minnesota Historical Society;
- (2) employees of the State Horticultural Society;
- (3) employees of the Minnesota Crop Improvement Association;
- (4) employees of the adjutant general whose salaries are paid from federal funds and who are not covered by any federal civilian employees retirement system;
- (5) employees of the Minnesota State Colleges and Universities who are employed under the university or college activities program;
- (6) currently contributing employees covered by the system who are temporarily employed by the legislature during a legislative session or any currently contributing employee employed for any special service as defined in subdivision 2b, clause (6);
- (7) employees of the legislature who are appointed without a limit on the duration of their employment;
- (8) trainees who are employed on a full-time established training program performing the duties of the classified position for which they will be eligible to receive immediate appointment at the completion of the training period;
- (9) employees of the Minnesota Safety Council;
- (10) any employees who are on authorized leave of absence from the Transit Operating Division of the former Metropolitan Transit Commission and who are employed by the labor organization which is the exclusive bargaining agent representing employees of the Transit Operating Division;
- (11) employees of the Metropolitan Council, Metropolitan Parks and Open Space Commission, Metropolitan Sports Facilities Commission, or Metropolitan Mosquito Control Commission unless excluded under subdivision 2b or are covered by another public pension fund or plan under section 473.415, subdivision 3;

(12) judges of the Tax Court;

(13) personnel who were employed on June 30, 1992, by the University of Minnesota in the management, operation, or maintenance of its heating plant facilities, whose employment transfers to an employer assuming operation of the heating plant facilities, so long as the person is employed at the University of Minnesota heating plant by that employer or by its successor organization;

(14) personnel who are employed as seasonal employees in the classified or unclassified service;

(15) persons who are employed by the Department of Commerce as a peace officer in the Commerce Fraud Bureau under section 45.0135 who have attained the mandatory retirement age specified in section 43A.34, subdivision 4;

(16) employees of the University of Minnesota unless excluded under subdivision 2b, clause (3);

(17) employees of the Middle Management Association whose employment began after July 1, 2007, and to whom section 352.029 does not apply;

(18) employees of the Minnesota Government Engineers Council to whom section 352.029 does not apply;

(19) employees of the Minnesota Sports Facilities Authority;

(20) employees of the Minnesota Association of Professional Employees;

(21) employees of the Minnesota State Retirement System;

(22) employees of the State Agricultural Society;

(23) employees of the Gillette Children's Hospital Board who were employed in the state unclassified service at the former Gillette Children's Hospital on March 28, 1974; and

(24) if approved for coverage by the Board of Directors of Conservation Corps Minnesota, employees of Conservation Corps Minnesota so employed on June 30, 2003; ~~and~~

~~(25) employees of the Perpich Center for Arts Education who are covered by the general state employees retirement plan of the Minnesota State Retirement System as of July 1, 2016.~~

(b) Employees specified in paragraph (a), clause (13), are included employees under paragraph (a) if employer and employee contributions are made in a timely manner in the amounts required by section 352.04. Employee contributions must be deducted from salary. Employer contributions are the sole obligation of the employer assuming operation of the University of Minnesota heating plant facilities or any successor organizations to that employer.

EFFECTIVE DATE. This section is effective June 30, 2022.

Sec. 11. Minnesota Statutes 2020, section 354.05, subdivision 2, is amended to read:

Subd. 2. **Teacher.** (a) "Teacher" means:

(1) a person who renders service as a teacher, supervisor, principal, superintendent, librarian, nurse, counselor, social worker, therapist, or psychologist in:

(i) a public school of the state other than in Independent School District No. 625; or

(ii) a charter school; ~~or~~

~~(iii) the Perpich Center for Arts Education, except that any employee of the Perpich Center for Arts Education who was covered by the Minnesota State Retirement System general state employees retirement plan as of July 1, 2018, shall continue to be covered by that plan and not by the Teachers Retirement Association;~~

(2) a person who is engaged in educational administration in connection with the state public school system, whether the position be a public office or as employment;

(3) a person who renders service as a charter school director or chief administrative officer; provided, however, that if the charter school director or chief administrative officer is covered by the Public Employees Retirement Association general employees retirement plan on July 1, 2018, the charter school director or chief administrative officer shall continue to be covered by that plan and not by the Teachers Retirement Association;

(4) an employee of the Teachers Retirement Association;

(5) a person who renders teaching service on a part-time basis and who also renders other services for a single employing unit where the teaching service comprises at least 50 percent of the combined employment salary is a member of the association for all services with the single employing unit or, if less than 50 percent of the combined employment salary, the executive director determines all of the combined service is covered by the association; or

(6) a person who is not covered by the plans established under chapter 352D, 354A, or 354B and who is employed by the Board of Trustees of the Minnesota State Colleges and Universities system in an unclassified position as:

(i) a president, vice-president, or dean;

(ii) a manager or a professional in an academic or an academic support program other than specified in item (i);

(iii) an administrative or a service support faculty position; or

(iv) a teacher or a research assistant.

(b) "Teacher" does not mean:

(1) a person who works for a school or institution as an independent contractor as defined by the Internal Revenue Service;

(2) annuitants of the teachers retirement plan who are employed after retirement by an employing unit that participates in the teachers retirement plan during the course of that reemployment;

(3) a person who is employed by the University of Minnesota;

(4) a member or an officer of any general governing or managing board or body of an employing unit that participates in the teachers retirement plan; or

(5) a person employed by Independent School District No. 625 as a teacher as defined in section 354A.011, subdivision 27.

EFFECTIVE DATE. This section is effective June 30, 2022.

Sec. 12. Minnesota Statutes 2020, section 609A.03, subdivision 7a, is amended to read:

Subd. 7a. **Limitations of order effective January 1, 2015, and later.** (a) Upon issuance of an expungement order related to a charge supported by probable cause, the DNA samples and DNA records held by the Bureau of Criminal Apprehension and collected under authority other than section 299C.105 shall not be sealed, returned to the subject of the record, or destroyed.

(b) Notwithstanding the issuance of an expungement order:

(1) except as provided in clause (2), an expunged record may be opened, used, or exchanged between criminal justice agencies without a court order for the purposes of initiating, furthering, or completing a criminal investigation or prosecution or for sentencing purposes or providing probation or other correctional services;

(2) when a criminal justice agency seeks access to a record that was sealed under section 609A.02, subdivision 3, paragraph (a), clause (1), after an acquittal or a court order dismissing for lack of probable cause, for purposes of a criminal investigation, prosecution, or sentencing, the requesting agency must obtain an ex parte court order after stating a good-faith basis to believe that opening the record may lead to relevant information;

(3) an expunged record of a conviction may be opened for purposes of evaluating a prospective employee in a criminal justice agency without a court order;

(4) an expunged record of a conviction may be opened for purposes of a background study under section 245C.08 unless the commissioner had been properly served with notice of the petition for expungement and the court order for expungement is directed specifically to the commissioner of human services;

(5) an expunged record of a conviction may be opened for purposes of a background check required under section 122A.18, subdivision 8, unless the court order for expungement is directed specifically to the Professional Educator Licensing and Standards Board ~~or the licensing division of the Department of Education~~; and

(6) the court may order an expunged record opened upon request by the victim of the underlying offense if the court determines that the record is substantially related to a matter for which the victim is before the court.

(c) An agency or jurisdiction subject to an expungement order shall maintain the record in a manner that provides access to the record by a criminal justice agency under paragraph (b), clause (1) or (2), but notifies the recipient that the record has been sealed. The Bureau of Criminal

Apprehension shall notify the commissioner of human services, or the Professional Educator Licensing and Standards Board, ~~or the licensing division of the Department of Education~~ of the existence of a sealed record and of the right to obtain access under paragraph (b), clause (4) or (5). Upon request, the agency or jurisdiction subject to the expungement order shall provide access to the record to the commissioner of human services, or the Professional Educator Licensing and Standards Board, ~~or the licensing division of the Department of Education~~ under paragraph (b), clause (4) or (5).

(d) An expunged record that is opened or exchanged under this subdivision remains subject to the expungement order in the hands of the person receiving the record.

(e) A criminal justice agency that receives an expunged record under paragraph (b), clause (1) or (2), must maintain and store the record in a manner that restricts the use of the record to the investigation, prosecution, or sentencing for which it was obtained.

(f) For purposes of this section, a "criminal justice agency" means a court or government agency that performs the administration of criminal justice under statutory authority.

(g) This subdivision applies to expungement orders subject to its limitations and effective on or after January 1, 2015.

Sec. 13. Laws 2019, First Special Session chapter 11, article 10, section 5, subdivision 2, as amended by Laws 2020, chapter 116, article 5, section 4, is amended to read:

Subd. 2. **Department.** (a) For the Department of Education:

	29,196,000		
\$	<u>27,196,000</u>	.....	2020
	24,911,000		
\$	<u>23,659,000</u>	.....	2021

Of these amounts:

- (1) \$319,000 each year is for the Board of School Administrators;
- (2) \$1,000,000 each year is for regional centers of excellence under Minnesota Statutes, section 120B.115;
- (3) \$250,000 each year is for the School Finance Division to enhance financial data analysis;
- (4) \$720,000 each year is for implementing Minnesota's Learning for English Academic Proficiency and Success Act under Laws 2014, chapter 272, article 1, as amended;
- (5) \$123,000 each year is for a dyslexia specialist;
- (6) \$4,700,000 in fiscal year 2020 only is for legal fees and costs associated with litigation; and
- (7) \$400,000 in fiscal year 2020 and \$480,000 in fiscal year 2021 and later are for the Department of Education's mainframe update.

(b) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C. office.

(c) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and shall be spent as indicated.

(d) This appropriation includes funds for information technology project services and support subject to the provisions of Minnesota Statutes, section 16E.0466. Any ongoing information technology costs will be incorporated into the service level agreement and will be paid to the Office of MN.IT Services by the Department of Education under the rates and mechanism specified in that agreement.

(e) To account for the base adjustments provided in Laws 2018, chapter 211, article 21, section 1, paragraph (a), and section 3, paragraph (a), the base for fiscal year 2022 is \$24,591,000. The base for fiscal year 2023 is \$24,611,000. The base for fiscal year 2024 is \$24,629,000.

(f) \$2,000,000 from the fiscal year 2020 appropriation for legal fees and costs associated with litigation is canceled to the general fund.

(g) \$1,252,000 from the fiscal year 2021 appropriation for agency operations is canceled to the general fund.

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

Sec. 14. **PERPICH CENTER FOR ARTS EDUCATION CLOSURE.**

Subdivision 1. Perpich Center for Arts Education abolished. (a) The Perpich Center for Arts Education (Perpich Center) is abolished effective June 30, 2022. Abolishment under this section does not reduce or otherwise limit the powers and authority of the Perpich Center during the concluding duration of its existence.

(b) Notwithstanding any other law, any unexpended and unencumbered appropriations to the Perpich Center lapse to the fund or account from which they were appropriated on June 30, 2022. All money in a dedicated fund or account of the Perpich Center on June 30, 2022, must be transferred to the general fund.

Subd. 2. Library. All property in the Perpich Arts Library is transferred to the State Library Services Division of the Department of Education, in accordance with Minnesota Statutes, section 15.039, subdivisions 5 and 8, effective June 1, 2022.

Subd. 3. Student enrollment. Students enrolled in the Perpich Arts High School during the 2020-2021 school year may continue to enroll in the school for the 2021-2022 school year. No student may enroll in the Perpich Arts High School after the 2021-2022 school year.

Subd. 4. Perpich Center property conveyance. The Perpich Center must submit to the legislature by January 15, 2022, a proposal to convey or sell, for no less than fair market value, the real and personal property of the Perpich Arts High School to a school district or nonprofit institution organized under Minnesota Statutes, chapter 317A. If the Perpich Center does not submit a proposal to the legislature, all property of the Perpich Arts High School shall be transferred to the Department

of Administration in accordance with Minnesota Statutes, section 15.039, subdivisions 5 and 8, effective June 30, 2022.

Subd. 5. **Education records.** The Perpich Center must transfer the education records of each student of the Perpich Arts High School according to Minnesota Statutes, section 120A.22, subdivision 7.

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

Sec. 15. **WAIVER REQUEST.**

The commissioner of education shall request the waivers from maintenance of effort requirements permitted under Section 317(b) of the Consolidated Appropriations Act, 2021, as provided by Public Law 116-260, and Section 2004(a)(2) of the American Rescue Plan Act, as provided by Public Law 117-2.

Sec. 16. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

Subdivision 1. **Department of Education.** (a) Unless otherwise indicated, the sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated. Any balance in the first year does not cancel but is available in the second year.

Subd. 2. **Department.** (a) For the Department of Education:

\$	<u>25,518,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>23,694,000</u>	<u>.....</u>	<u>2023</u>

Of these amounts:

(1) \$319,000 each year is for the Board of School Administrators;

(2) \$1,000,000 each year is for regional centers of excellence under Minnesota Statutes, section 120B.115;

(3) \$250,000 each year is for the School Finance Division to enhance financial data analysis;

(4) \$720,000 each year is for implementing Minnesota's Learning for English Academic Proficiency and Success Act under Laws 2014, chapter 272, article 1, as amended;

(5) \$123,000 each year is for a dyslexia specialist;

(6) \$480,000 each year is for the Department of Education's mainframe update;

(7) \$2,000,000 in fiscal year 2022 only is for legal fees and costs associated with litigation; and

(8) \$169,000 in fiscal year 2023 and later is for an arts education specialist under Minnesota Statutes, section 127A.155.

(b) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C., office.

(c) This appropriation includes funds for information technology project services and support subject to the provisions of Minnesota Statutes, section 16E.0466. Any ongoing information technology costs will be incorporated into the service level agreement and will be paid to the Office of MN.IT Services by the Department of Education under the rates and mechanisms specified in that agreement.

(d) To account for the base adjustments provided in Laws 2018, chapter 211, article 21, section 1, paragraph (a), and section 3, paragraph (a), the base for fiscal year 2024 is \$23,751,000 and the base for fiscal year 2025 is \$23,711,000.

Sec. 17. APPROPRIATIONS; MINNESOTA STATE ACADEMIES.

(a) The sums indicated in this section are appropriated from the general fund to the Minnesota State Academies for the Deaf and the Blind for the fiscal years designated:

\$	<u>13,794,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>13,801,000</u>	<u>.....</u>	<u>2023</u>

(b) Any balance in the first year does not cancel but is available in the second year.

(c) To account for the base adjustments provided in Laws 2018, chapter 211, article 21, section 1, paragraph (a), and section 3, paragraph (b), the base for fiscal year 2024 and later is \$13,807,000.

Sec. 18. APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.

(a) The sums in this section are appropriated from the general fund to the Perpich Center for Arts Education for the fiscal years designated:

\$	<u>7,344,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>3,436,000</u>	<u>.....</u>	<u>2023</u>

(b) Any balance in the first year does not cancel but is available in the second year.

(c) \$56,000 in fiscal year 2022 and \$1,082,000 in fiscal year 2023 are for transfer to the Department of Administration for costs associated with the closure and sale of Perpich Center facilities.

(d) \$86,000 in fiscal year 2023 is for transfer to the Department of Education for rehousing the Perpich Center library.

(e) \$2,268,000 in fiscal year 2023 is for severance payments and other costs related to the closure of the Perpich Center.

(f) The base for fiscal year 2024 is \$989,000 for a transfer to the Department of Administration for costs associated with the closure and sale of Perpich Center facilities. The base for fiscal year 2025 and later is \$0.

Sec. 19. APPROPRIATIONS; PROFESSIONAL EDUCATOR LICENSING AND STANDARDS BOARD.

Subdivision 1. Professional Educator Licensing and Standards Board. (a) The sums indicated in this section are appropriated from the general fund to the Professional Educator Licensing and Standards Board for the fiscal years designated:

\$	<u>2,719,000</u>	.....	<u>2022</u>
\$	<u>2,719,000</u>	.....	<u>2023</u>

(b) Any balance in the first year does not cancel but is available in the second year.

(c) This appropriation includes funds for information technology project services and support subject to Minnesota Statutes, section 16E.0466. Any ongoing information technology costs will be incorporated into an interagency agreement and will be paid to the Office of MN.IT Services by the Professional Educator Licensing and Standards Board under the mechanism specified in that agreement.

Subd. 2. Licensure by portfolio. For licensure by portfolio:

\$	<u>34,000</u>	.....	<u>2022</u>
\$	<u>34,000</u>	.....	<u>2023</u>

This appropriation is from the education licensure portfolio account in the special revenue fund.

Sec. 20. **REPEALER.**

(a) Minnesota Statutes 2020, sections 124D.8957, subdivision 30; 129C.10, subdivisions 1, 2, 3, 3a, 3b, 4, 4a, 6, 7, and 8; 129C.105; 129C.15; 129C.20; 129C.25; 129C.26; and 129C.27, are repealed.

(b) Minnesota Rules, parts 3600.0010, subparts 1, 2, 2a, 2b, 3, and 6; 3600.0020; 3600.0030, subparts 1, 2, 4, and 6; 3600.0045, subparts 1 and 2; 3600.0055; 3600.0065; 3600.0075; and 3600.0085, are repealed.

EFFECTIVE DATE. This section is effective June 30, 2022.

ARTICLE 11

FORECAST

A. GENERAL EDUCATION

Section 1. Laws 2019, First Special Session chapter 11, article 1, section 25, subdivision 2, as amended by Laws 2020, chapter 116, article 6, section 1, is amended to read:

Subd. 2. **General education aid.** For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

\$	<u>7,347,424,000</u>	.....	<u>2020</u>
	<u>7,509,639,000</u>		
\$	<u>7,408,986,000</u>	.....	<u>2021</u>

The 2020 appropriation includes \$700,383,000 for 2019 and \$6,647,041,000 for 2020.

The 2021 appropriation includes \$711,885,000 for 2020 and ~~\$6,797,754,000~~ \$6,697,100,000 for 2021.

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

Sec. 2. Laws 2019, First Special Session chapter 11, article 1, section 25, subdivision 3, as amended by Laws 2020, chapter 116, article 6, section 2, is amended to read:

Subd. 3. **Enrollment options transportation.** For transportation of pupils attending postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

\$	19,000	.....	2020
	20,000		
\$	<u>11,000</u>	.....	2021

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

Sec. 3. Laws 2019, First Special Session chapter 11, article 1, section 25, subdivision 4, as amended by Laws 2020, chapter 116, article 6, section 3, is amended to read:

Subd. 4. **Abatement aid.** For abatement aid under Minnesota Statutes, section 127A.49:

\$	1,770,000	.....	2020
	2,827,000		
\$	<u>2,595,000</u>	.....	2021

The 2020 appropriation includes \$274,000 for 2019 and \$1,496,000 for 2020.

The 2021 appropriation includes \$166,000 for 2020 and ~~\$2,661,000~~ \$2,429,000 for 2021.

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

Sec. 4. Laws 2019, First Special Session chapter 11, article 1, section 25, subdivision 6, as amended by Laws 2020, chapter 116, article 6, section 4, is amended to read:

Subd. 6. **Nonpublic pupil education aid.** For nonpublic pupil education aid under Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

\$	17,925,000	.....	2020
	18,917,000		
\$	<u>18,918,000</u>	.....	2021

The 2020 appropriation includes \$1,806,000 for 2019 and \$16,119,000 for 2020.

The 2021 appropriation includes \$1,790,000 for 2020 and ~~\$17,127,000~~ \$17,128,000 for 2021.

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

Sec. 5. Laws 2019, First Special Session chapter 11, article 1, section 25, subdivision 7, as amended by Laws 2020, chapter 116, article 6, section 5, is amended to read:

Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid under Minnesota Statutes, section 123B.92, subdivision 9:

\$	19,168,000	.....	2020
	20,100,000		
\$	<u>19,106,000</u>	.....	2021

The 2020 appropriation includes \$1,961,000 for 2019 and \$17,207,000 for 2020.

The 2021 appropriation includes \$1,911,000 for 2020 and ~~\$18,189,000~~ \$17,195,000 for 2021.

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

Sec. 6. Laws 2019, First Special Session chapter 11, article 1, section 25, subdivision 9, as amended by Laws 2020, chapter 116, article 6, section 6, is amended to read:

Subd. 9. **Career and technical aid.** For career and technical aid under Minnesota Statutes, section 124D.4531, subdivision 1b:

\$	3,857,000	.....	2020
	3,433,000		
\$	<u>3,288,000</u>	.....	2021

The 2020 appropriation includes \$422,000 for 2019 and \$3,435,000 for 2020.

The 2021 appropriation includes \$378,000 for 2020 and ~~\$3,055,000~~ \$2,910,000 for 2021.

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

B. EDUCATION EXCELLENCE

Sec. 7. Laws 2019, First Special Session chapter 11, article 2, section 33, subdivision 2, as amended by Laws 2020, chapter 116, article 3, section 2, is amended to read:

Subd. 2. **Achievement and integration aid.** For achievement and integration aid under Minnesota Statutes, section 124D.862:

\$	77,247,000	.....	2020
	81,233,000		
\$	<u>87,574,000</u>	.....	2021

The 2020 appropriation includes \$7,058,000 for 2019 and \$70,189,000 for 2020.

The 2021 appropriation includes \$7,763,000 for 2020 and ~~\$73,470,000~~ \$79,811,000 for 2021.

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

Sec. 8. Laws 2019, First Special Session chapter 11, article 2, section 33, subdivision 3, as amended by Laws 2020, chapter 116, article 6, section 7, is amended to read:

Subd. 3. **Interdistrict desegregation or integration transportation grants.** For interdistrict desegregation or integration transportation grants under Minnesota Statutes, section 124D.87:

\$	14,231,000	.....	2020
	14,962,000		
\$	<u>15,670,000</u>	.....	2021

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

Sec. 9. Laws 2019, First Special Session chapter 11, article 2, section 33, subdivision 5, as amended by Laws 2020, chapter 116, article 6, section 9, is amended to read:

Subd. 5. **Tribal contract school aid.** For tribal contract school aid under Minnesota Statutes, section 124D.83:

\$	2,766,000	.....	2020
	3,106,000		
\$	<u>2,435,000</u>	.....	2021

The 2020 appropriation includes \$299,000 for 2019 and \$2,467,000 for 2020.

The 2021 appropriation includes \$274,000 for 2020 and ~~\$2,832,000~~ \$2,161,000 for 2021.

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

Sec. 10. Laws 2019, First Special Session chapter 11, article 2, section 33, subdivision 6, as amended by Laws 2020, chapter 116, article 6, section 10, is amended to read:

Subd. 6. **American Indian education aid.** For American Indian education aid under Minnesota Statutes, section 124D.81, subdivision 2a:

\$	10,113,000	.....	2020
	10,696,000		
\$	<u>10,939,000</u>	.....	2021

The 2020 appropriation includes \$960,000 for 2019 and \$9,153,000 for 2020.

The 2021 appropriation includes \$1,016,000 for 2020 and ~~\$9,680,000~~ \$9,923,000 for 2021.

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

Sec. 11. Laws 2019, First Special Session chapter 11, article 2, section 33, subdivision 16, as amended by Laws 2020, chapter 116, article 6, section 11, is amended to read:

Subd. 16. **Charter school building lease aid.** For building lease aid under Minnesota Statutes, section 124E.22:

\$	83,214,000	2020
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	88,454,000		
\$	<u>85,916,000</u>	2021

The 2020 appropriation includes \$8,021,000 for 2019 and \$75,193,000 for 2020.

The 2021 appropriation includes \$8,354,000 for 2020 and ~~\$80,100,000~~ \$77,562,000 for 2021.

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

Sec. 12. Laws 2019, First Special Session chapter 11, article 3, section 23, subdivision 3, as amended by Laws 2020, chapter 116, article 6, section 12, is amended to read:

Subd. 3. **Alternative teacher compensation aid.** (a) For alternative teacher compensation aid under Minnesota Statutes, section 122A.415, subdivision 4:

\$	89,166,000	.....	2020
	88,851,000		
\$	<u>88,788,000</u>	.....	2021

(b) The 2020 appropriation includes \$8,974,000 for 2019 and \$80,192,000 for 2020.

(c) The 2021 appropriation includes \$8,887,000 for 2020 and ~~\$79,964,000~~ \$79,901,000 for 2021.

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

C. SPECIAL EDUCATION

Sec. 13. Laws 2019, First Special Session chapter 11, article 4, section 11, subdivision 2, as amended by Laws 2020, chapter 116, article 6, section 13, is amended to read:

Subd. 2. **Special education; regular.** For special education aid under Minnesota Statutes, section 125A.75:

\$	1,600,889,000	.....	2020
	1,747,701,000		
\$	<u>1,727,596,000</u>	.....	2021

The 2020 appropriation includes \$184,363,000 for 2019 and \$1,416,526,000 for 2020.

The 2021 appropriation includes \$199,406,000 for 2020 and ~~\$1,548,295,000~~ \$1,528,190,000 for 2021.

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

Sec. 14. Laws 2019, First Special Session chapter 11, article 4, section 11, subdivision 3, as amended by Laws 2020, chapter 116, article 6, section 14, is amended to read:

Subd. 3. **Aid for children with disabilities.** For aid under Minnesota Statutes, section 125A.75, subdivision 3, for children with disabilities placed in residential facilities within the district boundaries for whom no district of residence can be determined:

\$	1,109,000	.....	2020
	1,267,000		
\$	<u>1,644,000</u>	.....	2021

If the appropriation for either year is insufficient, the appropriation for the other year is available.

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

Sec. 15. Laws 2019, First Special Session chapter 11, article 4, section 11, subdivision 4, as amended by Laws 2020, chapter 116, article 6, section 15, is amended to read:

Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based services under Minnesota Statutes, section 125A.75, subdivision 1:

\$	445,000	.....	2020
	467,000		
\$	<u>254,000</u>	.....	2021

The 2020 appropriation includes \$40,000 for 2019 and \$405,000 for 2020.

The 2021 appropriation includes \$44,000 for 2020 and ~~\$423,000~~ \$210,000 for 2021.

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

Sec. 16. Laws 2019, First Special Session chapter 11, article 4, section 11, subdivision 5, as amended by Laws 2020, chapter 116, article 6, section 16, is amended to read:

Subd. 5. **Court-placed special education revenue.** For reimbursing serving school districts for unreimbursed eligible expenditures attributable to children placed in the serving school district by court action under Minnesota Statutes, section 125A.79, subdivision 4:

\$	-0-	.....	2020
	23,000		
\$	<u>-0-</u>	.....	2021

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

D. FACILITIES AND TECHNOLOGY

Sec. 17. Laws 2019, First Special Session chapter 11, article 6, section 7, subdivision 2, as amended by Laws 2020, chapter 116, article 6, section 17, and Laws 2020, Fifth Special Session chapter 3, article 5, section 36, is amended to read:

Subd. 2. **Debt service equalization aid.** For debt service equalization aid under Minnesota Statutes, section 123B.53, subdivision 6:

\$	20,684,000	.....	2020
	25,380,000		
\$	<u>25,335,000</u>	.....	2021

The 2020 appropriation includes \$2,292,000 for 2019 and \$18,392,000 for 2020.

The 2021 appropriation includes \$2,043,000 for 2020 and ~~\$23,337,000~~ \$23,292,000 for 2021.

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

Sec. 18. Laws 2019, First Special Session chapter 11, article 6, section 7, subdivision 3, as amended by Laws 2020, chapter 116, article 6, section 18, is amended to read:

Subd. 3. **Long-term facilities maintenance equalized aid.** For long-term facilities maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

\$	104,690,000	.....	2020
	107,820,000		
\$	<u>106,356,000</u>	.....	2021

The 2020 appropriation includes \$10,464,000 for 2019 and \$94,226,000 for 2020.

The 2021 appropriation includes \$10,412,000 for 2020 and ~~\$97,408,000~~ \$95,944,000 for 2021.

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

E. NUTRITION

Sec. 19. Laws 2019, First Special Session chapter 11, article 7, section 1, subdivision 2, as amended by Laws 2020, chapter 116, article 6, section 20, is amended to read:

Subd. 2. **School lunch.** For school lunch aid under Minnesota Statutes, section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

\$	16,245,000	.....	2020
	16,514,000		
\$	<u>4,796,000</u>	.....	2021

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

Sec. 20. Laws 2019, First Special Session chapter 11, article 7, section 1, subdivision 3, as amended by Laws 2020, chapter 116, article 6, section 21, is amended to read:

Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota Statutes, section 124D.1158:

\$	11,428,000	.....	2020
	11,846,000		
\$	<u>3,242,000</u>	.....	2021

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

Sec. 21. Laws 2019, First Special Session chapter 11, article 7, section 1, subdivision 4, as amended by Laws 2020, chapter 116, article 6, section 22, is amended to read:

Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes, section 124D.118:

\$	658,000	.....	2020
	658,000		
\$	<u>494,000</u>	.....	2021

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

F. EARLY CHILDHOOD AND FAMILY SUPPORT

Sec. 22. Laws 2019, First Special Session chapter 11, article 8, section 13, subdivision 5, as amended by Laws 2020, chapter 116, article 6, section 23, is amended to read:

Subd. 5. **Early childhood family education aid.** (a) For early childhood family education aid under Minnesota Statutes, section 124D.135:

\$	32,151,000	.....	2020
	33,540,000		
\$	<u>33,204,000</u>	.....	2021

(b) The 2020 appropriation includes \$3,098,000 for 2019 and \$29,053,000 for 2020.

(c) The 2021 appropriation includes \$3,133,000 for 2020 and ~~\$30,407,000~~ \$30,071,000 for 2021.

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

Sec. 23. Laws 2019, First Special Session chapter 11, article 8, section 13, subdivision 14, as amended by Laws 2020, chapter 116, article 6, section 24, is amended to read:

Subd. 14. **Home visiting aid.** (a) For home visiting aid under Minnesota Statutes, section 124D.135:

\$	521,000	.....	2020
	528,000		
\$	<u>481,000</u>	.....	2021

(b) The 2020 appropriation includes \$54,000 for 2019 and \$467,000 for 2020.

(c) The 2021 appropriation includes \$51,000 for 2020 and ~~\$477,000~~ \$430,000 for 2021.

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

G. COMMUNITY EDUCATION AND LIFELONG LEARNING

Sec. 24. Laws 2019, First Special Session chapter 11, article 9, section 3, subdivision 2, as amended by Laws 2020, chapter 116, article 6, section 25, is amended to read:

Subd. 2. **Community education aid.** For community education aid under Minnesota Statutes, section 124D.20:

\$	327,000	.....	2020
	249,000		
\$	<u>236,000</u>	.....	2021

The 2020 appropriation includes \$40,000 for 2019 and \$287,000 for 2020.

The 2021 appropriation includes \$31,000 for 2020 and ~~\$218,000~~ \$205,000 for 2021.

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

Delete the title and insert:

"A bill for an act relating to education and education finance; general education; education excellence; teachers; special education; health and safety; facilities, fund transfers, and accounting; nutrition and libraries; early childhood; community education and lifelong learning; state agencies; and forecast; amending Minnesota Statutes 2020, sections 12.21, subdivision 3; 43A.08, subdivisions 1, 1a; 120A.35; 120A.40; 120A.41; 120A.414; 120A.42; 120B.021, subdivision 4; 120B.11, subdivisions 1, 1a; 120B.132, subdivisions 1, 3; 121A.04, subdivision 4; 121A.21; 121A.45, by adding a subdivision; 121A.53, subdivision 2; 121A.55; 121A.61, subdivision 3; 121A.64; 122A.06, subdivision 4, by adding a subdivision; 122A.092, by adding a subdivision; 122A.181, subdivisions 1, 3; 122A.40, subdivisions 3, 10; 122A.41, subdivision 14a, by adding a subdivision; 122A.416; 122A.61, subdivision 1; 122A.635, subdivisions 1, 2; 122A.70; 122A.76; 123A.05, subdivision 1; 123A.30, subdivision 6; 123B.10, by adding a subdivision; 123B.44, subdivisions 1, 5, 6; 123B.595, subdivision 3; 123B.86, subdivision 3; 124D.05, subdivision 3; 124D.09, subdivisions 5a, 7, 9, 11, 12, 22; 124D.111; 124D.12; 124D.121; 124D.122; 124D.126, subdivision 1; 124D.127; 124D.19, subdivision 2; 124D.20, subdivisions 3, 7, 8; 124D.531, subdivision 1; 124E.05, subdivisions 5, 6; 126C.01, subdivision 8; 126C.05, subdivision 8; 126C.10, subdivisions 2a, 18a; 126C.15, subdivisions 1, 5; 126C.17, subdivision 6; 126C.40, subdivision 1; 126C.44; 127A.49, subdivision 3; 128C.01, subdivision 4; 134.355, subdivisions 5, 6, 7; 297A.70, subdivision 2; 352.01, subdivision 2a; 354.05, subdivision 2; 469.176, subdivision 2; 609A.03, subdivision 7a; Laws 2017, First Special Session chapter 5, article 2, section 52; Laws 2019, First Special Session chapter 11, article 1, section 25, subdivisions 2, as amended, 3, as amended, 4, as amended, 6, as amended, 7, as amended, 9, as amended; article 2, section 33, subdivisions 2, as amended, 3, as amended, 5, as amended, 6, as amended, 16, as amended; article 3, section 23, subdivision 3, as amended; article 4, section 11, subdivisions 2, as amended, 3, as amended, 4, as amended, 5, as amended; article 6, section 7, subdivisions 2, as amended, 3, as amended; article 7, section 1, subdivisions 2, as amended, 3, as amended, 4, as amended; article 8, section 13, subdivisions 5, as amended, 14, as amended; article 9, section 3, subdivision 2, as amended; article 10, section 5, subdivision 2, as amended; Laws 2020, chapter 116, article 3, section 8; proposing coding for new law in Minnesota Statutes, chapters 121A; 122A; 124D; 127A; repealing Minnesota Statutes 2020, sections 124D.8957, subdivision 30; 129C.10, subdivisions 1, 2, 3, 3a, 3b, 4, 4a, 6, 7, 8; 129C.105; 129C.15; 129C.20; 129C.25; 129C.26; 129C.27;

Minnesota Rules, parts 3500.1000; 3600.0010, subparts 1, 2, 2a, 2b, 3, 6; 3600.0020; 3600.0030, subparts 1, 2, 4, 6; 3600.0045, subparts 1, 2; 3600.0055; 3600.0065; 3600.0075; 3600.0085."

And when so amended the bill do pass and be re-referred to the Committee on Taxes. Amendments adopted. Report adopted.

Senator Westrom from the Committee on Agriculture and Rural Development Finance and Policy, to which was referred

S.F. No. 958: A bill for an act relating to state government; establishing a budget for the Department of Agriculture, the Board of Animal Health, and the Agricultural Research Institute; transferring money to the border-to-border broadband fund account; making policy and technical changes to various provisions related to agriculture; modifying fees; creating accounts; creating a biofuels program and advisory committee; appropriating money; amending Minnesota Statutes 2020, sections 18B.26, subdivision 3; 28A.08, by adding a subdivision; 28A.09, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 41A.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. **AGRICULTURE APPROPRIATIONS.**

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

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2022</u>	<u>2023</u>

Sec. 2. **DEPARTMENT OF AGRICULTURE**

Subdivision 1. <u>Total Appropriation</u>	\$	<u>54,999,000</u>	\$	<u>54,835,000</u>
<u>Appropriations by Fund</u>				
		<u>2022</u>		<u>2023</u>
<u>General</u>		<u>54,600,000</u>		<u>54,436,000</u>
<u>Remediation</u>		<u>399,000</u>		<u>399,000</u>

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

Subd. 2. Protection Services

	<u>Appropriations by Fund</u>	
	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>18,027,000</u>	<u>18,027,000</u>
<u>Remediation</u>	<u>399,000</u>	<u>399,000</u>

(a) \$399,000 the first year and \$399,000 the second year are from the remediation fund for administrative funding for the voluntary cleanup program.

(b) \$175,000 the first year and \$175,000 the second year are for compensation for destroyed or crippled livestock under Minnesota Statutes, section 3.737. The first year appropriation may be spent to compensate for livestock that were destroyed or crippled during fiscal year 2021. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to \$5,000 each year to reimburse expenses incurred by university extension educators to provide fair market values of destroyed or crippled livestock. If the commissioner receives federal dollars to pay claims for destroyed or crippled livestock, an equivalent amount of this appropriation may be used to reimburse nonlethal prevention methods performed by federal wildlife services staff.

(c) \$300,000 the first year and \$300,000 the second year are for rapid detection, identification, containment, control, and management of high-priority plant pests and pathogens including emerald ash borer. The commissioner may also use these funds for agricultural emergency preparedness and response.

(d) \$155,000 the first year and \$155,000 the second year are for compensation for crop damage under Minnesota Statutes, section

3.7371. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to \$10,000 of the appropriation each year to reimburse expenses incurred by the commissioner or the commissioner's approved agent to investigate and resolve claims, as well as for costs associated with training for approved agents. The commissioner may use up to \$20,000 of the appropriation each year to make grants to producers for measures to protect stored crops from elk damage.

If the commissioner determines that claims made under Minnesota Statutes, section 3.737 or 3.7371, are unusually high, amounts appropriated for either program may be transferred to the appropriation for the other program.

(e) \$225,000 the first year and \$225,000 the second year are for the noxious weed and invasive plant program.

(f) \$175,000 the first year and \$175,000 the second year are for industrial hemp development.

(g) \$110,000 the first year and \$110,000 the second year are for additional meat and poultry inspection services. The commissioner is encouraged to seek inspection waivers, matching federal dollars, and offer more online inspections for the purposes under this paragraph.

(h) \$225,000 the first year and \$225,000 the second year are to replace capital equipment in the Department of Agriculture's analytical laboratory.

Subd. 3. Agricultural Marketing and Development

3,996,000

3,996,000

(a) \$186,000 the first year and \$186,000 the second year are for transfer to the Minnesota grown account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.102. Grants

may be made for one year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2023, for Minnesota grown grants in this paragraph are available until June 30, 2025.

(b) \$100,000 the first year and \$100,000 the second year are to expand domestic and international marketing opportunities for farmers and value-added processors, including staffing to facilitate farm-to-school sales and new markets for Minnesota-grown hemp.

(c) \$634,000 the first year and \$634,000 the second year are for continuation of the dairy development and profitability enhancement and dairy business planning grant programs established under Laws 1997, chapter 216, section 7, subdivision 2, and Laws 2001, First Special Session chapter 2, section 9, subdivision 2. The commissioner may allocate the available sums among permissible activities, including efforts to improve the quality of milk produced in the state, in the proportions that the commissioner deems most beneficial to Minnesota's dairy farmers. The commissioner must submit a detailed accomplishment report and a work plan detailing future plans for, and anticipated accomplishments from, expenditures under this program to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance on or before the start of each fiscal year. If significant changes are made to the plans in the course of the year, the commissioner must notify the chairs and ranking minority members.

(d) \$50,000 the first year and \$50,000 the second year are for additional community outreach on farms and rural mental health services including the 24-hour hotline, service availability, and mental health

forums. The appropriations under this paragraph are onetime.

(e) The commissioner may use funds appropriated in this subdivision for annual cost-share payments to resident farmers or entities that sell, process, or package agricultural products in this state for the costs of organic certification. The commissioner may allocate these funds for assistance to persons transitioning from conventional to organic agriculture.

Subd. 4. Agriculture, Bioenergy, and Bioproduct Advancement

24,588,000

24,589,000

(a) \$9,300,000 the first year and \$9,300,000 the second year are for transfer to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3. Of these amounts: at least \$600,000 the first year and \$600,000 the second year are for the Minnesota Agricultural Experiment Station's agriculture rapid response fund under Minnesota Statutes, section 41A.14, subdivision 1, clause (2); \$2,000,000 the first year and \$2,000,000 the second year are for grants to the Minnesota Agriculture Education Leadership Council to enhance agricultural education with priority given to Farm Business Management challenge grants; \$350,000 the first year and \$350,000 the second year are for potato breeding; and \$450,000 the first year and \$450,000 the second year are for the cultivated wild rice breeding project at the North Central Research and Outreach Center to include a tenure track/research associate plant breeder. The commissioner shall transfer the remaining funds in this appropriation each year to the Board of Regents of the University of Minnesota for purposes of Minnesota Statutes, section 41A.14. Of the amount transferred to the Board of Regents, up to \$1,000,000 each year is for research on avian influenza, salmonella, and other

turkey-related diseases. By January 15, 2023, entities receiving grants for potato breeding and wild rice breeding are requested to report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and higher education regarding the use of the grant money and to provide an update on the status of research and related accomplishments.

To the extent practicable, money expended under Minnesota Statutes, section 41A.14, subdivision 1, clauses (1) and (2), must supplement and not supplant existing sources and levels of funding. The commissioner may use up to one percent of this appropriation for costs incurred to administer the program.

(b) \$15,288,000 the first year and \$15,289,000 the second year are for the agricultural growth, research, and innovation program in Minnesota Statutes, section 41A.12. Except as provided below, the commissioner may allocate the appropriation each year among the following areas: facilitating the start-up, modernization, improvement, or expansion of livestock operations including beginning and transitioning livestock operations with preference given to robotic dairy-milking equipment; providing funding not to exceed \$500,000 each year to develop and enhance farm-to-school markets for Minnesota farmers by providing more fruits, vegetables, meat, grain, and dairy for Minnesota children in school and child care settings including, at the commissioner's discretion, reimbursing schools for purchases from local farmers; assisting value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems; providing funding not to exceed \$150,000 each year for the good food access program under Minnesota Statutes, section 17.1017; facilitating the start-up, modernization, or expansion of other beginning and transitioning farms including by providing

loans under Minnesota Statutes, section 41B.056; providing funding not to exceed \$350,000 each year for new market development grants, of which \$50,000 in the first year may be spent for additional funding for the industrial hemp program for information technology development; sustainable agriculture on-farm research and demonstration; development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research including basic and applied turf seed research; Farm Business Management tuition assistance; and good agricultural practices/good handling practices certification assistance. The commissioner may use up to 3.8 percent of this appropriation for costs incurred to administer the program.

Of the amount appropriated for the agricultural growth, research, and innovation program in Minnesota Statutes, section 41A.12:

(1) \$1,000,000 the first year and \$1,000,000 the second year are for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture;

(2) \$4,000,000 the first year and \$4,000,000 the second year are for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, and 41A.18. An incentive payment must not exceed \$3,000,000 annually per entity. Notwithstanding Minnesota Statutes, section 16A.28, the first year appropriation is available until June 30, 2023, and the second year appropriation is available until June 30, 2024. If this appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available for the agricultural growth, research, and innovation program;

(3) \$3,500,000 the first year and \$3,500,000 the second year are for grants that enable

retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than 15 retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 75 percent of the cost of the technical assistance and appropriate technology. A grant award must not exceed \$200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture by February 1 each year, detailing the number of grants awarded statewide and by county, and the projected effect of the grant program on meeting the biofuel replacement goals under Minnesota Statutes, section 239.7911. These are onetime appropriations;

(4) \$500,000 the first year and \$500,000 the second year are for grants to facilitate the start-up, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award must not exceed \$200,000. When allowed under federal law, the commissioner shall first use federal COVID-19-related funds for livestock processing before using state-appropriated money under this clause for similar services and expenses, except that the commissioner must not use Coronavirus State and Local Fiscal Recovery Funds from Public Law 117-2, title IX, subtitle M, section 9901, to satisfy the requirement under this clause;

(5) \$1,400,000 the first year and \$1,400,000 the second year are for livestock investment grants under Minnesota Statutes, section 17.118. A grant award must not exceed \$200,000;

(6) \$2,000,000 the first year and \$2,000,000 the second year are for value-added grants. When allowed under federal law, the commissioner shall first use federal COVID-19-related funds for livestock processing before using state-appropriated money under this clause for similar services and expenses, except that the commissioner must not use Coronavirus State and Local Fiscal Recovery Funds from Public Law 117-2, title IX, subtitle M, section 9901, to satisfy the requirement under this clause;

(7) \$600,000 the first year and \$600,000 the second year are for Farm Business Management tuition assistance;

(8) \$500,000 the first year and \$500,000 the second year are for grants for beginning farmers. These are onetime appropriations;

(9) \$25,000 the first year and \$25,000 the second year are for Southern Minnesota Initiative Foundation's promotion of local foods through an annual event that raises public awareness of local foods and connects local food producers and processors with potential buyers;

(10) \$100,000 the first year and \$100,000 the second year are for grants to Greater Mankato Growth, Inc., for assistance to agriculture-related businesses to promote jobs, innovation, and synergy development. This is a onetime appropriation; and

(11) \$75,000 the first year and \$75,000 the second year are for grants to the Minnesota Turf Seed Council for basic and applied research. The Minnesota Turf Seed Council may subcontract with a qualified third party for some or all of the basic or applied

research. No later than January 15, 2023, the Minnesota Turf Seed Council must submit a report outlining the use of the grant money and related accomplishments to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture. This is a onetime appropriation.

Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available for the second year, and appropriations encumbered under contract on or before June 30, 2023, for agricultural growth, research, and innovation grants are available until June 30, 2026.

The base amount for the agricultural growth, research, and innovation program is \$14,693,000 in fiscal year 2024 and \$14,693,000 in fiscal year 2025, and includes funding for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20.

Subd. 5. Administration and Financial Assistance

7,989,000

7,824,000

(a) \$474,000 the first year and \$474,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations shall be disbursed no later than July 15 of each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.

(b) \$50,000 the first year and \$50,000 the second year are for the Northern Crops Institute. These appropriations may be spent to purchase equipment. These are onetime appropriations.

(c) \$217,000 the first year and \$277,000 the second year are for farm advocate services. This appropriation is in addition to funds allocated in section 5. When allowed under

federal law, the commissioner shall first use federal COVID-19-related relief funds for farm advocate services before using state appropriated money under this paragraph for similar services and expenses, except that the commissioner must not use Coronavirus State and Local Fiscal Recovery Funds from Public Law 117-2, title IX, subtitle M, section 9901, to satisfy the requirement under this paragraph. The base amount for this appropriation in fiscal year 2024 and thereafter is \$277,000.

(d) \$238,000 the first year and \$238,000 the second year are for transfer to the Board of Trustees of the Minnesota State Colleges and Universities for statewide mental health counseling support to farm families and business operators through the Minnesota State Agricultural Centers of Excellence. South Central College and Central Lakes College shall serve as the fiscal agents.

(e) \$1,700,000 the first year and \$1,700,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Feeding America food banks for the following:

(1) to purchase milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Feeding America food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank that receives funding under this clause may use up to two percent for administrative expenses;

(2) to compensate agricultural producers and processors for costs incurred to harvest and package for transfer surplus fruits, vegetables, and other agricultural commodities that would otherwise go unharvested, be discarded, or sold in a secondary market. Surplus commodities must be distributed statewide to food shelves and other charitable organizations that are eligible to receive food from the food banks. Surplus food acquired under this clause must be from Minnesota producers and processors. Second Harvest Heartland may use up to 15 percent of each grant awarded under this clause for administrative and transportation expenses; and

(3) to purchase and distribute protein products, which must be surplus products when practicable, including but not limited to pork, poultry, beef, dry legumes, cheese, and eggs to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Second Harvest Heartland may use up to two percent of each grant awarded under this clause for administrative expenses. To the extent practicable, protein products purchased under the grants must be acquired from Minnesota processors and producers.

Of the amount appropriated under this paragraph, at least \$600,000 each year must be allocated under clause (1). Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance the first year does not cancel and is available in the second year. Second Harvest Heartland must submit quarterly reports to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance in the form prescribed by the commissioner. The reports must include but are not limited to information on the expenditure of funds, the amount of milk or other commodities purchased, and the organizations to which

this food was distributed. When allowed under federal law, the commissioner shall first use federal COVID-19-related relief funds for food shelves before using state-appropriated money under this paragraph for similar services and expenses, except that the commissioner must not use Coronavirus State and Local Fiscal Recovery Funds from Public Law 117-2, title IX, subtitle M, section 9901, to satisfy the requirement under this paragraph.

(f) \$150,000 the first year and \$150,000 the second year are for grants to the Center for Rural Policy and Development.

(g) \$250,000 the first year and \$250,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D.

(h) \$100,000 the first year and \$100,000 the second year are for farm safety grants and outreach programs under Minnesota Statutes, section 17.1195. Of this amount, \$10,000 is for outreach, which may include creating and presenting a grain storage facility safety curriculum.

(i) \$200,000 the first year is to provide grants to Central Lakes College for the purposes of designing, building, and offering credentials in the area of meat cutting and butchery that align with industry needs as advised by local industry advisory councils. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available for the second year. This is a onetime appropriation. Grants may be used for costs including but not limited to:

(1) facility renovation to accommodate meat cutting;

(2) curriculum design and approval from the Higher Learning Commission;

(3) program operational start-up costs;

(4) equipment required for a meat cutting program; and

(5) meat handling start-up costs in regard to meat access and market channel building.

No later than January 15, 2023, Central Lakes College must prepare a report outlining the use of grant money to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture and higher education.

(j) \$25,000 the first year is for grants to organizations to acquire, host, and operate a mobile slaughter unit. The mobile unit must coordinate with Minnesota state two-year colleges that have meat cutting programs to accommodate training as it relates to animal slaughter. The mobile unit may coordinate with livestock producers who desire to provide value-added meat products by utilizing the mobile slaughter unit. The mobile unit may be used for research, training outside of the two-year colleges, and other activities that align with industry needs. This is a onetime appropriation.

The commissioner is encouraged to seek federal funds for the purpose under this paragraph, except that the commissioner must not use Coronavirus State and Local Fiscal Recovery Funds from Public Law 117-2, title IX, subtitle M, section 9901, to satisfy the requirement under this paragraph. By January 15, 2023, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture regarding the status of the project, including on the use of any state or federal funds to complete the project.

(k) The commissioner shall continue to increase connections between ethnic minority and immigrant farmers and farming

opportunities and farming programs throughout the state.

Sec. 3. **BOARD OF ANIMAL HEALTH** \$ **5,877,000** \$ **5,877,000**

(a) \$200,000 the first year and \$200,000 the second year are for agricultural emergency preparedness and response.

(b) \$200,000 the first year and \$200,000 the second year are for the board's regulatory responsibilities and oversight over farmed Cervidae.

Sec. 4. **AGRICULTURAL UTILIZATION RESEARCH INSTITUTE** \$ **3,893,000** \$ **3,893,000**

Sec. 5. Laws 2020, chapter 101, section 5, subdivision 2, is amended to read:

Subd. 2. **Farm advocate services.** (a) \$60,000 in fiscal year 2020 is appropriated from the coronavirus relief federal fund to the commissioner of agriculture for additional farm advocate services in response to the COVID-19 crisis. This is a onetime appropriation.

(b) By January 31, 2022, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance regarding the uses of this appropriation. This report must include but is not limited to a description of the methods used to recruit applicants for this position and list the number of people who applied for positions created by this appropriation, the number of people interviewed for positions created by this appropriation, and the number of people hired for positions created by this appropriation.

EFFECTIVE DATE. This section is effective retroactively from December 30, 2020.

Sec. 6. Laws 2020, chapter 101, section 5, subdivision 7, is amended to read:

Subd. 7. **Eligible expenditure from the coronavirus relief fund.** (a) No money in this section may be spent until the commissioner of management and budget determines that the appropriations in this section are an eligible use of the coronavirus relief fund.

(b) The commissioner may transfer funds between the appropriations under subdivisions 4 and 6 based on need, the availability of nonstate funds, or other factors.

(c) The appropriations in ~~this section~~ subdivisions 1, 3, 4, 5, and 6, are available until December 30, 2020. The appropriation in subdivision 2 is available until December 31, 2021.

EFFECTIVE DATE. This section is effective retroactively from December 30, 2020.

Sec. 7. **CANCELLATIONS.**

(a) The day following final enactment of this section, \$916,553 of the 2021 fiscal year appropriation for protection services under Laws 2019, First Special Session chapter 1, article 1, section 2, subdivision 2, is canceled to the general fund.

(b) The day following final enactment of this section, \$136,000 of the 2021 fiscal year appropriation for agricultural marketing and development under Laws 2019, First Special Session chapter 1, article 1, section 2, subdivision 3, is canceled to the general fund.

(c) The day following final enactment of this section, \$120,000 of the 2021 fiscal year appropriation for agriculture, bioenergy, and bioproduct advancement under Laws 2019, First Special Session chapter 1, article 1, section 2, subdivision 4, is canceled to the general fund.

(d) The day following final enactment of this section, \$157,500 of the 2021 fiscal year appropriation for administration and financial assistance under Laws 2019, First Special Session chapter 1, article 1, section 2, subdivision 5, is canceled to the general fund.

ARTICLE 2

AGRICULTURAL AND RURAL DEVELOPMENT POLICY

Section 1. Minnesota Statutes 2020, section 3.737, is amended by adding a subdivision to read:

Subd. 7. **Report.** The commissioner must submit a report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over agriculture and environment and natural resources by December 15 each year. The report must include:

(1) all payments made under this section, by county and statewide, in the previous five fiscal years;

(2) the program's total revenue by funding source including state appropriations; and

(3) how each revenue source is used in expenditures including administrative costs used to carry out this section.

Sec. 2. Minnesota Statutes 2020, section 17.1017, subdivision 6, is amended to read:

Subd. 6. Qualifications for receipt of financing and other financial or technical assistance.

(a) An applicant for receipt of financing through an economic or community development financial institution, or an applicant for a grant or other financial or technical assistance, may be a for-profit or not-for-profit entity, including, but not limited to, a sole proprietorship, limited liability company, corporation, cooperative, nonprofit organization, or nonprofit community development organization. Each applicant must:

(1) demonstrate community engagement in and support for the project;

(2) demonstrate the capacity to successfully implement the project;

(3) demonstrate a viable plan for long-term sustainability, including the ability to increase the availability of and access to affordable, nutritious, and culturally appropriate food, including fresh fruits and vegetables, for underserved communities in low-income and moderate-income areas; and

(4) demonstrate the ability to repay the debt, to the extent that the financing requires repayment.

(b) Each applicant must also agree to comply with the following conditions for a period of at least five years, except as otherwise specified in this section:

(1) accept Supplemental Nutrition Assistance Program (SNAP) benefits;

~~(2) apply to accept Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) benefits and, if approved, accept WIC benefits;~~

~~(2)~~ allocate at least 30 percent of retail space for the sale of affordable, nutritious, and culturally appropriate foods, including fruits and vegetables, low-fat and nonfat dairy, fortified dairy substitute beverages such as soy-based or nut-based dairy substitute beverages, whole grain-rich staple foods, meats, poultry, fish, seafood, and other proteins, consistent with nutrition standards in national guidelines described in the current United States Department of Agriculture Dietary Guidelines for Americans;

~~(4)~~(3) comply with all data collection and reporting requirements established by the commissioner; and

~~(5)~~(4) promote the hiring, training, and retention of local or regional residents from low-income and moderate-income areas that reflect area demographics, including communities of color.

(c) A selected project that is a small food retailer is not subject to the allocation agreement under paragraph (b), clause (3), and may use financing, grants, or other financial or technical assistance for refrigeration, displays, or onetime capital expenditures for the promotion and sale of perishable foods, including a combination of affordable, nutritious, and culturally appropriate fresh or frozen dairy, dairy substitute products, produce, meats, poultry, and fish, consistent with nutrition standards in national guidelines described in the current United States Department of Agriculture Dietary Guidelines for Americans.

Sec. 3. Minnesota Statutes 2020, section 18B.33, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** (a) A person may not apply a pesticide for hire without a commercial applicator license for the appropriate use categories or a structural pest control license.

(b) A commercial applicator licensee must have a valid license identification card to purchase a restricted use pesticide or apply pesticides for hire and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The commissioner shall prescribe the information required on the license identification card.

(c) A person licensed under this section is considered qualified and is not required to verify, document, or otherwise prove a particular need prior to use, except as required by the federal label.

(d) A person who uses a general-use sanitizer or disinfectant for hire is exempt from the commercial applicator license requirements under this section.

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

Sec. 4. Minnesota Statutes 2020, section 18E.04, subdivision 4, is amended to read:

Subd. 4. **Reimbursement payments.** (a) The board shall pay a person that is eligible for reimbursement or payment under subdivisions 1, 2, and 3 from the agricultural chemical response and reimbursement account for 80 percent of the total reasonable and necessary corrective action costs greater than \$1,000 and less than or equal to ~~\$350,000~~ \$600,000.

(b) A reimbursement or payment may not be made until the board has determined that the costs are reasonable and are for a reimbursement of the costs that were actually incurred.

(c) The board may make periodic payments or reimbursements as corrective action costs are incurred upon receipt of invoices for the corrective action costs.

(d) Money in the agricultural chemical response and reimbursement account is appropriated to the commissioner to make payments and reimbursements directed by the board under this subdivision.

(e) The board may not make reimbursement greater than the maximum allowed under paragraph (a) for all incidents on a single site which:

(1) were not reported at the time of release but were discovered and reported after July 1, 1989; and

(2) may have occurred prior to July 1, 1989, as determined by the commissioner.

(f) The board may only reimburse an eligible person for separate incidents within a single site if the commissioner determines that each incident is completely separate and distinct in respect of location within the single site or time of occurrence.

(g) Except for an emergency incident, the board may not reimburse or pay for more than 60 percent of the corrective action costs of an eligible person or for an incident within five years of a previous incident at a single site resulting from a site recontamination.

(h) The deduction of \$1,000 and 20 percent from the ~~\$350,000~~ \$600,000 remuneration may be waived by the board if the incident took place on or after August 18, 2007, and was caused by flooding associated with Presidential Declaration of Major Disaster DR-1717.

Sec. 5. **[25.391] EXEMPTION FOR COTTAGE FOOD PRODUCERS; HOME-PROCESSED PET TREATS.**

Subdivision 1. Exemption. The provisions of this chapter do not apply to an individual who prepares and sells home-processed pet treats for dogs and cats, provided the following conditions are met:

(1) the individual is registered with the commissioner under section 28A.152, subdivision 4;

(2) the pet treats are prepared using not potentially hazardous food, as defined in Minnesota Rules, part 4626.0020, subpart 62, that is safe for human consumption and for consumption by the intended species;

(3) the pet treats are baked or dehydrated;

(4) the individual displays at the point of sale a clearly legible sign or placard stating, "These pet treats are homemade and not subject to state inspection"; and

(5) each individual pet treat package is labeled with the following: (i) the name, home address or post office box address, and phone number of the individual preparing the pet treat; (ii) the date on which the pet treat was prepared; (iii) the ingredients listed in descending order of predominance; and (iv) the following statement: "These pet treats are homemade and not subject to state inspection."

Subd. 2. **Direct sales to consumers.** An individual qualifying for the exemption under subdivision 1 may sell the exempt pet treats to consumers in accordance with section 28A.152, subdivision 2.

Sec. 6. Minnesota Statutes 2020, section 28A.15, is amended by adding a subdivision to read:

Subd. 11. **Seasonal processors of game meat.** A person who processes noninspected meat from game animals, as that term is defined in Minnesota Rules, part 4626.0020, subpart 37, for the owner of the carcass, and who returns the meat products derived from the processing to the owner, if the person does not engage in processing for more than one 90-day period per calendar year.

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

Sec. 7. Minnesota Statutes 2020, section 28A.152, subdivision 1, is amended to read:

Subdivision 1. **Licensing provisions applicability.** (a) The licensing provisions of sections 28A.01 to 28A.16 do not apply to the following:

(1) an individual who prepares and sells food that is not potentially hazardous food, as defined in Minnesota Rules, part 4626.0020, subpart 62, if the following requirements are met:

(i) the prepared food offered for sale under this clause is labeled to accurately reflect the name and the registration number or address of the individual preparing and selling the food, the date on which the food was prepared, and the ingredients and any possible allergens; and

(ii) the individual displays at the point of sale a clearly legible sign or placard stating: "These products are homemade and not subject to state inspection."; and

(2) an individual who prepares and sells home-processed and home-canned food products if the following requirements are met:

(i) the products are pickles, vegetables, or fruits having an equilibrium pH value of 4.6 or lower, or a water activity value of .85 or less;

(ii) the products are home-processed and home-canned in Minnesota;

(iii) the individual displays at the point of sale a clearly legible sign or placard stating: "These canned goods are homemade and not subject to state inspection."; and

(iv) each container of the product sold or offered for sale under this clause is accurately labeled to provide the name and the registration number or address of the individual who processed and canned the goods, the date on which the goods were processed and canned, and ingredients and any possible allergens.

(b) An individual who qualifies for an exemption under paragraph (a), clause (2), is also exempt from the provisions of sections 31.31 and 31.392.

(c) An individual who qualifies for an exemption under paragraph (a) may organize the individual's cottage food business as a business entity recognized by state law.

Sec. 8. Minnesota Statutes 2020, section 28A.152, subdivision 3, is amended to read:

Subd. 3. **Limitation on sales.** An individual selling exempt foods under this section is limited to total sales with gross receipts of ~~\$18,000~~ \$78,000 or less in a calendar year. Beginning January 1, 2027, and every five years thereafter, the commissioner shall adjust the maximum gross receipts amount under this subdivision based on the consumer price index using 2021 as the index year.

Sec. 9. Minnesota Statutes 2020, section 28A.152, subdivision 4, is amended to read:

Subd. 4. **Registration.** An individual who prepares and sells exempt food under subdivision 1 must register annually with the commissioner. The commissioner shall register an individual within 30 days of submitting a complete registration to the commissioner. A registration shall be deemed accepted after 30 days following an individual's complete registration to the commissioner. The annual registration fee is ~~\$50~~ \$25. An individual with \$5,000 or less in annual gross receipts from the sale of exempt food under this section is not required to pay the registration fee. Beginning January 1, 2022, and every five years thereafter, the commissioner shall adjust the gross receipts amount of this fee exemption based on the consumer price index using 2015 as the index year for the \$5,000 gross receipts exemption.

Sec. 10. Minnesota Statutes 2020, section 28A.152, subdivision 5, is amended to read:

Subd. 5. **Training.** ~~(a) An individual with gross receipts between \$5,000 and \$18,000 in a calendar year from the sale of exempt food under this section must complete a safe food handling training course that is approved by the commissioner before registering under subdivision 4. The training shall not exceed eight hours and must be completed every three years while the individual is registered under subdivision 4.~~

~~(b) An individual with gross receipts of less than \$5,000 in a calendar year from the sale of exempt food under this section must satisfactorily complete an online course and exam as approved by the commissioner before registering under subdivision 4. The commissioner shall offer the online course and exam under this paragraph at no cost to the individual.~~

Sec. 11. Minnesota Statutes 2020, section 31A.15, subdivision 1, is amended to read:

Subdivision 1. **Inspection.** The provisions of sections 31A.01 to 31A.16 requiring inspection of the slaughter of animals and the preparation of the carcasses, parts of carcasses, meat, poultry, poultry food products, and meat food products at establishments conducting slaughter and preparation do not apply:

(1) to the processing by a person of the person's own animals and the owner's preparation and transportation in intrastate commerce of the carcasses, parts of carcasses, meat, poultry, poultry food products, and meat food products of those animals exclusively for use by the owner and members of the owner's household, nonpaying guests, and employees; ~~or~~

(2) to the custom processing by a person of animals, wild game, or fowl delivered by the owner for processing, and the preparation or transportation in intrastate commerce of the carcasses, parts of carcasses, meat, poultry, poultry food products, and meat food products of animals, exclusively for use in the household of the owner by the owner and members of the owner's household, nonpaying guests, and employees. Meat from custom processing must be identified and handled as required by the commissioner, during all phases of processing, chilling, cooling, freezing, preparation, storage, and transportation. The custom processor may not engage in the business of buying or selling carcasses, parts of carcasses, meat, poultry, poultry food products, or meat food products of animals usable as human food unless the carcasses, parts of carcasses, meat, poultry, poultry food products, or meat food products have been inspected and passed and are identified as inspected and passed by the Minnesota Department of Agriculture or the United States Department of Agriculture; or

(3) to the custom processing of meat from game animals not listed in clause (2) for the owner of the carcasses, if the custom processor returns the meat products derived from the processing to the owner and does not engage in custom processing for more than one 90-day period per calendar year. For purposes of this clause, "game animals" has the meaning given in Minnesota Rules, part 4626.0020, subpart 37.

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

Sec. 12. Minnesota Statutes 2020, section 35.155, subdivision 5, is amended to read:

Subd. 5. **Disease control programs.** Farmed Cervidae are subject to this chapter and the rules of the Board of Animal Health in the same manner as other livestock and domestic animals, including provisions related to importation and transportation. The board must not designate or continue a disease management or endemic zone for chronic wasting disease unless chronic wasting disease is found on a specific property where a cervid farm is located. The zone is limited to that chronic wasting disease positive property and does not extend to other noncontiguous property owned by the same person or entity.

Sec. 13. Minnesota Statutes 2020, section 35.155, subdivision 11, is amended to read:

Subd. 11. **Mandatory surveillance for chronic wasting disease; depopulation.** (a) An inventory for each farmed Cervidae herd must be verified by an accredited veterinarian and filed with the Board of Animal Health every 12 months.

(b) Movement of farmed Cervidae from any premises to another location must be reported to the Board of Animal Health within 14 days of the movement on forms approved by the Board of Animal Health.

(c) All animals from farmed Cervidae herds that are over 12 months of age that die or are slaughtered must be tested for chronic wasting disease.

(d) The owner of a premises where chronic wasting disease is detected must:

(1) depopulate the premises of Cervidae after the ~~appraisal process~~ process for federal indemnification has been completed or, if an indemnification application is not submitted, within a reasonable time determined by the board in consultation with the commissioner of natural resources;

(2) maintain the fencing required under subdivision 4 on the premises for five years after the date of detection; and

(3) post the fencing on the premises with biohazard signs as directed by the board.

Sec. 14. Minnesota Statutes 2020, section 41A.16, subdivision 5, is amended to read:

Subd. 5. **Agricultural cellulosic biomass sourcing plan.** (a) An eligible producer who utilizes agricultural cellulosic biomass other than corn kernel fiber or biogas must submit a responsible biomass sourcing plan for approval by the commissioner prior to applying for payments under this section. The commissioner shall make the plan publicly available. The plan must:

(1) provide a detailed explanation of how agricultural cellulosic biomass will be produced and managed in a way that preserves soil quality, does not increase soil and nutrient runoff, avoids introduction of harmful invasive species, limits negative impacts on wildlife habitat, and reduces greenhouse gas emissions;

(2) include the producer's approach to verifying that biomass suppliers are following the plan;

(3) discuss how new technologies and practices that are not yet commercially viable may be encouraged and adopted during the life of the facility, and how the producer will encourage continuous improvement during the life of the project;

(4) include specific numeric goals and timelines for making progress;

(5) require agronomic practices that result in a positive Natural Resources Conservation Service Soil Conditioning Index score for acres from which biomass from corn stover will be harvested; and

(6) include biennial soil sampling to verify maintained or increased levels of soil organic matter.

(b) An eligible producer who utilizes agricultural cellulosic biomass and receives payments under this section shall submit an annual report on the producer's responsible biomass sourcing plan to the commissioner by January 15 each year. The report must include data on progress made by the producer in meeting specific goals laid out in the plan. The commissioner shall make the report publicly available. The commissioner shall perform an annual review of submitted reports and may make a determination that the producer is not following the plan based on the reports submitted. The commissioner may take appropriate steps, including reducing or ceasing payments, until the producer is in compliance with the plan.

Sec. 15. Minnesota Statutes 2020, section 41A.17, subdivision 4, is amended to read:

Subd. 4. **Agricultural cellulosic biomass sourcing plan.** (a) An eligible producer who utilizes agricultural cellulosic biomass other than corn kernel fiber or biogas must submit a responsible biomass sourcing plan to the commissioner prior to applying for payments under this section. The plan must:

(1) provide a detailed explanation of how agricultural cellulosic biomass will be produced and managed in a way that preserves soil quality, does not increase soil and nutrient runoff, avoids introduction of harmful invasive species, limits negative impacts on wildlife habitat, and reduces greenhouse gas emissions;

(2) include the producer's approach to verifying that biomass suppliers are following the plan;

(3) discuss how new technologies and practices that are not yet commercially viable may be encouraged and adopted during the life of the facility, and how the producer will encourage continuous improvement during the life of the project; and

(4) include specific numeric goals and timelines for making progress.

(b) An eligible producer who utilizes agricultural cellulosic biomass and receives payments under this section shall submit an annual report on the producer's responsible biomass sourcing plan to the commissioner by January 15 each year. The report must include data on progress made by the producer in meeting specific goals laid out in the plan. The commissioner shall make the report publicly available. The commissioner shall perform an annual review of submitted reports and may make a determination that the producer is not following the plan based on the reports submitted. The commissioner may take appropriate steps, including reducing or ceasing payments, until the producer is in compliance with the plan.

Sec. 16. Minnesota Statutes 2020, section 116.07, subdivision 7, is amended to read:

Subd. 7. Counties; processing applications for animal lot permits. (a) Any Minnesota county board may, by resolution, with approval of the Pollution Control Agency, assume responsibility for processing applications for permits required by the Pollution Control Agency under this section for livestock feedlots, poultry lots or other animal lots. The responsibility for permit application processing, if assumed by a county, may be delegated by the county board to any appropriate county officer or employee.

(b) For the purposes of this subdivision, the term "processing" includes:

(1) the distribution to applicants of forms provided by the Pollution Control Agency;

(2) the receipt and examination of completed application forms, and the certification, in writing, to the Pollution Control Agency either that the animal lot facility for which a permit is sought by an applicant will comply with applicable rules and standards, or, if the facility will not comply, the respects in which a variance would be required for the issuance of a permit; and

(3) rendering to applicants, upon request, assistance necessary for the proper completion of an application.

(c) For the purposes of this subdivision, the term "processing" may include, at the option of the county board, issuing, denying, modifying, imposing conditions upon, or revoking permits pursuant to the provisions of this section or rules promulgated pursuant to it, subject to review, suspension, and reversal by the Pollution Control Agency. The Pollution Control Agency shall, after written notification, have 15 days to review, suspend, modify, or reverse the issuance of the permit. After this period, the action of the county board is final, subject to appeal as provided in chapter 14. For

permit applications filed after October 1, 2001, section 15.99 applies to feedlot permits issued by the agency or a county pursuant to this subdivision.

(d) For the purpose of administration of rules adopted under this subdivision, the commissioner and the agency may provide exceptions for cases where the owner of a feedlot has specific written plans to close the feedlot within five years. These exceptions include waiving requirements for major capital improvements.

(e) For purposes of this subdivision, a discharge caused by an extraordinary natural event such as a precipitation event of greater magnitude than the 25-year, 24-hour event, tornado, or flood in excess of the 100-year flood is not a "direct discharge of pollutants."

(f) In adopting and enforcing rules under this subdivision, the commissioner shall cooperate closely with other governmental agencies.

(g) The Pollution Control Agency shall work with the Minnesota Extension Service, the Department of Agriculture, the Board of Water and Soil Resources, producer groups, local units of government, as well as with appropriate federal agencies such as the Natural Resources Conservation Service and the Farm Service Agency, to notify and educate producers of rules under this subdivision at the time the rules are being developed and adopted and at least every two years thereafter.

(h) The Pollution Control Agency shall adopt rules governing the issuance and denial of permits for livestock feedlots, poultry lots or other animal lots pursuant to this section. Pastures are exempt from the rules authorized under this paragraph. ~~No feedlot permit shall include any terms or conditions that impose any requirements related to any pastures owned or utilized by the feedlot operator other than restrictions under a manure management plan.~~ A feedlot permit is not required for livestock feedlots with more than ten but less than 50 animal units; provided they are not in shoreland areas. A livestock feedlot permit does not become required solely because of a change in the ownership of the buildings, grounds, or feedlot. These rules apply both to permits issued by counties and to permits issued by the Pollution Control Agency directly. No feedlot permit issued by the Pollution Control Agency shall include terms or conditions that:

(1) impose requirements related to pastures owned or used by the feedlot operator other than restrictions under a manure management plan;

(2) prohibit application of solid manure during February and March;

(3) require establishing a cover crop as a condition of allowing application of manure in September; or

(4) require implementing nitrogen best management practices as a condition of allowing application of manure in October.

(i) The Pollution Control Agency shall exercise supervising authority with respect to the processing of animal lot permit applications by a county.

(j) Any new rules or amendments to existing rules proposed under the authority granted in this subdivision, or to implement new fees on animal feedlots, must be submitted to the members of legislative policy and finance committees with jurisdiction over agriculture and the environment

prior to final adoption. The rules must not become effective until 90 days after the proposed rules are submitted to the members.

(k) Until new rules are adopted that provide for plans for manure storage structures, any plans for a liquid manure storage structure must be prepared or approved by a registered professional engineer or a United States Department of Agriculture, Natural Resources Conservation Service employee.

(l) A county may adopt by ordinance standards for animal feedlots that are more stringent than standards in Pollution Control Agency rules.

(m) After January 1, 2001, a county that has not accepted delegation of the feedlot permit program must hold a public meeting prior to the agency issuing a feedlot permit for a feedlot facility with 300 or more animal units, unless another public meeting has been held with regard to the feedlot facility to be permitted.

(n) After the proposed rules published in the State Register, volume 24, number 25, are finally adopted, the agency may not impose additional conditions as a part of a feedlot permit, unless specifically required by law or agreed to by the feedlot operator.

(o) For the purposes of feedlot permitting, a discharge from land-applied manure or a manure stockpile that is managed according to agency rule must not be subject to a fine for a discharge violation.

(p) For the purposes of feedlot permitting, manure that is land applied, or a manure stockpile that is managed according to agency rule, must not be considered a discharge into waters of the state, unless the discharge is to waters of the state, as defined by section 103G.005, subdivision 17, except type 1 or type 2 wetlands, as defined in section 103G.005, subdivision 17b, and does not meet discharge standards established for feedlots under agency rule.

(q) Unless the upgrade is needed to correct an immediate public health threat under section 145A.04, subdivision 8, or the facility is determined to be a concentrated animal feeding operation under Code of Federal Regulations, title 40, section 122.23, in effect on April 15, 2003, the agency may not require a feedlot operator:

(1) to spend more than \$3,000 to upgrade an existing feedlot with less than 300 animal units unless cost-share money is available to the feedlot operator for 75 percent of the cost of the upgrade; or

(2) to spend more than \$10,000 to upgrade an existing feedlot with between 300 and 500 animal units, unless cost-share money is available to the feedlot operator for 75 percent of the cost of the upgrade or \$50,000, whichever is less.

(r) A feedlot operator who stores and applies up to 100,000 gallons per calendar year of private truck wash wastewater resulting from trucks that transport animals or supplies to and from the feedlot does not require a permit to land-apply industrial by-products if the feedlot operator stores and applies the wastewater in accordance with Pollution Control Agency requirements for land applications of industrial by-product that do not require a permit.

(s) A feedlot operator who holds a permit from the Pollution Control Agency to land-apply industrial by-products from a private truck wash is not required to have a certified land applicator apply the private truck wash wastewater if the wastewater is applied by the feedlot operator to cropland owned or leased by the feedlot operator or by a commercial animal waste technician licensed by the commissioner of agriculture under chapter 18C. For purposes of this paragraph and paragraph (r), "private truck wash" means a truck washing facility owned or leased, operated, and used only by a feedlot operator to wash trucks owned or leased by the feedlot operator and used to transport animals or supplies to and from the feedlot.

EFFECTIVE DATE. This section is effective retroactively from February 1, 2021.

Sec. 17. Minnesota Statutes 2020, section 156.12, subdivision 2, is amended to read:

Subd. 2. **Authorized activities.** No provision of this chapter shall be construed to prohibit:

(a) a person from rendering necessary gratuitous assistance in the treatment of any animal when the assistance does not amount to prescribing, testing for, or diagnosing, operating, or vaccinating and when the attendance of a licensed veterinarian cannot be procured;

(b) a person who is a regular student in an accredited or approved college of veterinary medicine from performing duties or actions assigned by instructors or preceptors or working under the direct supervision of a licensed veterinarian;

(c) a veterinarian regularly licensed in another jurisdiction from consulting with a licensed veterinarian in this state;

(d) the owner of an animal and the owner's regular employee from caring for and administering to the animal belonging to the owner, except where the ownership of the animal was transferred for purposes of circumventing this chapter;

(e) veterinarians who are in compliance with subdivision 6 and who are employed by the University of Minnesota from performing their duties with the College of Veterinary Medicine, College of Agriculture, Agricultural Experiment Station, Agricultural Extension Service, Medical School, School of Public Health, or other unit within the university; or a person from lecturing or giving instructions or demonstrations at the university or in connection with a continuing education course or seminar to veterinarians or pathologists at the University of Minnesota Veterinary Diagnostic Laboratory;

(f) any person from selling or applying any pesticide, insecticide or herbicide;

(g) any person from engaging in bona fide scientific research or investigations which reasonably requires experimentation involving animals;

(h) any employee of a licensed veterinarian from performing duties other than diagnosis, prescription or surgical correction under the direction and supervision of the veterinarian, who shall be responsible for the performance of the employee;

(i) a graduate of a foreign college of veterinary medicine from working under the direct personal instruction, control, or supervision of a veterinarian faculty member of the College of Veterinary

Medicine, University of Minnesota in order to complete the requirements necessary to obtain an ECFVG or PAVE certificate;

(j) a licensed chiropractor registered under section 148.01, subdivision 1a, from practicing animal chiropractic; or

(k) a person certified by the Emergency Medical Services Regulatory Board under chapter 144E from providing emergency medical care to a police dog wounded in the line of duty.

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

Sec. 18. **AMENDING PERMITS TO CONFORM WITH ACT.**

The commissioner of the Pollution Control Agency must, when necessary, amend all general and individual permits for feedlots to conform with Minnesota Statutes, section 116.07, subdivision 7, paragraph (h), as amended by section 16.

EFFECTIVE DATE. This section is effective retroactively from February 1, 2021.

Sec. 19. **DISCONTINUATION OF CURRENT ZONES.**

All disease management or endemic zones in effect on the effective date of this section that do not contain a chronic wasting disease positive cervid farm are discontinued.

ARTICLE 3

BROADBAND

Section 1. **APPROPRIATIONS.**

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

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2022</u>	<u>2023</u>
Sec. 2. <u>DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT</u>	<u>\$ 30,350,000</u>	<u>\$ 10,350,000</u>

(a) \$350,000 each year is for the Office of Broadband Development.

(b) \$30,000,000 the first year and \$10,000,000 the second year are appropriated from the general fund to the commissioner of employment and economic development for deposit in the border-to-border broadband fund account under Minnesota Statutes, section 116J.396. Of the amount in fiscal year 2022, \$10,000,000 must be used only to provide broadband service in unserved areas and broadband infrastructure as defined in Minnesota Statutes, section 116J.394, in underserved areas when used to provide service in unserved areas. Notwithstanding the limitation in Minnesota Statutes, section 116J.395, subdivision 7, paragraph (a), the grants are available for 55 percent of the total project cost if money is received from another nonstate entity for the project. The nonstate entity may include but is not limited to organized townships, cities, counties, foundations, nonprofits, school districts, or higher education institutions. Except as specified in this section, the appropriation must be used for grants and the purposes specified under Minnesota Statutes, sections 116J.395 and 116J.396. These are onetime appropriations.

(c) When allowed under federal law, the commissioner shall first use federal COVID-19-related relief funds of up to \$30,000,000 the first year and up to \$50,000,000 in the second year if federal funds are available for broadband before using state-appropriated money under this paragraph for similar services and expenses, except that the commissioner must not use Coronavirus State and Local Fiscal Recovery Funds from Public Law 117-2, title IX, subtitle M, section 9901, to satisfy the requirement under this paragraph.

Sec. 3. Minnesota Statutes 2020, section 116J.394, is amended to read:

116J.394 DEFINITIONS.

(a) For the purposes of sections 116J.394 to 116J.398, the following terms have the meanings given them.

(b) "Broadband" or "broadband service" has the meaning given in section 116J.39, subdivision 1, paragraph (b).

(c) "Broadband infrastructure" means networks of deployed telecommunications equipment and technologies necessary to provide high-speed Internet access and other advanced telecommunications services for end users.

(d) "Commissioner" means the commissioner of employment and economic development.

(e) "Last-mile infrastructure" means broadband infrastructure that serves as the final leg connecting the broadband service provider's network to the end-use customer's on-premises telecommunications equipment.

(f) "Middle-mile infrastructure" means broadband infrastructure that links a broadband service provider's core network infrastructure to last-mile infrastructure.

(g) "Political subdivision" means any county, city, town, school district, special district or other political subdivision, or public corporation.

(h) "Underserved areas" means areas of Minnesota in which households or businesses lack access to wire-line or fixed wireless broadband service at speeds of at least 100 megabits per second download and at least 20 megabits per second upload.

(i) "Unserved areas" means areas of Minnesota in which households or businesses lack access to wire-line or fixed wireless broadband service, as defined in section 116J.39.

Sec. 4. Minnesota Statutes 2020, section 116J.397, is amended to read:

116J.397 UPDATED BROADBAND DEPLOYMENT DATA AND MAPS.

(a) ~~Beginning in 2016 and continuing each year thereafter,~~ The Office of Broadband Development shall contract annually with one or more independent organizations that have extensive experience working with Minnesota broadband providers to:

(1) collect broadband deployment data reflecting all broadband delivery technologies from Minnesota providers, verify its accuracy through on-the-ground testing, and create state and county maps available to the public ~~by April 15, 2017, and each April 15 thereafter,~~ showing the availability of broadband service at various upload and download speeds throughout Minnesota;

(2) analyze the deployment data collected to help inform future investments in broadband infrastructure; and

(3) conduct business and residential surveys that measure broadband adoption and use in the state.

(b) Data provided by a broadband provider under this section is nonpublic data under section 13.02, subdivision 9. Maps produced under this paragraph are public data under section 13.03."

Delete the title and insert:

"A bill for an act relating to state government; establishing a budget for the Department of Agriculture, the Board of Animal Health, the Agricultural Utilization Research Institute, and broadband development; making policy and technical changes to various provisions related to agriculture, food, rural development, and broadband development, including provisions related to grants, loans, pesticides, feedlots, bioincentive programs, Cervidae, veterinary services, reports, and mapping; requiring reports; appropriating money; amending Minnesota Statutes 2020, sections 3.737, by adding a subdivision; 17.1017, subdivision 6; 18B.33, subdivision 1; 18E.04, subdivision 4; 28A.15, by adding a subdivision; 28A.152, subdivisions 1, 3, 4, 5; 31A.15, subdivision 1; 35.155, subdivisions 5, 11; 41A.16, subdivision 5; 41A.17, subdivision 4; 116.07, subdivision 7; 116J.394; 116J.397; 156.12, subdivision 2; Laws 2020, chapter 101, section 5, subdivisions 2, 7; proposing coding for new law in Minnesota Statutes, chapter 25."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

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

S.F. No. 1102: A bill for an act relating to taxation; modifying provisions related to state government; requiring proposed tax expenditures to expire; establishing a legislative Tax Expenditure Review Commission; providing appointments; modifying the Department of Revenue tax expenditure report requirements; amending Minnesota Statutes 2020, sections 3.192; 3.8853, subdivision 2; 270C.11, subdivisions 2, 4, 6; 270C.13, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 3.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on State Government Finance and Policy and Elections. Report adopted.

Senator Draheim from the Committee on Housing Finance and Policy, to which was referred

S.F. No. 969: A bill for an act relating to state government; establishing a budget for the Minnesota Housing Finance Agency; appropriating money.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

HOUSING APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

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

ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023.

APPROPRIATIONS
Available for the Year
Ending June 30
2022 **2023**

Sec. 2. **HOUSING FINANCE AGENCY**

Subdivision 1. **Total Appropriation** **\$** **57,798,000** **\$** **57,798,000**

(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.

Subd. 2. **Challenge Program** **11,925,000** **11,925,000**

This appropriation is for the economic development and housing challenge program under Minnesota Statutes, section 462A.33.

Subd. 3. **Workforce Housing Development** **2,000,000** **2,000,000**

This appropriation is for the Greater Minnesota workforce housing development program under Minnesota Statutes, section 462A.39. If requested by the applicant and approved by the agency, funded properties may include a portion of income and rent restricted units. Funded properties may include owner-occupied homes.

Subd. 4. **Manufactured Home Park Infrastructure Grants** **1,750,000** **1,750,000**

This appropriation is for manufactured home park infrastructure grants under Minnesota Statutes, section 462A.2035, subdivision 1b.

Subd. 5. <u>Workforce Homeownership Program</u>	<u>1,850,000</u>	<u>1,850,000</u>
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This appropriation is for the workforce homeownership program under Minnesota Statutes, section 462A.38.

Subd. 6. <u>Housing Trust Fund</u>	<u>11,646,000</u>	<u>11,646,000</u>
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This appropriation is for deposit in the housing trust fund account created under Minnesota Statutes, section 462A.201, and may be used for the purposes provided in that section.

Subd. 7. <u>Homework Starts with Home</u>	<u>1,750,000</u>	<u>1,750,000</u>
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This appropriation is for the homework starts with home program under Minnesota Statutes, sections 462A.201, subdivision 2, paragraph (a), clause (4), and 462A.204, subdivision 8, to provide assistance to homeless or highly mobile families with children eligible for enrollment in a prekindergarten through grade 12 academic program.

Subd. 8. <u>Rental Assistance for Mentally Ill</u>	<u>4,338,000</u>	<u>4,338,000</u>
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This appropriation is for the rental housing assistance program for persons with a mental illness or families with an adult member with a mental illness under Minnesota Statutes, section 462A.2097. Among comparable proposals, the agency shall prioritize those proposals that target, in part, eligible persons who desire to move to more integrated, community-based settings.

Subd. 9. <u>Family Homeless Prevention</u>	<u>10,269,000</u>	<u>10,269,000</u>
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This appropriation is for the family homeless prevention and assistance programs under Minnesota Statutes, section 462A.204.

Subd. 10. <u>Home Ownership Assistance Fund</u>	<u>885,000</u>	<u>885,000</u>
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This appropriation is for the home ownership assistance program under Minnesota Statutes, section 462A.21, subdivision 8. The agency shall continue to strengthen its efforts to address the disparity gap in the

homeownership rate between white households and Indigenous American Indians and communities of color. To better understand and address the disparity gap, the agency is required to collect, on a voluntary basis, demographic information regarding race, color, national origin, and sex of applicants for agency programs intended to benefit homeowners and homebuyers.

<u>Subd. 11. Affordable Rental Investment Fund</u>	<u>4,218,000</u>	<u>4,218,000</u>
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(a) This appropriation is for the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b, to finance the acquisition, rehabilitation, and debt restructuring of federally assisted rental property and for making equity take-out loans under Minnesota Statutes, section 462A.05, subdivision 39.

(b) The owner of federally assisted rental property must agree to participate in the applicable federally assisted housing program and to extend any existing low-income affordability restrictions on the housing for the maximum term permitted.

(c) The appropriation also may be used to finance the acquisition, rehabilitation, and debt restructuring of existing supportive housing properties and naturally occurring affordable housing as determined by the commissioner. For purposes of this paragraph, "supportive housing" means affordable rental housing with links to services necessary for individuals, youth, and families with children to maintain housing stability.

<u>Subd. 12. Owner-Occupied Housing Rehabilitation</u>	<u>2,772,000</u>	<u>2,772,000</u>
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(a) This appropriation is for the rehabilitation of owner-occupied housing under Minnesota Statutes, section 462A.05, subdivisions 14 and 14a.

(b) Notwithstanding any law to the contrary, grants or loans under this subdivision may be made without rent or income restrictions of owners or tenants. To the extent practicable, grants or loans must be made available statewide.

Subd. 13. Rental Housing Rehabilitation

2,743,000

2,743,000

(a) This appropriation is for the rehabilitation of eligible rental housing under Minnesota Statutes, section 462A.05, subdivision 14. In administering a rehabilitation program for rental housing, the agency may apply the processes and priorities adopted for administration of the economic development and housing challenge program under Minnesota Statutes, section 462A.33, and may provide grants or forgivable loans if approved by the agency.

(b) Notwithstanding any law to the contrary, grants or loans under this subdivision may be made without rent or income restrictions of owners or tenants. To the extent practicable, grants or loans must be made available statewide.

Subd. 14. Homeownership Education, Counseling, and Training

1,007,000

1,007,000

(a) This appropriation is for the homeownership education, counseling, and training program under Minnesota Statutes, section 462A.209.

(b) Of this amount, at least \$500,000 each year is for grant awards for applicants that will prioritize reducing the housing disparity gap in the homeownership rate between white households and Indigenous American Indians and communities of color. The commissioner may waive the statewide selection criteria under Minnesota Statutes, section 462A.209, subdivision 5, clause (1), in awarding grants under this paragraph.

Subd. 15. Capacity-Building Grants

645,000

645,000

This appropriation is for nonprofit capacity-building grants under Minnesota Statutes, section 462A.21, subdivision 3b. Of this amount, \$125,000 each year is for support of the Homeless Management Information System (HMIS), and \$85,000 in fiscal year 2022 and \$85,000 in fiscal year 2023 are for Open Access Connections.

Subd. 16. Availability and Transfer of Funds

(a) When allowed under federal law, the commissioner shall first use federal COVID-19-related relief funds for homelessness and support services before using state-appropriated money under subdivisions 6, 7, and 9 for similar services and expenses.

(b) When allowed under federal law, the commissioner shall first use federal COVID-19-related relief funds for housing counseling before using state-appropriated money under subdivision 14 for similar services and expenses.

(c) When allowed under federal law, the commissioner shall first use federal emergency rental assistance funds for persons or grant recipients that would otherwise qualify for rental assistance under subdivisions 6 to 9.

(d) By August 1, 2022, the commissioner shall transfer any unused amount from the fiscal year 2022 appropriations in subdivisions 6 to 9, and 14 due to the first use of federal funds under paragraphs (a) to (c) to the workforce homeownership program under subdivision 5. By September 30, 2022, the commissioner shall report the transfers under this paragraph to the legislature.

Subd. 17. Prohibition of Grant Funds for Hiring a Lobbyist

No grant funds awarded by the agency may be used to hire a lobbyist as defined in

Minnesota Statutes, section 10A.01, subdivision 21.

Sec. 3. USE OF FEDERAL FUNDS FOR HOMEOWNER ASSISTANCE.

The commissioner of management and budget shall not use any money received by the state from the Homeowner Assistance Fund under Public Law 117-2, the American Rescue Plan, to reimburse the federal coronavirus relief fund for money allocated to the Housing Finance Agency according to the federal coronavirus relief fund action order number 44 that was approved by the commissioner on July 27, 2020.

Sec. 4. HOUSING AFFORDABILITY FUND; FISCAL YEARS 2022 AND 2023 ALLOCATIONS.

(a) At least 25 percent of the allocations from the Housing Finance Agency's housing affordability fund, or Pool 3, in fiscal years 2022 and 2023 shall be for distribution to the workforce homeownership program under Minnesota Statutes, section 462A.38, and the manufactured home park infrastructure grants under Minnesota Statutes, section 462A.2035, subdivision 1b, as determined by the agency. This amount shall not be used for loans or other financing programs. The agency shall prioritize allocations under this paragraph to programs that will address the disparity gap in the homeownership rate between white households and Indigenous American Indians and communities of color. This allocation shall remain until June 1, 2023, after which any money remaining in the set-aside shall be available to all eligible projects as determined by the agency. No money from the allocation under this paragraph may be used to administer this program.

(b) By June 30, 2022, and June 30, 2023, the commissioner of the Housing Finance Agency shall report to the legislature the following for the allocation of housing affordability funds under paragraph (a) for:

(1) the number and amount of grants issued for single-family homes, townhomes, and manufactured homes;

(2) the number and amount of grants issued by income categories;

(3) the number and amount of grants issued by race or ethnic categories; and

(4) the number and amount of grants issued by county.

(c) Nothing in this section shall impair the obligation of the agency to use funds in Pool 3 to satisfy its obligations to holders of bonds secured by the general obligation pledge of the agency to suggested use of agency resources.

ARTICLE 2

HOUSING POLICY

Section 1. Minnesota Statutes 2020, section 12A.09, subdivision 3, is amended to read:

Subd. 3. **Capacity building grants.** Grants may be made under section 462A.21, subdivision 3b₂:

(1) to local units of government, including regional consortia, in the disaster area ~~and~~;

(2) to nonprofit organizations; and

(3) to federally recognized American Indian Tribes or subdivisions located in Minnesota and Tribal housing corporations

working in the disaster area to assess housing and related needs, develop and implement community or regional plans to meet those needs, and provide capacity to implement recovery plans.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 2. **[168A.141] MANUFACTURED HOME AFFIXED TO REAL PROPERTY OWNED BY COOPERATIVE.**

Subdivision 1. **Certificates surrendered for cancellation; cooperatives.** (a) When a manufactured home is to be affixed or is affixed, as defined in section 273.125, subdivision 8, paragraph (b), to real property owned by a Minnesota nonprofit corporation or a Minnesota cooperative, the owner of the manufactured home may surrender the manufacturer's certificate of origin or certificate of title to the department for cancellation so that the manufactured home becomes an improvement to real property and is no longer titled as personal property. The department must not issue a certificate of title for a manufactured home under chapter 168A if the manufacturer's certificate of origin is or has been surrendered under this subdivision, except as provided in section 168A.142. Upon surrender of the manufacturer's certificate of origin or the certificate of title, the department must issue notice of surrender to the owner, and upon recording an affidavit of affixation, which the county recorder or registrar of titles, as applicable, must accept, the manufactured home is deemed to be an improvement to real property. An affidavit of affixation by the owner of the manufactured home must include the following information:

(1) the name, residence address, and mailing address of owner or owners of the manufactured home;

(2) the legal description of the real property in which the manufactured home is, or will be, located;

(3) a copy of the surrendered manufacturer's certificate of origin or certificate of title and the notice of surrender;

(4) a written statement from the county auditor or county treasurer of the county where the manufactured home is located stating that all property taxes payable in the current year, as provided under section 273.125, subdivision 8, paragraph (b), have been paid, or are not applicable; and

(5) the signature of the person who executes the affidavit, properly executed before a person authorized to authenticate an affidavit in this state.

(b) A certified copy of the affidavit must be delivered to the county auditor of the county in which the real property to which the manufactured home was affixed is located.

(c) The department is not liable for any errors, omissions, misstatements, or other deficiencies or inaccuracies in documents presented to the department under this section, if the documents presented appear to satisfy the requirements of this section. The department has no obligation to investigate the accuracy of statements contained in the documents.

Subd. 2. **Affidavit form; cooperatives.** An affidavit of affixation must be in substantially the following form and must contain the following information.

MANUFACTURED HOME AFFIDAVIT OF AFFIXATION IN A COOPERATIVE

PURSUANT TO MINNESOTA STATUTES, SECTION 168A.1411

Homeowner, being duly sworn, on his or her oath, states as follows:

1. Homeowner owns the manufactured home ("home") described as follows:

.....

<u>New/Used</u>	<u>Year</u>	<u>Manufacturer's Name</u>	<u>Model Name or Model No.</u>	<u>Manufacturer's Serial No.</u>	<u>Length/Width</u>
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2. A copy of the surrendered manufacturer's certificate of origin or certificate of title is attached.

3. A copy of the notice of surrender issued from the Minnesota Department of Public Safety Driver and Vehicle Services is attached.

4. The home is or will be located at the following "Property Address":

.....
Street or Route City County State Zip Code

5. The legal description of the property address ("land") is as follows or as attached hereto:

.....
.....
.....

6. The owner of the land is a Minnesota nonprofit corporation or Minnesota cooperative that owns the land and whose membership entitles the homeowner to occupy a specific portion of the land.

7. The home is, or will be promptly upon delivery, anchored to the land by attachment to a permanent foundation and connected to appropriate residential utilities (e.g., water, gas, electricity, sewer).

8. The homeowner intends that the home be an immovable permanent improvement to the land, free of any personal property security interest.

9. A copy of the written statement from the county auditor or county treasurer of the county in which the manufactured home is then located, stating that all property taxes payable in the current year (pursuant to Minnesota Statutes, section 273.125, subdivision 8, paragraph (b)), have been paid, or are not applicable, is attached.

10. The home is intended to be assessed and taxed as an improvement to the land.

Signed and sworn to (or affirmed) before me on (date) by (names of homeowner(s))

.....
Homeowner Signature

Address

.....
Printed Name

City, State

.....
Homeowner Signature (if applicable)

.....
Printed Name

This instrument was drafted by, and when recorded return to:

.....
.....
.....

Subscribed and sworn to before me this day of,

.....
Signature of Notary Public or Other Official

Notary Stamp or Seal

(optional)

Lender's Statement of Intent:

The undersigned ("lender") intends that the home be immovable and a permanent improvement to the land free of any personal property security interest.

.....
Lender

By:

Authorized Signature

STATE OF

.....) ss:

COUNTY OF

On the day of in the year before me, the undersigned, a Notary Public in and for said state, personally appeared

.....
personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the

instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

.....

Notary Signature

.....

Notary Printed Name

Notary Public, State of

Qualified in the County of

My commission expires

Official seal:

[only if the owner of the land is a Minnesota nonprofit corporation or cooperative]:

The undersigned is the of, a Minnesota [nonprofit corporation or cooperative], which owns the land described above. I hereby certify that the homeowner described above is a member of the [nonprofit corporation or cooperative] whose membership entitles the homeowner to occupy [insert legal description of the homeowner's lot or, if the corporation or cooperative has filed a scaled drawing as permitted by subdivision 5, below, Lot shown on such scaled drawing].

.....

Signature block for nonprofit or cooperative

.....

Acknowledgment of officer of nonprofit or cooperative

Subd. 3. **Perfected security interest prevents surrender.** The department may not cancel a certificate of title if, under this chapter, a security interest has been perfected on the manufactured home. If a security interest has been perfected, the department must notify the owner that each secured party must release or satisfy the security interest prior to proceeding with surrender of the manufacturer's certificate of origin or certificate of title to the department for cancellation. Permanent attachment to real property or the recording of an affidavit of affixation does not extinguish an otherwise valid security interest in or tax lien on the manufactured home, unless the requirements of subdivisions 1 to 3, including the release of any security interest, have been satisfied.

Subd. 4. **Notice of security interest.** When a perfected security interest exists, or will exist, on the manufactured home at the time the manufactured home is affixed to real property, and the owner has not satisfied the requirements of subdivision 1, the owner of the manufactured home, or its secured party, may record a notice with the county recorder, or with the registrar of titles, if the land is registered, stating that the manufactured home located on the property is encumbered by a perfected security interest and is not an improvement to real property. The notice must state the name and address of the secured party as set forth on the certificate of title, the legal description of the real property, and the name and address of the record fee owner of the real property on which the manufactured home is affixed. When the security interest is released or satisfied, the secured party must attach a copy of the release or satisfaction to a notice executed by the secured party containing the county recorder or registrar of titles document number of the notice of security interest. The notice of release or satisfaction must be recorded with the county recorder, or registrar of titles,

if the land is registered. Neither the notice described in this subdivision nor the security interest on the certificate of title is deemed to be an encumbrance on the real property. The notices provided for in this subdivision need not be acknowledged.

Subd. 5. **Scaled drawing.** (a) If the portion of the land occupied by the homeowner has not been subdivided, the nonprofit or cooperative owner shall have prepared and recorded against the land a scaled drawing prepared by a licensed professional land surveyor, who shall certify that:

(1) the scaled drawing accurately depicts all information required by this subdivision; and

(2) the work was undertaken by, or reviewed and approved by, the certifying land surveyor.

(b) The scaled drawing shall show:

(1) the dimensions and location of all existing material structural improvements and roadways;

(2) the extent of any encroachments by or upon any portion of the land;

(3) the location and dimensions of all recorded easements within the land burdening any portion of the land;

(4) the distance and direction between noncontiguous parcels of real estate;

(5) the location and dimensions of the front, rear, and side boundaries of each lot that a member of the cooperative or nonprofit corporation has a right to occupy and that lot's unique lot number; and

(6) the legal description of the land.

Sec. 3. **[168A.1412] MANUFACTURED HOME AFFIXED TO REAL PROPERTY.**

Subdivision 1. **Manufactured home as real property.** A manufactured home may be made an improvement to real property, and no longer titled as personal property, pursuant to this section. A manufactured home constitutes an improvement to real property when:

(1) the manufactured home is to be affixed or is affixed, as defined in section 273.125, subdivision 8, paragraph (b), to the real property;

(2) the certificate of title is surrendered and canceled pursuant to subdivision 2 or the manufacturer's certificate or statement of origin is canceled pursuant to subdivision 3; and

(3) an affidavit of affixation pursuant to subdivision 5 is recorded with the county recorder or registrar of titles, as applicable.

Subd. 2. **Surrender of certificate of title.** (a) The owner of the manufactured home may surrender the manufacturer's certificate of title to the commissioner for cancellation. Upon receipt of the certificate of title, the commissioner must issue a notice of cancellation to the owner of the manufactured home. In the event the certificate of title is lost, stolen, mutilated, destroyed, or becomes illegible, the owner may submit a written request for cancellation of the title which includes the serial number of the manufactured home and states that the certificate of title is lost, stolen, mutilated,

destroyed, or has become illegible. Upon receipt of the request and verification of ownership in DVS records, the commissioner must issue a notice of cancellation to the owner of the manufactured home and must not require the owner to deliver the certificate of title or obtain a duplicate certificate of title. After canceling a certificate of title, the commissioner must not allow transfer of the title to the manufactured home as personal property. The commissioner must not require the owner of the manufactured home to deliver the affidavit of affixation described in subdivision 5 in order for the commissioner to issue a notice of cancellation.

(b) The commissioner must not cancel a certificate of title if, under this chapter, a security interest has been perfected on the manufactured home. If a security interest has been perfected, the commissioner must notify the owner of the manufactured home that each secured party must release or satisfy the security interest prior to cancellation of the certificate of title by the commissioner. Affixing the manufactured home to real property or the recording of an affidavit of affixation without cancellation of the certificate of title does not extinguish an otherwise valid security interest in or tax lien on the manufactured home.

Subd. 3. **Surrender of manufacturer's certificate of origin.** The owner of the manufactured home may surrender the manufacturer's certificate of origin to the commissioner for cancellation. Upon delivery of the original certificate of origin, the commissioner must issue notice of cancellation to the owner of the manufactured home. The commissioner must not issue a certificate of title for a manufactured home if the manufacturer's certificate of origin is or has been canceled under this subdivision, except as provided in section 168A.142. The commissioner must not require the owner of the manufactured home to deliver the affidavit of affixation described in subdivision 5 in order for the commissioner to cancel the certificate of origin.

Subd. 4. **Verification.** The commissioner is not liable for any errors, omissions, misstatements, or other deficiencies or inaccuracies in documents presented to the commissioner under this section if the documents presented appear to satisfy the requirements of this section. The commissioner has no obligation to investigate the accuracy of statements contained in the documents to verify that the manufactured home has been affixed to the real property.

Subd. 5. **Affidavit of affixation.** An affidavit of affixation must be in substantially the following form and must contain the following information and attachments described in the form. The county recorder or registrar of titles, as applicable, must accept any such affidavit. The county recorder or registrar of titles, as applicable, must provide a copy of the recorded affidavit of affixation to the county auditor of the county for the real property described therein or otherwise inform the county auditor that the home is to be taxed as an improvement to the real property to which it is affixed.

MANUFACTURED HOME AFFIDAVIT OF AFFIXATION

PURSUANT TO MINNESOTA STATUTES, SECTION 168A.1412

.....("Affiant"), being first duly sworn, on oath states, or affirms under penalties of perjury, that:

1. I am an owner of the manufactured home ("Manufactured Home") described as follows:

Manufacturer's name:

Make:

Model number:

Model year:

Serial number:

Dimensions:

Other descriptive information (if any):

2. The Manufactured Home is or will be (check one) affixed, in accordance with Minnesota Statutes, section 273.125, subdivision 8, to real property in County, Minnesota, with the street address of:

Street or route:

City:

State:

Zip code:

and legally described as follows ("Land"):

.....

.....

.....

Check here if all or part of the described real property is Registered (Torrens)

3. A copy of the notice of cancellation issued from the Minnesota Department of Public Safety Driver and Vehicle Services pursuant to Minnesota Statutes, section 168A.1412, subdivision 2 or 3, is attached.

4. The owner(s) of the Manufactured Home is/are the owner(s) of the Land.

5. The Affiant makes this affidavit to demonstrate that the Manufactured Home is an improvement to real property, no longer titled as personal property, and free of any personal property security interest.

Affiant

.....
 (Signature)

Signed and sworn to (or affirmed) before me this day of,

Notary Stamp or Seal

.....
 Signature of notarial officer Title (and Rank):
 My commission expires:

This instrument was drafted by, and when recorded return to

.....

Subd. 6. Notice of security interest. When a perfected security interest exists, or will exist, on the manufactured home at the time the manufactured home is affixed to real property, and the owner

has not satisfied the requirements of subdivision 1, the owner of the manufactured home, or its secured party, may record a notice with the county recorder, or with the registrar of titles, if the land is registered, stating that the manufactured home located on the property is encumbered by a perfected security interest and is not an improvement to real property. The notice must state the name and address of the secured party as set forth on the certificate of title, the legal description of the real property, and the name and address of the record fee owner of the real property on which the manufactured home is affixed. When the security interest is released or satisfied, the secured party must attach a copy of the release or satisfaction to a notice executed by the secured party containing the county recorder or registrar of titles document number of the notice of security interest. The notice of release or satisfaction must be recorded with the county recorder, or registrar of titles, if the land is registered. Neither the notice described in this subdivision nor the security interest on the certificate of title is deemed to be an encumbrance on the real property. The notices provided for in this subdivision need not be acknowledged.

Sec. 4. Minnesota Statutes 2020, section 273.11, subdivision 12, is amended to read:

Subd. 12. **Community land trusts.** (a) A community land trust, as defined under chapter 462A, is (i) a community-based nonprofit corporation organized under chapter 317A, which qualifies for tax exempt status under 501(c)(3), or (ii) a "city" as defined in section 462C.02, subdivision 6, which has received funding from the Minnesota housing finance agency for purposes of the community land trust program. The Minnesota Housing Finance Agency shall set the criteria for community land trusts.

(b) ~~All occupants of a community land trust building must have a family income of less than 80 percent of the greater of (1) the state median income, or (2) the area or county median income, as most recently determined by the Department of Housing and Urban Development. Before the community land trust can rent or sell a unit to an applicant, the community land trust shall verify to the satisfaction of the administering agency or the city that the family income of each person or family applying for a unit in the community land trust building is within the income criteria provided in this paragraph section 462A.30, subdivision 9. The administering agency or the city shall verify to the satisfaction of the county assessor that the occupant meets the income criteria under this paragraph section 462A.30, subdivision 9. The property tax benefits under paragraph (c) shall be granted only to property owned or rented by persons or families within the qualifying income limits. The family income criteria and verification is only necessary at the time of initial occupancy in the property.~~

(c) A unit which is owned by the occupant and used as a homestead by the occupant qualifies for homestead treatment as class 1a under section 273.13, subdivision 22. A unit which is rented by the occupant and used as a homestead by the occupant shall be class 4a or 4b property, under section 273.13, subdivision 25, whichever is applicable. Any remaining portion of the property not used for residential purposes shall be classified by the assessor in the appropriate class based upon the use of that portion of the property owned by the community land trust. The land upon which the building is located shall be assessed at the same classification rate as the units within the building, provided that if the building contains some units assessed as class 1a and some units assessed as class 4a or 4b, the market value of the land will be assessed in the same proportions as the value of the building.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 5. Minnesota Statutes 2020, section 273.125, subdivision 8, is amended to read:

Subd. 8. Manufactured homes; sectional structures. (a) In this section, "manufactured home" means a structure transportable in one or more sections, which is built on a permanent chassis, and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and contains the plumbing, heating, air conditioning, and electrical systems in it. Manufactured home includes any accessory structure that is an addition or supplement to the manufactured home and, when installed, becomes a part of the manufactured home.

(b) Except as provided in paragraph (c), a manufactured home that meets each of the following criteria must be valued and assessed as an improvement to real property, the appropriate real property classification applies, and the valuation is subject to review and the taxes payable in the manner provided for real property:

(1) the owner of the unit holds title to the land on which it is situated is held by: (i) the owner of the unit; or (ii) a Minnesota nonprofit corporation or a Minnesota cooperative to which the owner is a member;

(2) the unit is affixed to the land by a permanent foundation or is installed at its location in accordance with the Manufactured Home Building Code in sections 327.31 to 327.34, and rules adopted under those sections, or is affixed to the land like other real property in the taxing district; and

(3) the unit is connected to public utilities, has a well and septic tank system, or is serviced by water and sewer facilities comparable to other real property in the taxing district.

(c) A manufactured home that meets each of the following criteria must be assessed at the rate provided by the appropriate real property classification but must be treated as personal property, and the valuation is subject to review and the taxes payable in the manner provided in this section:

(1) the owner of the unit is a lessee of the land under the terms of a lease, or the unit is located in a manufactured home park but is not the homestead of the park owner;

(2) the unit is affixed to the land by a permanent foundation or is installed at its location in accordance with the Manufactured Home Building Code contained in sections 327.31 to 327.34, and the rules adopted under those sections, or is affixed to the land like other real property in the taxing district; and

(3) the unit is connected to public utilities, has a well and septic tank system, or is serviced by water and sewer facilities comparable to other real property in the taxing district.

(d) Sectional structures must be valued and assessed as an improvement to real property if the owner of the structure holds title to the land on which it is located or is a qualifying lessee of the land under section 273.19. In this paragraph "sectional structure" means a building or structural unit that has been in whole or substantial part manufactured or constructed at an off-site location to be wholly or partially assembled on site alone or with other units and attached to a permanent foundation.

(e) The commissioner of revenue may adopt rules under the Administrative Procedure Act to establish additional criteria for the classification of manufactured homes and sectional structures under this subdivision.

(f) A storage shed, deck, or similar improvement constructed on property that is leased or rented as a site for a manufactured home, sectional structure, park trailer, or travel trailer is taxable as provided in this section. In the case of property that is leased or rented as a site for a travel trailer, a storage shed, deck, or similar improvement on the site that is considered personal property under this paragraph is taxable only if its total estimated market value is over \$10,000. The property is taxable as personal property to the lessee of the site if it is not owned by the owner of the site. The property is taxable as real estate if it is owned by the owner of the site. As a condition of permitting the owner of the manufactured home, sectional structure, park trailer, or travel trailer to construct improvements on the leased or rented site, the owner of the site must obtain the permanent home address of the lessee or user of the site. The site owner must provide the name and address to the assessor upon request.

Sec. 6. Minnesota Statutes 2020, section 326B.106, subdivision 7, is amended to read:

Subd. 7. **Window fall prevention device code.** (a) The commissioner of labor and industry shall adopt rules for window fall prevention devices as part of the State Building Code. Window fall prevention devices include, but are not limited to, safety screens, hardware, guards, and other devices that comply with the standards established by the commissioner of labor and industry. The rules shall require compliance with standards for window fall prevention devices developed by ASTM International, contained in the International Building Code as the model language with amendments deemed necessary to coordinate with the other adopted building codes in Minnesota. The rules shall establish a scope that includes the applicable building occupancies, and the types, locations, and sizes of windows that will require the installation of fall devices.

(b) In one- and two-family dwellings and townhouses, as defined in Minnesota Rules, part 1309.0202, subpart 1, window fall prevention devices are not required when: (1) the lowest part of the window opening of an operable window is a minimum of 24 inches above the finished floor of the room in which the window is located; or (2) the lowest part of the opening of an operable window is located 72 inches or less above the exterior grade below.

Sec. 7. Minnesota Statutes 2020, section 462.352, subdivision 5, is amended to read:

Subd. 5. **Comprehensive municipal plan.** (a) "Comprehensive municipal plan" means a compilation of policy statements, goals, standards, and maps for guiding the physical, social and economic development, both private and public, of the municipality and its environs, and may include, but is not limited to, the following: statements of policies, goals, standards, a land use plan, including proposed densities for development, a community facilities plan, a transportation plan, and recommendations for plan execution. A comprehensive plan represents the planning agency's recommendations for the future development of the community.

(b) As part of the comprehensive municipal plan, municipalities are encouraged to enact public policy to facilitate the development of unsubsidized affordable housing. These policies may include but are not limited to the municipal plan authorizing smaller lot sizes for single-family homes,

allowing the construction of duplexes through fourplexes on lots that would otherwise be zoned exclusively for single-family houses, and allowing for mixed-use development.

Sec. 8. **[462.3575] LIMITING REGULATIONS ON RESIDENTIAL DEVELOPMENT.**

Subdivision 1. **Application.** This section applies to official controls adopted under sections 462.357, 462.358, and 462.3595.

Subd. 2. **Planned unit development.** (a) A municipality shall not require a planned unit development agreement in lieu of a proposed residential development if the proposed residential development complies with the existing city zoning ordinances, subdivision regulation, or qualifies as a conditional use.

(b) A municipality shall not require planned unit development agreement conditions that exceed the requirements in the State Building Code under chapter 326B.

(c) A planned unit development agreement must be made available to the public by posting the agreement on the website of the municipality at least seven days prior to the governing body's review of the agreement. If the municipality does not have a website, a copy of the planned unit development agreement must be available for review at the city hall building of the municipality. If the agreement is approved by the governing body, the agreement cannot be modified unless all parties to the agreement concur.

Subd. 3. **Limitation on aesthetic mandates.** A municipality shall not condition approval of a building permit, subdivision development, or planned unit development on the use of specific materials, design, amenities, or other aesthetic conditions that are not required by the State Building Code under chapter 326B.

Subd. 4. **Exception.** This section shall not apply to a proposed residential development that is to be developed by the municipality.

Sec. 9. Minnesota Statutes 2020, 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. The loans may be insured or uninsured and may be made with security, or may be unsecured, as the agency deems advisable. The loans may be in addition to or in combination with long-term eligible mortgage loans under subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness secured by the property, if refinancing is determined by the agency to be necessary to permit the owner to meet the owner's housing cost without expending an unreasonable portion of the owner's income thereon. No loan for rehabilitation shall be made unless the agency determines that the loan will be used primarily to make the housing more desirable to live in, to increase the market value of the housing, for compliance with state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing, or to accomplish energy conservation related improvements. In unincorporated areas and municipalities not having codes and standards, the agency may, solely for the purpose of administering the provisions

of this chapter, establish codes and standards. ~~Except for accessibility improvements under this subdivision and subdivisions 14a and 24, clause (1), no secured loan for rehabilitation of any owner-occupied property shall be made in an amount which, with all other existing indebtedness secured by the property, would exceed 110 percent of its market value, as determined by the agency.~~ No loan under this subdivision for the rehabilitation of owner-occupied housing shall be denied solely because the loan will not be used for placing the owner-occupied residential housing in full compliance with all state, county, or municipal building, housing maintenance, fire, health, or similar codes and standards applicable to housing. Rehabilitation loans shall be made only when the agency determines that financing is not otherwise available, in whole or in part, from private lenders upon equivalent terms and conditions. Accessibility rehabilitation loans authorized under this subdivision may be made to eligible persons and families without limitations relating to the maximum incomes of the borrowers if:

(1) the borrower or a member of the borrower's family requires a level of care provided in a hospital, skilled nursing facility, or intermediate care facility for persons with developmental disabilities;

(2) home care is appropriate; and

(3) the improvement will enable the borrower or a member of the borrower's family to reside in the housing.

The agency may waive any requirement that the housing units in a residential housing development be rented to persons of low and moderate income if the development consists of four or less dwelling units, one of which is occupied by the owner.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 10. Minnesota Statutes 2020, 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 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 ~~\$27,000~~ \$40,000, 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 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.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 11. Minnesota Statutes 2020, section 462A.07, subdivision 2, is amended to read:

Subd. 2. **Technical assistance; residential housing.** It may provide general technical services and support to assist in the planning, processing, design, construction or rehabilitation, and inspection of residential housing for occupancy by persons and families of low and moderate income and to increase the capacity of entities to meet the housing needs in the state.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 12. Minnesota Statutes 2020, section 462A.204, subdivision 3, is amended to read:

Subd. 3. **Set aside.** At least one grant must be awarded in an area located outside of the metropolitan area. A county, a group of contiguous counties jointly acting together, a Tribe, a group of Tribes, or a community-based nonprofit organization ~~with a sponsoring resolution from each of the county boards of the counties located within its operating jurisdiction~~ may apply for and receive grants ~~for areas located outside the metropolitan area.~~

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

Sec. 13. Minnesota Statutes 2020, section 462A.24, is amended to read:

462A.24 CONSTRUCTION; GRANTS AND LOANS; PRIORITIES.

(a) This chapter is necessary for the welfare of the state of Minnesota and its inhabitants; therefore, it shall be liberally construed to effect its purpose.

(b) To the extent practicable, the agency shall award grant and loan amounts with a reasonable balance between nonmetropolitan and metropolitan areas of the state.

(c) Beginning with applications made in response to requests for proposals issued after July 1, 2020, after final decisions are made on applications for programs of the agency, the results of any quantitative scoring system used to rank applications shall be posted on the agency website.

(d) The agency shall award points in the agency's decision-making criteria for all programs of the agency based on how quickly a project can be constructed.

Sec. 14. Minnesota Statutes 2020, section 462A.30, subdivision 9, is amended to read:

Subd. 9. **Persons and families of low and moderate income.** "Persons and families of low and moderate income" means persons or families whose income does not exceed:

(1) ~~80~~ 115 percent of the greater of state median income, or area or county median income as determined by the Department of Housing and Urban Development; or

(2) the amount that qualifies the organization for tax exempt status under United States Code, title 26, section 501(c)(3), whichever is less.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 15. Minnesota Statutes 2020, section 462A.37, subdivision 1, is amended to read:

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

(b) "Abandoned property" has the meaning given in section 117.025, subdivision 5.

(c) "Community land trust" means an entity that meets the requirements of section 462A.31, subdivisions 1 and 2.

(d) "Debt service" means the amount payable in any fiscal year of principal, premium, if any, and interest on housing infrastructure bonds and the fees, charges, and expenses related to the bonds.

(e) "Foreclosed property" means residential property where foreclosure proceedings have been initiated or have been completed and title transferred or where title is transferred in lieu of foreclosure.

(f) "Housing infrastructure bonds" means bonds issued by the agency under this chapter that:

(1) are qualified 501(c)(3) bonds, within the meaning of section 145(a) of the Internal Revenue Code;

(2) finance qualified residential rental projects within the meaning of section 142(d) of the Internal Revenue Code;

(3) finance the construction or rehabilitation of single-family houses that qualify for mortgage financing within the meaning of section 143 of the Internal Revenue Code; or

(4) are tax-exempt bonds that are not private activity bonds, within the meaning of section 141(a) of the Internal Revenue Code, for the purpose of financing or refinancing affordable housing authorized under this chapter.

(g) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

(h) "Senior" means a person 55 years of age or older ~~with an annual income not greater than 50 percent of:~~

~~(1) the metropolitan area median income for persons in the metropolitan area; or~~

~~(2) the statewide median income for persons outside the metropolitan area.~~

(i) "Senior household" means a household with one or more senior members and with a combined annual income not greater than 50 percent of:

(1) the metropolitan area median income for persons in the metropolitan area; or

(2) the statewide median income for persons outside the metropolitan area.

~~(j)~~(j) "Senior housing" means housing intended and operated for occupancy by ~~at least one senior per unit senior households~~ with at least 80 percent of the units occupied by ~~at least one senior per unit senior households~~, and for which there is publication of, and adherence to, policies and procedures that demonstrate an intent by the owner or manager to provide housing for seniors. Senior housing may be developed in conjunction with and as a distinct portion of mixed-income senior housing developments that use a variety of public or private financing sources.

~~(k)~~(k) "Supportive housing" means housing that is not time-limited and provides or coordinates with linkages to services necessary for residents to maintain housing stability and maximize opportunities for education and employment.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 16. Minnesota Statutes 2020, section 462A.37, subdivision 2, is amended to read:

Subd. 2. **Authorization.** (a) The agency may issue up to \$30,000,000 in aggregate principal amount of housing infrastructure bonds in one or more series to which the payment made under this section may be pledged. The housing infrastructure bonds authorized in this subdivision may be issued to fund loans, or grants for the purposes of clause (4), on terms and conditions the agency deems appropriate, made for one or more of the following purposes:

(1) to finance the costs of the construction, acquisition, and rehabilitation of supportive housing for individuals and families who are without a permanent residence;

(2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned housing to be used for affordable rental housing and the costs of new construction of rental housing on abandoned or foreclosed property where the existing structures will be demolished or removed;

(3) to finance that portion of the costs of acquisition of property that is attributable to the land to be leased by community land trusts to low- and moderate-income home buyers;

(4) to finance the acquisition, improvement, and infrastructure of manufactured home parks under section 462A.2035, subdivision 1b;

(5) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction of senior housing;

(6) to finance the costs of acquisition and rehabilitation of federally assisted rental housing and for the refinancing of costs of the construction, acquisition, and rehabilitation of federally assisted rental housing, including providing funds to refund, in whole or in part, outstanding bonds previously issued by the agency or another government unit to finance or refinance such costs; and

(7) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction of single-family housing.

(b) Among comparable proposals for permanent supportive housing, preference shall be given to permanent supportive housing for veterans and other individuals or families who:

(1) either have been without a permanent residence for at least 12 months or at least four times in the last three years; or

(2) are at significant risk of lacking a permanent residence for 12 months or at least four times in the last three years.

(c) Among comparable proposals for senior housing, the agency must give priority to requests for projects that:

(1) demonstrate a commitment to maintaining the housing financed as affordable to ~~seniors~~ senior households;

(2) leverage other sources of funding to finance the project, including the use of low-income housing tax credits;

(3) provide access to services to residents and demonstrate the ability to increase physical supports and support services as residents age and experience increasing levels of disability; and

~~(4) provide a service plan containing the elements of clause (3) reviewed by the housing authority, economic development authority, public housing authority, or community development agency that has an area of operation for the jurisdiction in which the project is located; and~~

~~(5)~~(4) include households with incomes that do not exceed 30 percent of the median household income for the metropolitan area.

To the extent practicable, the agency shall balance the loans made between projects in the metropolitan area and projects outside the metropolitan area. Of the loans made to projects outside the metropolitan area, the agency shall, to the extent practicable, balance the loans made between projects in counties or cities with a population of 20,000 or less, as established by the most recent decennial census, and projects in counties or cities with populations in excess of 20,000.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 17. Minnesota Statutes 2020, section 462A.38, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** A workforce and affordable homeownership development program is established to award homeownership development grants to:

(1) cities;

(2) counties;

(3) Tribal governments;

(4) nonprofit organizations;

(5) cooperatives created under chapter 308A or 308B; and

(6) community land trusts created for the purposes outlined in section 462A.31, subdivision 1,

for development of workforce and affordable homeownership projects. The purpose of the program is to increase the supply of workforce and affordable, owner-occupied multifamily or single-family housing throughout Minnesota.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 18. Minnesota Statutes 2020, section 462A.39, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The commissioner of Minnesota housing finance shall establish a workforce housing development program to award grants or deferred loans to eligible project areas to be used for qualified expenditures. Grants or deferred loans authorized under this section may be made without limitations relating to the maximum incomes of the renters or homeowners.

Sec. 19. Minnesota Statutes 2020, section 462A.39, subdivision 2, is amended to read:

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

(b) "Eligible project area" means a home rule charter or statutory city located outside of the metropolitan area as defined in section 473.121, subdivision 2, with a population exceeding 500; a community that has a combined population of 1,500 residents located within 15 miles of a home rule charter or statutory city located outside the metropolitan area as defined in section 473.121, subdivision 2; 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 owner-occupied housing or 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.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 20. Minnesota Statutes 2020, section 462A.39, subdivision 4, is amended to read:

Subd. 4. **Program requirements.** (a) The commissioner must not award a grant or deferred loans to an eligible project area under this section until the following determinations are made:

(1) the average vacancy rate for rental housing located in the eligible project area, and in any other city located within 15 miles or less of the boundaries of the area, has been five percent or less for at least the prior two-year period;

(2) one or more businesses located in the eligible project area, or within 25 miles of the area, that employs a minimum of 20 full-time equivalent employees in aggregate have provided a written statement to the eligible project area indicating that the lack of available ~~rental~~ housing has impeded their ability to recruit and hire employees; and

(3) the eligible project area has certified that the grants or deferred loans will be used for qualified expenditures for the development of ~~rental~~ housing to serve employees of businesses located in the eligible project area or surrounding area.

(b) Preference for grants or deferred loans awarded under this section shall be given to eligible project areas with less than 30,000 people.

(c) Among comparable proposals, preference must be given to projects with a higher proportion of units that are not income-restricted.

Sec. 21. Minnesota Statutes 2020, section 462A.39, subdivision 5, is amended to read:

Subd. 5. **Allocation.** The amount of a grant or deferred loans may not exceed 25 percent of the ~~rental~~ housing development project cost. The commissioner shall not award a grant or deferred loans to ~~a city~~ an eligible project area without certification by the ~~city~~ eligible project area that the amount of the grant or deferred loans shall be matched by:

(1) a local unit of government;

(2) a business, ~~or~~;

(3) a nonprofit organization; or

(4) a federally recognized Tribe

with \$1 for every \$2 provided in grant or deferred loans funds.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 22. **[462A.40] PROGRAM FOR MANUFACTURED HOME MORTGAGE FINANCING AND DOWN PAYMENT ASSISTANCE FOR CERTAIN MANUFACTURED HOMES.**

(a) By August 1, 2022, the agency, in conjunction with Fannie Mae's HomeReady program, or other federal mortgage programs that may authorize it, must develop and implement a program that offers mortgage financing and down payment assistance for purchasers of eligible manufactured homes.

(b) For purposes of this section "eligible manufactured homes" means a manufactured home titled as real property in this state and affixed to real property owned by a resident-owned community.

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

Sec. 23. Minnesota Statutes 2020, section 471.9996, subdivision 1, is amended to read:

Subdivision 1. **In-general Prohibition.** (a) No statutory or home rule charter city, county, or town may adopt or renew by ordinance or otherwise any law to control rents on private residential property except as provided in subdivision 2. This section does not impair the right of any statutory or home rule charter city, county, or town:

(1) to manage or control property in which it has a financial interest through a housing authority or similar agency;

(2) to contract with a property owner;

(3) to act as required or authorized by laws or regulations of the United States government or this state; or

(4) to mediate between property owners and tenants for the purpose of negotiating rents.

(b) Nothing in this section shall be deemed to limit or restrict the classification of low-income rental property as class 4d under section 273.13, subdivision 25.

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

Sec. 24. Minnesota Statutes 2020, section 474A.061, subdivision 2a, is amended to read:

Subd. 2a. **Housing pool allocation.** (a) Commencing on the second Tuesday in January and continuing on each Monday through the last Monday in June, the commissioner shall allocate available bonding authority from the housing pool to applications received on or before the Monday of the preceding week for residential rental projects that meet the eligibility criteria under section 474A.047. Allocations of available bonding authority from the housing pool for eligible residential rental projects shall be awarded in the following order of priority:

(1) preservation projects;

(2) 30 percent AMI residential rental projects;

(3) 50 percent AMI residential rental projects;

(4) 100 percent LIHTC projects;

(5) 20 percent LIHTC projects; and

(6) other residential rental projects for which the amount of bonds requested in their respective applications do not exceed the aggregate bond limitation.

If there are two or more applications for residential rental projects at the same priority level and there is insufficient bonding authority to provide allocations for all the projects in any one allocation period, available bonding authority shall be ~~randomly~~ awarded by ~~lot~~ giving preference for projects with a lower cost-per-unit of housing but only for projects that can receive the full amount of their respective requested allocations. If a residential rental project does not receive any of its requested allocation pursuant to this paragraph and the project applies for an allocation of bonds again in the same calendar year or to the next successive housing pool, the project shall be fully funded up to its original application request for bonding authority before any new project, applying in the same allocation period, that has an equal priority shall receive bonding authority. An issuer that receives an allocation under this paragraph must issue obligations equal to all or a portion of the allocation received on or before 180 days of the allocation. If an issuer that receives an allocation under this paragraph does not issue obligations equal to all or a portion of the allocation received within the time period provided in this paragraph or returns the allocation to the commissioner, the amount of

the allocation is canceled and returned for reallocation through the housing pool or to the unified pool after July 1.

(b) After January 1, and through January 15, The Minnesota Housing Finance Agency may accept applications from cities for single-family housing programs which meet program requirements as follows:

(1) the housing program must meet a locally identified housing need and be economically viable;

(2) the adjusted income of home buyers may not exceed 80 percent of the greater of statewide or area median income as published by the Department of Housing and Urban Development, adjusted for household size;

(3) house price limits may not exceed the federal price limits established for mortgage revenue bond programs. Data on the home purchase price amount, mortgage amount, income, household size, and race of the households served in the previous year's single-family housing program, if any, must be included in each application; and

(4) for applicants who choose to have the agency issue bonds on their behalf, an application fee pursuant to section 474A.03, subdivision 4, and an application deposit equal to one percent of the requested allocation must be submitted to the Minnesota Housing Finance Agency before the agency forwards the list specifying the amounts allocated to the commissioner under paragraph (d). The agency shall submit the city's application fee and application deposit to the commissioner when requesting an allocation from the housing pool.

Applications by a consortium shall include the name of each member of the consortium and the amount of allocation requested by each member.

(c) Any amounts remaining in the housing pool after June 15 are available for single-family housing programs for cities that applied in January and received an allocation under this section in the same calendar year. For a city that chooses to issue bonds on its own behalf or pursuant to a joint powers agreement, the agency must allot available bonding authority based on the formula in paragraphs (d) and (f). Allocations will be made loan by loan, on a first-come, first-served basis among cities on whose behalf the Minnesota Housing Finance Agency issues bonds.

Any city that received an allocation pursuant to paragraph (f) in the same calendar year that wishes to issue bonds on its own behalf or pursuant to a joint powers agreement for an amount becoming available for single-family housing programs after June 15 shall notify the Minnesota Housing Finance Agency by June 15. The Minnesota Housing Finance Agency shall notify each city making a request of the amount of its allocation within three business days after June 15. The city must comply with paragraph (f).

For purposes of paragraphs (a) to (h), "city" means a county or a consortium of local government units that agree through a joint powers agreement to apply together for single-family housing programs, and has the meaning given it in section 462C.02, subdivision 6. "Agency" means the Minnesota Housing Finance Agency.

(d) The total amount of allocation for mortgage bonds for one city is limited to the lesser of: (i) the amount requested, or (ii) the product of the total amount available for mortgage bonds from the

housing pool, multiplied by the ratio of each applicant's population as determined by the most recent estimate of the city's population released by the state demographer's office to the total of all the applicants' population, except that each applicant shall be allocated a minimum of \$100,000 regardless of the amount requested or the amount determined under the formula in clause (ii). If a city applying for an allocation is located within a county that has also applied for an allocation, the city's population will be deducted from the county's population in calculating the amount of allocations under this paragraph.

Upon determining the amount of each applicant's allocation, the agency shall forward to the commissioner a list specifying the amounts allotted to each application with all application fees and deposits from applicants who choose to have the agency issue bonds on their behalf.

Total allocations from the housing pool for single-family housing programs may not exceed 27 percent of the adjusted allocation to the housing pool until after June 15 in 2020 and 2021, after which the allocations may not exceed 31 percent of the adjusted allocation to the housing pool until after June 15.

(e) The agency may issue bonds on behalf of participating cities. The agency shall request an allocation from the commissioner for all applicants who choose to have the agency issue bonds on their behalf and the commissioner shall allocate the requested amount to the agency. The agency may request an allocation at any time after the second Tuesday in January and through the last Monday in June. After awarding an allocation and receiving a notice of issuance for the mortgage bonds issued on behalf of the participating cities, the commissioner shall transfer the application deposits to the Minnesota Housing Finance Agency to be returned to the participating cities. The Minnesota Housing Finance Agency shall return any application deposit to a city that paid an application deposit under paragraph (b), clause (4), but was not part of the list forwarded to the commissioner under paragraph (d).

(f) A city may choose to issue bonds on its own behalf or through a joint powers agreement and may request an allocation from the commissioner by forwarding an application with an application fee pursuant to section 474A.03, subdivision 4, and a one percent application deposit to the commissioner no later than the Monday of the week preceding an allocation. If the total amount requested by all applicants exceeds the amount available in the pool, the city may not receive a greater allocation than the amount it would have received under the list forwarded by the Minnesota Housing Finance Agency to the commissioner. No city may request or receive an allocation from the commissioner until the list under paragraph (d) has been forwarded to the commissioner. A city must request an allocation from the commissioner no later than the last Monday in June. No city may receive an allocation from the housing pool for mortgage bonds which has not first applied to the Minnesota Housing Finance Agency. The commissioner shall allocate the requested amount to the city or cities subject to the limitations under this paragraph.

If a city issues mortgage bonds from an allocation received under this paragraph, the issuer must provide for the recycling of funds into new loans. If the issuer is not able to provide for recycling, the issuer must notify the commissioner in writing of the reason that recycling was not possible and the reason the issuer elected not to have the Minnesota Housing Finance Agency issue the bonds. "Recycling" means the use of money generated from the repayment and prepayment of loans for further eligible loans or for the redemption of bonds and the issuance of current refunding bonds.

(g) No entitlement city or county or city in an entitlement county may apply for or be allocated authority to issue mortgage bonds or use mortgage credit certificates from the housing pool. No city in an entitlement county may apply for or be allocated authority to issue residential rental bonds from the housing pool or the unified pool.

(h) A city that does not use at least 50 percent of its allotment by the date applications are due for the first allocation that is made from the housing pool for single-family housing programs in the immediately succeeding calendar year may not apply to the housing pool for a single-family mortgage bond or mortgage credit certificate program allocation that exceeds the amount of its allotment for the preceding year that was used by the city in the immediately preceding year or receive an allotment from the housing pool in the succeeding calendar year that exceeds the amount of its allotment for the preceding year that was used in the preceding year. The minimum allotment is \$100,000 for an allocation made prior to June 15, regardless of the amount used in the preceding calendar year, except that a city whose allocation in the preceding year was the minimum amount of \$100,000 and who did not use at least 50 percent of its allocation from the preceding year is ineligible for an allocation in the immediate succeeding calendar year. Each local government unit in a consortium must meet the requirements of this paragraph.

EFFECTIVE DATE. This section is effective January 1, 2022.

Sec. 25. Minnesota Statutes 2020, section 474A.091, subdivision 3, is amended to read:

Subd. 3. **Allocation procedure.** (a) The commissioner shall allocate available bonding authority under this section on the Monday of every other week beginning with the first Monday in July through and on the last Monday in November. Applications for allocations must be received by the department by 4:30 p.m. on the Monday preceding the Monday on which allocations are to be made. If a Monday falls on a holiday, the allocation will be made or the applications must be received by the next business day after the holiday.

(b) Prior to October 1, only the following applications shall be awarded allocations from the unified pool. Allocations shall be awarded in the following order of priority:

- (1) applications for residential rental project bonds;
- (2) applications for small issue bonds for manufacturing projects; and
- (3) applications for small issue bonds for agricultural development bond loan projects.

(c) On the first Monday in October through the last Monday in November, allocations shall be awarded from the unified pool in the following order of priority:

- (1) applications for student loan bonds issued by or on behalf of the Minnesota Office of Higher Education;
- (2) applications for mortgage bonds;
- (3) applications for public facility projects funded by public facility bonds;
- (4) applications for small issue bonds for manufacturing projects;

- (5) applications for small issue bonds for agricultural development bond loan projects;
- (6) applications for residential rental project bonds;
- (7) applications for enterprise zone facility bonds;
- (8) applications for governmental bonds; and
- (9) applications for redevelopment bonds.

(d) If there are two or more applications for manufacturing projects from the unified pool and there is insufficient bonding authority to provide allocations for all manufacturing projects in any one allocation period, the available bonding authority shall be awarded based on the number of points awarded a project under section 474A.045 with those projects receiving the greatest number of points receiving allocation first. If two or more applications for manufacturing projects receive an equal amount of points, available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

(e) If there are two or more applications for enterprise zone facility projects from the unified pool and there is insufficient bonding authority to provide allocations for all enterprise zone facility projects in any one allocation period, the available bonding authority shall be awarded based on the number of points awarded a project under section 474A.045 with those projects receiving the greatest number of points receiving allocation first. If two or more applications for enterprise zone facility projects receive an equal amount of points, available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

(f) If there are two or more applications for residential rental projects from the unified pool and there is insufficient bonding authority to provide allocations for all residential rental projects in any one allocation period, the available bonding authority shall be awarded in the following order of priority: (1) preservation projects; (2) 30 percent AMI residential rental projects; (3) 50 percent AMI residential rental projects for which the amount of bonds requested in their respective applications do not exceed the aggregate bond limitations; (4) 100 percent LIHTC projects; (5) 20 percent LIHTC projects; and (6) other residential rental projects. If there are two or more applications for residential rental projects at the same priority level and there is insufficient bonding authority to provide allocations for all the projects in any one allocation period, available bonding authority shall be ~~randomly~~ awarded by lot giving preference for projects with a lower cost-per-unit of housing but only for projects that can receive the full amount of their respective requested allocations. If a residential rental project does not receive any of its requested allocation pursuant to this paragraph and the project applies in the next successive housing pool or the next successive unified pool for an allocation of bonds, the project shall be fully funded up to its original application request for bonding authority before any new project, applying in the same allocation period, that has an equal priority shall receive bonding authority.

(g) From the first Monday in July through the last Monday in November, \$20,000,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the small issue pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the small issue pool for that year, whichever is less, is reserved within the unified pool for small issue bonds to the extent the amounts are available within the unified pool.

(h) The total amount of allocations for mortgage bonds from the housing pool and the unified pool may not exceed:

- (1) \$10,000,000 for any one city; or
- (2) \$20,000,000 for any number of cities in any one county.

(i) The total amount of allocations for student loan bonds from the unified pool may not exceed \$25,000,000 per year.

(j) If there is insufficient bonding authority to fund all projects within any qualified bond category other than enterprise zone facility projects, manufacturing projects, and residential rental projects, allocations shall be awarded by lot unless otherwise agreed to by the respective issuers.

(k) If an application is rejected, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted.

(l) The granting of an allocation of bonding authority under this section must be evidenced by issuance of a certificate of allocation.

EFFECTIVE DATE. This section is effective January 1, 2022.

Sec. 26. **REVISOR INSTRUCTION.**

The revisor of statutes must change all cross-references to Minnesota Statutes, section 168A.141, to Minnesota Statutes, section 168A.1412.

Sec. 27. **REPEALER.**

(a) Minnesota Statutes 2020, section 168A.141, is repealed.

(b) Minnesota Statutes 2020, section 471.9996, subdivision 2, is repealed.

EFFECTIVE DATE. Paragraph (a) is effective August 1, 2021. Paragraph (b) is effective the day following final enactment.

ARTICLE 3

EVICTION MORATORIUM PHASEOUT

Section 1. Minnesota Statutes 2020, section 12.46, is amended to read:

12.46 LIMITATION OF POWERS.

Nothing in this chapter authorizes the governor or the director:

(1) by subpoena or otherwise to require any person to appear before any person or to produce any records for inspection by any person, or to examine any person under oath; ~~and~~

(2) to remove summarily from office any person, other than a person appointed under this chapter, except as now provided by law or as herein specifically authorized; and

(3) to supersede or modify the requirements of chapter 504B.

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

Sec. 2. **EXECUTIVE ORDER 20-79 VOID.**

Notwithstanding Minnesota Statutes, chapter 12, or any other law to the contrary, Executive Order 20-79 is null and void.

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

Sec. 3. **EVICTION MORATORIUM PHASEOUT.**

(a) Notwithstanding any other law, the following actions are prohibited:

(1) filing of eviction actions under Minnesota Statutes, section 504B.285 or 504B.291, except:

(i) where the tenant seriously endangers the safety of others or significantly damages property;

(ii) for violations under Minnesota Statutes, section 504B.171, subdivision 1;

(iii) from and after 45 days after the date of enactment of this act, eviction actions are permitted for material breaches of the lease other than nonpayment of rent for households with an annual income of 80 percent or less of the area median income, adjusted for family size; and

(iv) from and after 60 days after the date of enactment of this act, eviction actions are permitted for those with outstanding rent, but who are ineligible for rental assistance; and

(2) termination or nonrenewal of residential leases, except:

(i) at the request of a tenant or where the termination is due to the tenant seriously endangering the safety of others or significantly damaging property;

(ii) for violations under Minnesota Statutes, section 504B.171, subdivision 1;

(iii) from and after 15 days after the date of enactment of this act, termination and nonrenewal of residential leases are permitted for material breaches of the lease other than nonpayment of rent for households with an annual income of 80 percent or less of the area median income, adjusted for family size; and

(iv) from and after 30 days after the date of enactment of this act, termination and nonrenewal of leases are permitted for those with outstanding rent, but who are ineligible for rental assistance.

(b) Nothing in this section shall prohibit an action where the tenant or occupant abandons the premises and relief is sought under Minnesota Statutes, section 504B.271 or 504B.365.

(c) Nothing in this section reduces the rent owed by the tenant to the landlord, prevents the landlord from collecting rent owed, or reduces arrears owed by a tenant for rent.

(d) This section expires 75 days after the date of enactment of this act.

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

Delete the title and insert:

"A bill for an act relating to state government; establishing a budget for the Minnesota Housing Finance Agency; modifying various housing policy provisions; providing for an eviction moratorium phaseout; requiring a report; appropriating money; amending Minnesota Statutes 2020, sections 12.46; 12A.09, subdivision 3; 273.11, subdivision 12; 273.125, subdivision 8; 326B.106, subdivision 7; 462.352, subdivision 5; 462A.05, subdivisions 14, 14a; 462A.07, subdivision 2; 462A.204, subdivision 3; 462A.24; 462A.30, subdivision 9; 462A.37, subdivisions 1, 2; 462A.38, subdivision 1; 462A.39, subdivisions 1, 2, 4, 5; 471.9996, subdivision 1; 474A.061, subdivision 2a; 474A.091, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 168A; 462; 462A; repealing Minnesota Statutes 2020, sections 168A.141; 471.9996, subdivision 2."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Ingebrigtsen from the Committee on Environment and Natural Resources Finance, to which was referred

S.F. No. 959: A bill for an act relating to state government; appropriating money for environment, natural resources, and tourism; modifying disposition of certain receipts, appropriations, funds, and accounts; modifying state park and fishing contest provisions; modifying and establishing fees; eliminating duplicate reporting; modifying certain grant programs; providing for environmental justice considerations; modifying requirements for labeling items as biodegradable or compostable; modifying enforcement authority; establishing Landfill Responsibility Act; modifying provisions for conveying state land interests; adding to and deleting from state parks and recreation areas; authorizing sales of certain state lands; amending Minnesota Statutes 2020, sections 16A.125, subdivision 5; 84.63; 84.943, subdivisions 3, 5, by adding a subdivision; 85.019, by adding a subdivision; 85.052, subdivisions 1, 6; 85.053, by adding a subdivision; 85.055, subdivision 1; 86B.415, subdivisions 1, 1a, 2, 3, 4, 5, 7; 92.502; 97A.075, subdivisions 1, 7; 97A.126, by adding a subdivision; 97A.475, subdivisions 2, 3, 3a, 4; 97A.485, subdivision 6; 97B.022, by adding a subdivision; 97B.715, subdivision 1; 97B.801; 97C.081, subdivisions 3, 3a; 115.03, subdivision 1; 115.071, subdivisions 1, 4, by adding subdivisions; 115A.03, by adding subdivisions; 115A.565, subdivision 1; 115B.421; 116.06, by adding subdivisions; 116.07, subdivisions 6, 9, by adding subdivisions; 116.11; 168.1295, subdivision 1; 325E.046; proposing coding for new law in Minnesota Statutes, chapters 115A; 116; repealing Minnesota Statutes 2020, section 115.44, subdivision 9.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS

Section 1. ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023. Appropriations for the fiscal year ending June 30, 2021, are effective the day following final enactment.

APPROPRIATIONS
Available for the Year
Ending June 30
2022 **2023**

Sec. 2. POLLUTION CONTROL AGENCY

Subdivision 1. Total Appropriation \$ 115,120,000 \$ 112,130,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	5,214,000	5,114,000
<u>State Government</u>		
<u>Special Revenue</u>	75,000	75,000
<u>Environmental</u>	91,941,000	90,651,000
<u>Remediation</u>	14,290,000	14,290,000
<u>Closed Landfill</u>		
<u>Investment</u>	3,600,000	2,000,000

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

The commissioner must present the agency's biennial budget for fiscal years 2024 and 2025 to the legislature in a transparent way by agency division, including the proposed budget bill and presentations of the budget to committees and divisions with jurisdiction over the agency's budget.

Subd. 2. Environmental Analysis and Outcomes 15,407,000 13,906,000

<u>Appropriations by Fund</u>		
	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>115,000</u>	<u>115,000</u>
<u>Environmental</u>	<u>15,091,000</u>	<u>13,590,000</u>
<u>Remediation</u>	<u>201,000</u>	<u>201,000</u>

(a) \$89,000 the first year and \$89,000 the second year are from the environmental fund for:

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

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

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

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

(b) \$205,000 the first year and \$205,000 the second year are from the environmental fund for air monitoring programs under Minnesota Statutes, section 116.454.

(c) \$115,000 the first year and \$115,000 the second year are for monitoring water quality and operating assistance programs.

(d) \$347,000 the first year and \$347,000 the second year are from the environmental fund for monitoring ambient air for hazardous pollutants.

(e) \$90,000 the first year and \$90,000 the second year are from the environmental fund for duties related to harmful chemicals in children's products under Minnesota Statutes, sections 116.9401 to 116.9407. Of this amount, \$57,000 each year is transferred to the commissioner of health.

(f) \$109,000 the first year and \$109,000 the second year are from the environmental fund for registering wastewater laboratories.

(g) \$926,000 the first year and \$926,000 the second year are from the environmental fund to continue perfluorochemical biomonitoring in eastern metropolitan communities, as recommended by the Environmental Health Tracking and Biomonitoring Advisory Panel, and to address other environmental health risks, including air quality. The communities must include Hmong and other immigrant farming communities. Of this amount, up to \$689,000 the first year and \$689,000 the second year are for transfer to the Department of Health.

(h) \$51,000 the first year and \$51,000 the second year are from the environmental fund for the listing procedures for impaired waters required under this act.

(i) \$141,000 the first year and \$141,000 the second year are from the environmental fund to implement and enforce Minnesota Statutes, section 325F.071. Of this amount, up to \$65,000 each year may be transferred to the commissioner of health.

(j) \$350,000 the first year is from the environmental fund for completing the St. Louis River Mercury Total Maximum Daily Load study. This is a onetime appropriation.

(k) \$500,000 the first year is from the environmental fund to develop and implement an initiative to reduce sources of perfluoroalkyl and polyfluoroalkyl substances (PFAS) in the environment that

are eventually conveyed to municipal wastewater treatment facilities. In developing and implementing the initiative, the commissioner must work in cooperation with the Department of Health and with an advisory group consisting of one representative designated by each of the following: the League of Minnesota Cities; the Coalition of Greater Minnesota Cities; the Minnesota Environmental Science and Economic Review Board; the Minnesota Municipal Utilities Association; Metropolitan Council Environmental Services; Minnesota Association of Small Cities; National Waste and Recycling Association; Minnesota Rural Water Association; Association of Minnesota Counties; Solid Waste Administrators Association; Partnership on Waste and Energy; Minnesota Resource Recovery Association; Minnesota InterCounty Association; Minnesota Manufacturer's Coalition; and the Association of Metropolitan Municipalities. In developing and implementing the municipal initiative, the commissioner must:

(1) identify sources of PFAS introduced into the environment that are eventually conveyed to municipal wastewater treatment facilities and contained in solid waste that are disposed at solid waste facilities;

(2) identify source reduction strategies that can effectively reduce the amount of PFAS entering the environment that are eventually conveyed to municipal wastewater treatment facilities or are disposed at solid waste facilities;

(3) publish and distribute throughout the state guidance documents for local governments that include education materials about effective strategies to reduce PFAS sources;

(4) identify issues for future study; and

(5) by January 31, 2023, report to the chairs and ranking minority members of the house

of representatives and senate committees and divisions with jurisdiction over the environment and natural resources on the development and implementation of the initiative. This is a onetime appropriation.

(l) \$128,000 the first year is from the environmental fund for an analysis of the Green Tier Program under article 2, section 151. This is a onetime appropriation.

(m) \$248,000 the first year and \$248,000 the second year are from the environmental fund for the state implementation plan revisions under article 2, section 152. This is a onetime appropriation.

(n) \$96,000 the first year and \$96,000 the second year are from the environmental fund for agency oversight of the mattress recycling program.

(o) \$671,000 the first year and \$41,000 the second year are from the environmental fund for whole effluent toxicity rulemaking under article 2, section 149.

Subd. 3. Industrial

15,604,000

15,773,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>Environmental</u>	<u>14,603,000</u>	<u>14,772,000</u>
<u>Remediation</u>	<u>1,001,000</u>	<u>1,001,000</u>

(a) \$1,001,000 the first year and \$1,001,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(b) \$393,000 the first year and \$393,000 the second year are from the environmental fund to further evaluate the use and reduction of trichloroethylene around Minnesota and

identify its potential health effects on communities. Of this amount, up to \$121,000 each year may be transferred to the commissioner of health.

Subd. 4. Municipal

8,611,000

8,611,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>Environmental</u>	<u>8,536,000</u>	<u>8,536,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>75,000</u>	<u>75,000</u>

(a) \$164,000 the first year and \$164,000 the second year are from the environmental fund for:

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

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

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

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

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

(c) \$952,000 the first year and \$952,000 the second year are from the environmental fund for subsurface sewage treatment system (SSTS) program administration and

community technical assistance and education, including grants and technical assistance to communities for water-quality protection. Of this amount, \$129,000 each year is for assistance to counties through grants for SSTS program administration. A county receiving a grant from this appropriation must submit the results achieved with the grant to the commissioner as part of its annual SSTS report. Any unexpended balance in the first year does not cancel but is available in the second year.

(d) \$784,000 the first year and \$784,000 the second year are from the environmental fund to address the need for continued increased activity in new technology review, technical assistance for local governments, and enforcement under Minnesota Statutes, sections 115.55 to 115.58, and to complete the requirements of Laws 2003, chapter 128, article 1, section 165.

(e) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2023, as grants or contracts for subsurface sewage treatment systems, surface water and groundwater assessments, storm water, and water-quality protection in this subdivision are available until June 30, 2026.

Subd. 5. Operations 10,015,000 9,928,000

	<u>Appropriations by Fund</u>	
	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>2,156,000</u>	<u>2,056,000</u>
<u>Environmental</u>	<u>5,778,000</u>	<u>5,791,000</u>
<u>Remediation</u>	<u>2,081,000</u>	<u>2,081,000</u>

(a) \$1,003,000 the first year and \$1,003,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same

annual amounts are transferred from the petroleum tank fund to the remediation fund.

(b) \$2,056,000 the first year and \$2,056,000 the second year are to support agency information technology services provided at the enterprise and agency level.

(c) \$800,000 the first year and \$800,000 the second year are from the environmental fund to develop and maintain systems to support permitting and regulatory business processes and agency data.

(d) \$100,000 the first year is for transfer to the commissioner of management and budget to prepay and defease any outstanding general obligation bonds used to acquire property, finance improvements and betterments, or pay any other associated financing costs at the Anoka-Ramsey closed landfill. This amount may be deposited, invested, and applied to accomplish the purposes of this paragraph as provided in Minnesota Statutes, section 475.67, subdivisions 5 to 10 and 13. Upon the prepayment and defeasance of all associated debt on the real property and improvements, all conditions set forth in Minnesota Statutes, section 16A.695, subdivision 3, shall be deemed to have been satisfied and the real property and improvements shall no longer constitute state bond financed property under Minnesota Statutes, section 16A.695. Any funds appropriated under this section that remain unexpended after the purposes in this paragraph have been met cancel to the general fund.

(e) Once the purposes in paragraph (d) have been met, the commissioner of the Pollution Control Agency may take actions and execute agreements to facilitate the beneficial reuse of the Anoka-Ramsey closed landfill, and may specifically authorize the installation of a solar energy generating system, as defined in Minnesota Statutes, section 216E.01, subdivision 9a, as a pilot project at the closed

landfill, to be owned and operated by a cooperative electric association that has more than 130,000 customers in Minnesota. The appropriation in paragraph (d) may not be used to finance the pilot project, procure land rights, or to manage the solar energy generating system.

(f) Upon completion of the pilot project described in paragraph (d), or by January 15, 2023, whichever is earlier, the commissioner of the Pollution Control Agency, in cooperation with the electric cooperative association, must report to the chairs and ranking minority members of the legislative committees with jurisdiction over capital investment, energy, and environment on the following:

(1) project accomplishments and milestones including any project growth, developments, or agreements that resulted from the project;

(2) challenges or barriers faced during development or after completion of the project;

(3) project financials, including expenses, utility agreements, and project viability; and

(4) replicability of the pilot project to other future closed landfill projects.

<u>Subd. 6. Remediation</u>	<u>14,881,000</u>	<u>13,281,000</u>
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<u>Appropriations by Fund</u>	<u>2022</u>	<u>2023</u>
<u>Environmental</u>	<u>508,000</u>	<u>508,000</u>
<u>Remediation</u>	<u>10,773,000</u>	<u>10,773,000</u>
<u>Closed Landfill Investment</u>	<u>3,600,000</u>	<u>2,000,000</u>

(a) All money for environmental response, compensation, and compliance in the remediation fund not otherwise appropriated is appropriated to the commissioners of the Pollution Control Agency and agriculture for purposes of Minnesota Statutes, section

115B.20, subdivision 2, clauses (1), (2), (3), (6), and (7). At the beginning of each fiscal year, the two commissioners must jointly submit to the commissioner of management and budget an annual spending plan that maximizes resource use and appropriately allocates the money between the two departments. This appropriation is available until June 30, 2023.

(b) \$363,000 the first year and \$363,000 the second year are from the environmental fund to manage contaminated sediment projects at multiple sites identified in the St. Louis River remedial action plan to restore water quality in the St. Louis River Area of Concern.

(c) \$3,198,000 the first year and \$3,198,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(d) \$257,000 the first year and \$257,000 the second year are from the remediation fund for transfer to the commissioner of health for private water-supply monitoring and health assessment costs in areas contaminated by unpermitted mixed municipal solid waste disposal facilities and drinking water advisories and public information activities for areas contaminated by hazardous releases.

(e) \$2,000,000 the first year and \$2,000,000 the second year are from the closed landfill investment fund for the closed landfill program. This is a onetime appropriation.

(f) \$1,600,000 the first year is from the closed landfill investment fund for the closed landfill emergency account under Minnesota

Statutes, section 115B.422. This is a onetime appropriation.

Subd. 7. Resource Management and Assistance 40,267,000 40,296,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>Environmental</u>	<u>40,267,000</u>	<u>40,296,000</u>

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

(b) \$700,000 the first year and \$700,000 the second year are from the environmental fund for competitive recycling grants under Minnesota Statutes, section 115A.565. This appropriation is available until June 30, 2025. Any unencumbered grant balances in the first year do not cancel but are available for grants in the second year.

(c) \$694,000 the first year and \$694,000 the second year are from the environmental fund for emission-reduction activities and grants to small businesses and other nonpoint-emission-reduction efforts. Of this amount, \$100,000 the first year and \$100,000 the second year are to continue work with Clean Air Minnesota, and the commissioner may enter into an agreement with Environmental Initiative to support this effort. Any unencumbered grant balances in the first year do not cancel but are available for grants in the second year.

(d) \$20,550,000 the first year and \$20,550,000 the second year are from the environmental fund for SCORE block grants to counties. Any unencumbered grant balances in the first year do not cancel but are available for grants in the second year.

(e) \$119,000 the first year and \$119,000 the second year are from the environmental fund for environmental assistance grants or loans

under Minnesota Statutes, section 115A.0716. Any unencumbered grant and loan balances in the first year do not cancel but are available for grants and loans in the second year.

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

(g) \$750,000 the first year and \$750,000 the second year are from the environmental fund for reducing and diverting food waste, redirecting edible food for consumption, and removing barriers to collecting and recovering organic waste. Of this amount, \$500,000 each year is for grants to increase food rescue and waste prevention. This appropriation is available until June 30, 2025. Any unencumbered grant balances in the first year do not cancel but are available for grants in the second year.

(h) \$2,719,000 the first year and \$2,719,000 the second year are from the environmental fund for the purposes of Minnesota Statutes, section 473.844.

(i) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2023, as contracts or grants for environmental assistance awarded under Minnesota Statutes, section 115A.0716; technical and research assistance under Minnesota Statutes, section 115A.152; technical assistance under Minnesota Statutes, section 115A.52; and pollution prevention assistance under Minnesota Statutes, section 115D.04, are available until June 30, 2025.

Subd. 8. Watershed

9,158,000

9,158,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>1,959,000</u>	<u>1,959,000</u>
<u>Environmental</u>	<u>6,965,000</u>	<u>6,965,000</u>

<u>Remediation</u>	<u>234,000</u>	<u>112,000</u>
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(a) \$1,959,000 the first year and \$1,959,000 the second year are for grants to delegated counties to administer the county feedlot program under Minnesota Statutes, section 116.0711, subdivisions 2 and 3. Money remaining after the first year is available for the second year.

(b) \$208,000 the first year and \$208,000 the second year are from the environmental fund for the costs of implementing general operating permits for feedlots over 1,000 animal units.

(c) \$122,000 the first year and \$122,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

Subd. 9. <u>Environmental Quality Board</u>	<u>1,177,000</u>	<u>1,177,000</u>
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Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>984,000</u>	<u>984,000</u>
<u>Environmental</u>	<u>193,000</u>	<u>193,000</u>

Subd. 10. Transfers

The commissioner must transfer up to \$44,000,000 from the environmental fund to the remediation fund for purposes of the remediation fund under Minnesota Statutes, section 116.155, subdivision 2.

Sec. 3. NATURAL RESOURCES

Subdivision 1. <u>Total Appropriation</u>	\$	<u>311,707,000</u>	\$	<u>307,882,000</u>
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Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>84,598,000</u>	<u>83,579,000</u>

<u>Natural Resources</u>	<u>109,352,000</u>	<u>107,697,000</u>
<u>Game and Fish</u>	<u>116,628,000</u>	<u>115,477,000</u>
<u>Remediation</u>	<u>111,000</u>	<u>111,000</u>
<u>Permanent School</u>	<u>1,018,000</u>	<u>1,018,000</u>

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

Subd. 2. <u>Land and Mineral Resources Management</u>	<u>6,404,000</u>	<u>6,404,000</u>
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Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>1,685,000</u>	<u>1,685,000</u>
<u>Natural Resources</u>	<u>4,157,000</u>	<u>4,157,000</u>
<u>Game and Fish</u>	<u>344,000</u>	<u>344,000</u>
<u>Permanent School</u>	<u>218,000</u>	<u>218,000</u>

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

(b) \$3,083,000 the first year and \$3,083,000 the second year are from the minerals management account in the natural resources fund for use as provided under Minnesota Statutes, section 93.2236, paragraph (c), for mineral resource management, projects to enhance future mineral income, and projects to promote new mineral-resource opportunities.

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

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

Subd. 3. Ecological and Water Resources 35,589,000 35,489,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>16,647,000</u>	<u>16,547,000</u>
<u>Natural Resources</u>	<u>12,281,000</u>	<u>12,281,000</u>
<u>Game and Fish</u>	<u>6,661,000</u>	<u>6,661,000</u>

(a) \$4,222,000 the first year and \$4,222,000 the second year are from the invasive species account in the natural resources fund, \$2,331,000 the first year and \$2,331,000 the second year are from the general fund, and \$500,000 the first year and \$500,000 the second year are from the heritage enhancement account in the game and fish fund for management, public awareness, assessment and monitoring research, and water access inspection to prevent the spread of invasive species; management of invasive plants in public waters; and management of terrestrial invasive species on state-administered lands.

(b) \$5,556,000 the first year and \$5,556,000 the second year are from the water management account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 103G.27, subdivision 2.

(c) \$124,000 the first year and \$124,000 the second year are for a grant to the Mississippi Headwaters Board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mississippi within areas under the board's jurisdiction.

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

(e) \$264,000 the first year and \$264,000 the second year are for grants for up to 50

percent of the cost of implementing the Red River mediation agreement.

(f) \$2,548,000 the first year and \$2,548,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified in Minnesota Statutes, section 297A.94, paragraph (h), clause (1).

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

(h) Notwithstanding Minnesota Statutes, section 84.943, \$50,000 the first year and \$50,000 the second year from the critical habitat private sector matching account may be used to publicize the critical habitat license plate match program.

(i) \$5,250,000 the first year and \$5,250,000 the second year are for the following activities:

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

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

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

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

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

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

(7) compliance and monitoring.

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

(k) \$100,000 the first year is for a grant to the city of Minneiska to dredge and remove sediment from the boat launch area of the Minneiska boat landing. This is a onetime appropriation.

(l) Notwithstanding Minnesota Statutes, section 297A.94, \$387,000 the first year and \$387,000 the second year are from the heritage enhancement account in the game and fish fund for additional costs associated with hydrological analyses for proposed water appropriation permit applications that have been denied due to the effects to a calcareous fen.

Subd. 4. Forest Management

51,352,000

49,932,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>32,406,000</u>	<u>31,486,000</u>
<u>Natural Resources</u>	<u>17,529,000</u>	<u>17,029,000</u>
<u>Game and Fish</u>	<u>1,417,000</u>	<u>1,417,000</u>

(a) \$7,521,000 the first year and \$7,521,000 the second year are for prevention, presuppression, and suppression costs of emergency firefighting and other costs incurred under Minnesota Statutes, section

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

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

(c) \$1,417,000 the first year and \$1,417,000 the second year are from the heritage enhancement account in the game and fish fund to advance ecological classification systems (ECS) scientific management tools for forest and invasive species management.

(d) \$829,000 the first year and \$829,000 the second year are for the Forest Resources Council to implement the Sustainable Forest Resources Act.

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

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

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

(h) \$500,000 the first year is from the forest management investment account in the natural resources fund for collecting light detection and ranging data for forest inventory. This is a onetime appropriation and is available until June 30, 2024.

(i) \$920,000 the first year is to refund timber permit payments under article 2, section 148. This is a onetime appropriation.

Subd. 5. Parks and Trails Management

90,273,000

89,118,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>26,480,000</u>	<u>26,480,000</u>
<u>Natural Resources</u>	<u>61,493,000</u>	<u>60,338,000</u>
<u>Game and Fish</u>	<u>2,300,000</u>	<u>2,300,000</u>

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

(b) \$7,685,000 the first year and \$6,685,000 the second year are from the natural resources fund for state trail, park, and recreation area operations. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (2).

(c) \$17,828,000 the first year and \$18,828,000 the second year are from the state parks account in the natural resources fund to operate and maintain state parks and state recreation areas.

(d) \$1,140,000 the first year and \$1,140,000 the second year are from the natural resources fund for park and trail grants to local units of government on land to be maintained for at least 20 years for parks or

trails. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (4). Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

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

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

(g) \$1,250,000 the first year and \$2,250,000 the second year are from the state land and water conservation account in the natural resources fund for priorities established by the commissioner for eligible state projects and administrative and planning activities consistent with Minnesota Statutes, section 84.0264, and the federal Land and Water Conservation Fund Act. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(h) \$950,000 the first year is appropriated from the all-terrain vehicle account in the natural resources fund to the commissioner of natural resources for a grant to St. Louis County to match other funding sources for design, right-of-way acquisition, permitting, and construction of Phase I of the Voyageur Country ATV Trail connections in the areas of Cook, Orr, Ash River, Kabetogama

Township, and International Falls to the Voyageur Country ATV Trail system. This is a onetime appropriation and is available until June 30, 2025.

(i) \$955,000 the first year is appropriated from the all-terrain vehicle account in the natural resources fund to the commissioner of natural resources for a grant to the city of Ely for new trail connections and a new bridge across the Beaver River connecting the Prospector trail system to the Taconite State Trail. This is a onetime appropriation and is available until June 30, 2025.

(j) \$250,000 the first year is appropriated from the all-terrain vehicle account in the natural resources fund for an all-terrain vehicle master plan. Of this amount, \$200,000 is for a statewide all-terrain vehicle trails master plan broken out by the Department of Natural Resources administrative regions, and \$50,000 is for an all-terrain vehicle trails and route inventory from all cooperating agencies with available data broken out by the Department of Natural Resources administrative regions. The all-terrain vehicle master plan and inventory must be completed by February 1, 2023. This is a onetime appropriation.

Subd. 6. Fish and Wildlife Management

79,577,000

78,427,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>Natural Resources</u>	<u>1,982,000</u>	<u>1,982,000</u>
<u>Game and Fish</u>	<u>77,595,000</u>	<u>76,445,000</u>

(a) \$8,658,000 the first year and \$8,658,000 the second year are from the heritage enhancement account in the game and fish fund only for activities specified under Minnesota Statutes, section 297A.94, paragraph (h), clause (1). Notwithstanding Minnesota Statutes, section 297A.94, five percent of this appropriation may be used for expanding hunter and angler recruitment and retention.

(b) \$2,950,000 the first year and \$1,950,000 the second year are from the game and fish fund for planning for and emergency response to disease outbreaks in wildlife. The commissioner and board must each submit quarterly reports on the activities funded under this paragraph to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources and agriculture.

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

(d) Notwithstanding Minnesota Statutes, section 297A.94, \$275,000 the first year and \$125,000 the second year are appropriated from the heritage enhancement account in the game and fish fund for shooting sports facility grants under Minnesota Statutes, section 87A.10, including grants for archery facilities. Grants must be matched with a nonstate match, which may include in-kind contributions. This is a onetime appropriation. Of the amount in the first year, \$50,000 is to upgrade the Department of Natural Resources shooting range database.

Subd. 7. Enforcement

47,145,000

47,145,000

	<u>Appropriations by Fund</u>	
	<u>2022</u>	<u>2023</u>
General	<u>7,193,000</u>	<u>7,194,000</u>
Natural Resources	<u>11,530,000</u>	<u>11,530,000</u>
Game and Fish	<u>28,311,000</u>	<u>28,310,000</u>
Remediation	<u>111,000</u>	<u>111,000</u>

(a) \$1,550,000 the first year and \$1,550,000 the second year are from the general fund for enforcement efforts to prevent the spread of aquatic invasive species.

(b) \$1,748,000 the first year and \$1,748,000 the second year are from the heritage

enhancement account in the game and fish fund for only the purposes specified under Minnesota Statutes, section 297A.94, paragraph (h), clause (1).

(c) \$1,082,000 the first year and \$1,082,000 the second year are from the water recreation account in the natural resources fund for grants to counties for boat and water safety. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

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

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

(f) \$510,000 the first year and \$510,000 the second year are from the natural resources fund for grants to county law enforcement agencies for off-highway vehicle enforcement and public education activities based on off-highway vehicle use in the county. Of this amount, \$498,000 each year

is from the all-terrain vehicle account, \$11,000 each year is from the off-highway motorcycle account, and \$1,000 each year is from the off-road vehicle account. The county enforcement agencies may use money received under this appropriation to make grants to other local enforcement agencies within the county that have a high concentration of off-highway vehicle use. Of this appropriation, \$25,000 each year is for administering these grants. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(g) \$176,000 the first year and \$176,000 the second year are from the game and fish fund for an ice safety program.

Subd. 8. Pass Through Funds

1,367,000

1,367,000

	<u>Appropriations by Fund</u>	
	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>187,000</u>	<u>187,000</u>
<u>Natural Resources</u>	<u>380,000</u>	<u>380,000</u>
<u>Permanent School</u>	<u>800,000</u>	<u>800,000</u>

(a) \$380,000 the first year and \$380,000 the second year are from the natural resources fund for grants to be divided equally between the city of St. Paul for the Como Park Zoo and Conservatory and the city of Duluth for the Lake Superior Zoo. This appropriation is from revenue deposited to the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (5).

(b) \$187,000 the first year and \$187,000 the second year are for the Office of School Trust Lands.

(c) \$300,000 the first year and \$300,000 the second year are transferred from the forestry suspense account to the permanent school fund, and are appropriated from the permanent school fund for the Office of School Trust Lands.

(d) \$500,000 the first year and \$500,000 the second year are transferred from the forest suspense account to the permanent school fund, and are appropriated from the permanent school fund for the Office of School Trust Lands for costs related to the Boundary Waters Canoe Area Wilderness land exchanges. This is a onetime appropriation.

Sec. 4. BOARD OF WATER AND SOIL RESOURCES

\$ 14,117,000 \$ 14,109,000

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

(b) \$3,116,000 the first year and \$3,116,000 the second year are for grants and payments to soil and water conservation districts for the purposes of Minnesota Statutes, sections 103C.321 and 103C.331, and for general purposes, nonpoint engineering, and implementation and stewardship of the reinvest in Minnesota reserve program. Expenditures may be made from these appropriations for supplies and services benefiting soil and water conservation districts. Any district receiving a payment under this paragraph must maintain a web page that publishes, at a minimum, its annual report, annual audit, annual budget, and meeting notices.

(c) \$710,000 the first year and \$710,000 the second year are to implement, enforce, and provide oversight for the Wetland Conservation Act, including administering the wetland banking program and in-lieu fee mechanism.

(d) \$1,460,000 the first year and \$1,460,000 the second year are for the following programs:

(1) \$260,000 each year is for the feedlot water quality cost-sharing program for feedlots under 500 animal units and nutrient and manure management projects in watersheds where there are impaired waters; and

(2) \$1,200,000 each year is for cost-sharing programs of soil and water conservation districts for riparian buffers, erosion control, water retention and treatment, and other high-priority conservation practices.

(e) \$166,000 the first year and \$166,000 the second year are to provide technical assistance to local drainage management officials and for the costs of the Drainage Work Group. The board must coordinate with the Drainage Work Group according to Minnesota Statutes, section 103B.101, subdivision 13.

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

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

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

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

(j) \$4,637,000 the first year and \$4,629,000 the second year are for agency administration and operation of the Board of Water and Soil Resources.

(k) Notwithstanding Minnesota Statutes, section 103C.501, the board may shift money between paragraphs (a) to (i) in this section and may adjust the technical and administrative assistance portion of the funds to leverage federal or other nonstate funds or to address accountability, oversight, local government performance, or high-priority needs identified in local water management plans or comprehensive watershed management plans.

(l) The appropriations for grants and payments in this section are available until June 30, 2025, except that returned grants and payments are available for two years after they are returned or regranted, whichever is later. Funds must be regranted consistent with the purposes of this section. If an appropriation for grants in either year is insufficient, the appropriation in the other year is available for it.

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

(n) The Lower Minnesota River Watershed District may use up to \$111,000 from money appropriated in either fiscal year under Laws 2019, First Special Session chapter 4, article 1, section 4, paragraph (j), to cover costs associated with the Seminary Fen Stabilization Project to reduce sedimentation to Seminary Fen and the Minnesota River.

Sec. 5. **METROPOLITAN COUNCIL** \$ 9,140,000 \$ 9,140,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>1,790,000</u>	<u>1,790,000</u>
<u>Natural Resources</u>	<u>7,350,000</u>	<u>7,350,000</u>

(a) \$1,790,000 the first year and \$1,790,000 the second year are for metropolitan-area regional parks operation and maintenance according to Minnesota Statutes, section 473.351.

(b) \$7,350,000 the first year and \$7,350,000 the second year are from the natural resources fund for metropolitan-area regional parks and trails maintenance and operations. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (3).

Sec. 6. **CONSERVATION CORPS MINNESOTA** \$ 945,000 \$ 945,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>455,000</u>	<u>455,000</u>
<u>Natural Resources</u>	<u>490,000</u>	<u>490,000</u>

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

Sec. 7. **ZOOLOGICAL BOARD** \$ 9,999,000 \$ 9,999,000

\$2,008,000 of the fiscal year 2021 general fund appropriations for the Department of Natural Resources under Laws 2019, First Special Session chapter 4, article 1, section 3, is canceled. Of this amount:

- (1) \$42,000 is canceled from subdivision 2, Land and Mineral Resources Management;
- (2) \$427,000 is canceled from subdivision 3, Ecological and Water Resources;
- (3) \$751,000 is canceled from subdivision 4, Forest Management;
- (4) \$614,000 is canceled from subdivision 5, Parks and Trails Management;
- (5) \$6,000 is canceled from subdivision 6, Fish and Wildlife Management; and
- (6) \$168,000 is canceled from subdivision 7, Enforcement.

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

ARTICLE 2

ENVIRONMENT AND NATURAL RESOURCES POLICY

Section 1. **[11A.236] ACCOUNT TO INVEST FINANCIAL ASSURANCE MONEY FROM PERMITS TO MINE.**

Subdivision 1. **Establishment; appropriation.** (a) The State Board of Investment, when requested by the commissioner of natural resources, may invest money collected by the commissioner as part of financial assurance provided under a permit to mine issued under chapter 93. The State Board of Investment may establish one or more accounts into which money may be deposited for the purposes of this section, subject to the policies and procedures of the State Board of Investment. Use of any money in the account is restricted to the financial assurance purposes identified in sections 93.46 to 93.51 and rules adopted thereunder and as authorized under any trust fund agreements or other conditions established under a permit to mine.

(b) Money in an account established under paragraph (a) is appropriated to the commissioner for the purposes for which the account is established under this section.

Subd. 2. **Account maintenance and investment.** The commissioner of natural resources may deposit money in the appropriate account and may withdraw money from the appropriate account for the financial assurance purposes identified in sections 93.46 to 93.51 and rules adopted thereunder and as authorized under any trust fund agreements or other conditions established under the permit to mine for which the financial assurance is provided, subject to the policies and procedures of the State Board of Investment. Investment strategies related to an account established under this section must be determined jointly by the commissioner of natural resources and the executive director of the State Board of Investment. The authorized investments for an account are the investments authorized under section 11A.24 that are made available for investment by the State Board of Investment. Investment transactions must be at a time and in a manner determined by the executive director of the State Board of Investment. Decisions to withdraw money from the account must be determined by the commissioner of natural resources, subject to the policies and procedures of the

State Board of Investment. Investment earnings must be credited to the appropriate account for financial assurance under the identified permit to mine. An account may be terminated by the commissioner of natural resources at any time, so long as the termination is in accordance with applicable statutes, rules, trust fund agreements, or other conditions established under the permit to mine, subject to the policies and procedures of the State Board of Investment.

Sec. 2. Minnesota Statutes 2020, section 17.4982, subdivision 6, is amended to read:

Subd. 6. **Certifiable diseases.** "Certifiable diseases" includes any of the following expressed as clinical symptoms or based on the presence of the pathogen: channel catfish virus, *Renibacterium salmoninarum* (bacterial kidney disease), *Aeromonas salmonicida* (bacterial furunculosis), *Yersinia ruckeri* (enteric redmouth disease), *Edwardsiella ictaluri* (enteric septicemia of catfish), infectious hematopoietic necrosis virus, infectious pancreatic necrosis virus, *Myxobolus cerebralis* (whirling disease), *Tetracapsuloides bryosalmonae* (proliferative kidney disease), viral hemorrhagic septicemia virus, epizootic epitheliotropic virus, *Ceratomyxa shasta* (ceratomyxosis), and any emergency fish disease.

Sec. 3. Minnesota Statutes 2020, section 17.4982, subdivision 8, is amended to read:

Subd. 8. **Containment facility.** "Containment facility" means a licensed facility for salmonids, catfish, or species on the ~~viral hemorrhagic septicemia (VHS) susceptible list published by the United States Department of Agriculture, Animal and Plant Health Inspection Services, VHS-susceptible-species list~~ that complies with clauses (1), (3), and (4), or clauses (2), (3), and (4):

(1) disinfects its effluent to the standards in section 17.4991 before the effluent is discharged to public waters;

(2) does not discharge to public waters or to waters of the state directly connected to public waters;

(3) raises aquatic life that is prohibited from being released into the wild and must be kept in a facility approved by the commissioner unless processed for food consumption;

(4) contains aquatic life requiring a fish health inspection prior to transportation.

Sec. 4. Minnesota Statutes 2020, section 17.4982, subdivision 9, is amended to read:

Subd. 9. **Emergency fish disease.** "Emergency fish disease" means designated fish diseases or pathogens not already present in this state that could impact populations of aquatic life if inadvertently released by infected aquatic life, including channel catfish virus, viral hemorrhagic septicemia virus, infectious hematopoietic necrosis virus, infectious pancreatic necrosis virus, whirling disease, ceratomyxosis, proliferative kidney disease, and epizootic epitheliotropic virus disease.

Sec. 5. Minnesota Statutes 2020, section 17.4982, subdivision 12, is amended to read:

Subd. 12. **Fish health inspection.** (a) "Fish health inspection" means an on-site, statistically based sampling, collection, and testing of fish in accordance with processes in the Fish Health Blue Book or the Diagnostic Manual for Aquatic Animal Diseases, published by the International Office of Epizootics (OIE) to test for causative pathogens. The samples for inspection must be collected

by a fish health inspector or a fish collector in cooperation with the producer. Testing of samples must be done by an approved laboratory.

(b) The inspection for viral hemorrhagic septicemia (VHS), infectious pancreatic necrosis (IPN), and infectious hematopoietic necrosis (IHN) in salmonids and for VHS in nonsalmonids must include at a minimum viral testing of ovarian fluids at the 95 percent confidence level of detecting two percent incidence of disease.

(c) The inspection for certifiable diseases and pathogens for wild fish must follow the guidelines of the Fish Health Blue Book or the Diagnostic Manual for Aquatic Animal Diseases.

Sec. 6. Minnesota Statutes 2020, section 17.4982, is amended by adding a subdivision to read:

Subd. 21a. **VHS-susceptible species.** "VHS-susceptible species" are aquatic species that are natural hosts for viral hemorrhagic septicemia according to the Fish Health Blue Book or the book's successor.

Sec. 7. Minnesota Statutes 2020, section 17.4982, is amended by adding a subdivision to read:

Subd. 21b. **VHS-susceptible-species list.** "VHS-susceptible-species list" is the VHS-susceptible species listed in the Fish Health Blue Book that are found in or that can survive in the Great Lakes region.

Sec. 8. Minnesota Statutes 2020, section 17.4985, subdivision 2, is amended to read:

Subd. 2. **Bill of lading.** (a) A state-issued bill of lading is required for:

(1) intrastate transportation of aquatic life other than salmonids, catfish, or species on the ~~official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services,~~ VHS-susceptible-species list between licensed private fish hatcheries, aquatic farms, or aquarium facilities licensed for the species being transported if the aquatic life is being transported into a watershed where it is not currently present, if walleyes whose original source is south of marked State Highway 210 are being transported to a facility north of marked State Highway 210, or if the original source of the aquatic life is outside Minnesota and contiguous states; and

(2) stocking ~~of~~ waters other than public waters with aquatic life other than salmonids, catfish, or species on the ~~official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services~~ VHS-susceptible-species list.

(b) When aquatic life is transported under paragraph (a), a copy of the bill of lading must be submitted to the regional fisheries manager at least 72 hours before the transportation.

(c) For transportation and stocking of waters that are not public waters:

(1) a bill of lading must be submitted to the regional fisheries manager 72 hours before transporting fish for stocking;

(2) a bill of lading must be submitted to the regional fisheries manager within five days after stocking if the waters to be stocked are confirmed by telecopy or telephone prior to stocking by the regional fisheries office not to be public waters; or

(3) a completed bill of lading may be submitted to the regional fisheries office by telecopy prior to transporting fish for stocking. Confirmation that the waters to be stocked are not public waters may be made by returning the bill of lading by telecopy or in writing, in which cases additional copies need not be submitted to the Department of Natural Resources.

(d) Bill of lading forms may only be issued by the Department of Natural Resources in St. Paul, and new bill of lading forms may not be issued until all previously issued forms have been returned.

Sec. 9. Minnesota Statutes 2020, section 17.4985, subdivision 3, is amended to read:

Subd. 3. **Exemptions for transportation permits and bills of lading.** (a) A state-issued bill of lading or transportation permit is not required by an aquatic farm licensee for ~~importation of importing~~ animals not on the ~~official list of viral hemorrhagic septicemia-susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services; transportation of~~ VHS-susceptible-species list, transporting animals not on the ~~official list of viral hemorrhagic septicemia-susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services; or export for~~ VHS-susceptible-species list, or exporting the following:

(1) minnows taken under an aquatic farm license in this state and transported intrastate;

(2) aquarium or ornamental fish including goldfish and tropical, subtropical, and saltwater species that cannot survive in the waters of the state, which may be imported or transported if accompanied by shipping documents;

(3) fish or fish eggs that have been processed for use as food, bait, or other purposes unrelated to fish propagation;

(4) live fish from a licensed aquatic farm, which may be transported directly to an outlet for processing or for other food purposes if accompanied by shipping documents;

(5) fish being exported if accompanied by shipping documents;

(6) sucker eggs, sucker fry, or fathead minnows transported intrastate for bait propagation or feeding of cultural aquatic life, except that if either species becomes listed on the ~~official list of viral hemorrhagic septicemia-susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services~~ VHS-susceptible-species list, then a transportation permit is required;

(7) species of fish that are found within the state used in connection with public shows, exhibits, demonstrations, or fishing pools for periods not exceeding 14 days;

(8) fish being transported through the state if accompanied by shipping documents; or

(9) intrastate transportation of aquatic life between or within licensed private fish hatcheries, aquatic farms, or aquarium facilities licensed for the species being transported, except where required

in subdivision 2 and except that salmonids, catfish, or species on the ~~official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services,~~ VHS-susceptible-species list may only be transferred or transported intrastate without a transportation permit if they had no record of bacterial kidney disease or viral hemorrhagic septicemia at the time they were imported into the state and if they have had a fish health inspection within the preceding year that has shown no certifiable diseases to be present.

Aquatic life being transferred between licensed private fish hatcheries, aquatic farms, or aquarium facilities must be accompanied by shipping documents and salmonids, catfish, or species on the ~~official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services,~~ VHS-susceptible-species list being transferred or transported intrastate without a transportation permit must be accompanied by a copy of their most recent fish health inspection.

(b) Shipping documents required under paragraph (a) must show the place of origin, owner or consignee, destination, number, and species.

Sec. 10. Minnesota Statutes 2020, section 17.4985, subdivision 5, is amended to read:

Subd. 5. **Permit application.** An application for a transportation permit must be made on forms provided by the commissioner. An incomplete application must be rejected. An application for a transportation permit for salmonids, catfish, or species on the ~~official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services,~~ VHS-susceptible-species list; their eggs; or their sperm must be accompanied by certification that the source of the eggs or sperm are free of certifiable diseases, except that eggs with enteric redmouth, whirling disease, or furunculosis may be imported, transported, or stocked following treatment approved by the commissioner, and fish with bacterial kidney disease or viral hemorrhagic septicemia may be imported, transported, or stocked into areas where the disease has been identified as being present. A copy of the transportation permit showing the date of certification inspection must accompany the shipment of fish while in transit and must be available for inspection by the commissioner. By 14 days after a completed application is received, the commissioner must approve or deny the importation permits as provided in this section.

Sec. 11. Minnesota Statutes 2020, section 17.4986, subdivision 2, is amended to read:

Subd. 2. **Licensed facilities.** (a) The commissioner shall issue transportation permits to import:

(1) indigenous and naturalized species except trout, salmon, catfish, or species on the ~~official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services,~~ VHS-susceptible-species list and sperm from any source to a standard facility;

(2) trout, salmon, catfish, or species on the ~~official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services,~~ VHS-susceptible-species list from a nonemergency enzootic disease area to a containment facility if the fish are certified within the previous year to be free of certifiable diseases, except that eggs with enteric redmouth, whirling disease, or furunculosis may be imported following treatment approved by the commissioner, and fish with bacterial kidney disease or viral hemorrhagic septicemia may be imported into areas where the disease has been identified as being present; and

(3) trout, salmon, catfish, or species on the ~~official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services~~, VHS-susceptible-species list from a facility in a nonemergency enzootic disease area with a disease-free history of three years or more to a standard facility, except that eggs with enteric redmouth, whirling disease, or furunculosis may be imported following treatment approved by the commissioner, and fish with bacterial kidney disease or viral hemorrhagic septicemia may be imported into areas where the disease has been identified as being present.

(b) If a source facility in a nonemergency enzootic disease area cannot demonstrate a history free from disease, aquatic life may only be imported into a quarantine facility.

Sec. 12. Minnesota Statutes 2020, section 17.4986, subdivision 4, is amended to read:

Subd. 4. **Disease-free history.** Disease-free histories required under this section must include the results of a fish health inspection. When disease-free histories of more than one year are required for importing salmonids, catfish, or species on the ~~official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services~~ VHS-susceptible-species list, the disease history must be of consecutive years that include the year previous to, or the year of, the transportation request.

Sec. 13. Minnesota Statutes 2020, section 17.4991, subdivision 3, is amended to read:

Subd. 3. **Fish health inspection.** (a) An aquatic farm propagating salmonids, catfish, or species on the ~~viral hemorrhagic septicemia (VHS) susceptible list published by the United States Department of Agriculture, Animal and Plant Health Inspection Services~~, VHS-susceptible-species list and having an effluent discharge from the aquatic farm into public waters must have a fish health inspection conducted at least once every 12 months by a certified fish health inspector. Testing must be conducted according to laboratory methods of the Fish Health Blue Book or the Diagnostic Manual for Aquatic Animal Diseases, published by the International Office of Epizootics (OIE).

(b) An aquatic farm propagating any species on the VHS susceptible list and having an effluent discharge from the aquatic farm into public waters must test for VHS virus using the guidelines of the Fish Health Blue Book or the Diagnostic Manual for Aquatic Animal Diseases. The commissioner may, by written order published in the State Register, prescribe alternative testing time periods and methods from those prescribed in the Fish Health Blue Book or the OIE Diagnostic Manual if the commissioner determines that biosecurity measures will not be compromised. These alternatives are not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply. The commissioner must provide reasonable notice to affected parties of any changes in testing requirements.

(c) Results of fish health inspections must be provided to the commissioner for all fish that remain in the state. All data used to prepare and issue a fish health certificate must be maintained for three years by the issuing fish health inspector, approved laboratory, or accredited veterinarian.

(d) A health inspection fee must be charged based on each lot of fish sampled. The fee by check or money order payable to the Department of Natural Resources must be prepaid or paid at the time a bill or notice is received from the commissioner that the inspection and processing of samples is completed.

(e) Upon receipt of payment and completion of inspection, the commissioner shall notify the operator and issue a fish health certificate. The certification must be made according to the Fish Health Blue Book or the Diagnostic Manual for Aquatic Animal Diseases by a person certified as a fish health inspector.

(f) All aquatic life in transit or held at transfer stations within the state may be inspected by the commissioner. This inspection may include the collection of stock for purposes of pathological analysis. Sample size necessary for analysis will follow guidelines listed in the Fish Health Blue Book or the Diagnostic Manual for Aquatic Animal Diseases.

(g) Salmonids, catfish, or species on the VHS susceptible list must have a fish health inspection before being transported from a containment facility, unless the fish are being transported directly to an outlet for processing or other food purposes or unless the commissioner determines that an inspection is not needed. A fish health inspection conducted for this purpose need only be done on the lot or lots of fish that will be transported. The commissioner must conduct a fish health inspection requested for this purpose within five working days of receiving written notice. Salmonids and catfish may be immediately transported from a containment facility to another containment facility once a sample has been obtained for a health inspection or once the five-day notice period has expired.

Sec. 14. Minnesota Statutes 2020, section 17.4992, subdivision 2, is amended to read:

Subd. 2. **Restriction on the sale of fish.** (a) Except as provided in paragraph (b), species on the ~~official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services, VHS-susceptible-species list~~ must be free of viral hemorrhagic septicemia and species of the family salmonidae or ictaluridae, except bullheads, must be free of certifiable diseases if sold for stocking or transfer to another aquatic farm.

(b) The following exceptions apply to paragraph (a):

(1) eggs with enteric redmouth, whirling disease, or furunculosis may be transferred between licensed facilities or stocked following treatment approved by the commissioner;

(2) fish with bacterial kidney disease or viral hemorrhagic septicemia may be transferred between licensed facilities or stocked in areas where the disease has been identified as being present; and

(3) the commissioner may allow transfer between licensed facilities or stocking of fish with enteric redmouth or furunculosis when the commissioner determines that doing so would pose no threat to the state's aquatic resources.

Sec. 15. Minnesota Statutes 2020, section 17.4993, subdivision 1, is amended to read:

Subdivision 1. **Taking from public waters.** (a) Under an aquatic farm license, a licensee may take only minnow sperm, minnow eggs, and live minnows for aquatic farm purposes from ~~public waters that have~~ a water body if:

(1) the water body has been tested for viral hemorrhagic septicemia ~~when~~ and the testing indicates the disease is not present; or

(2) the water body is located within a viral-hemorrhagic-septicemia-free zone posted on the Department of Natural Resources website.

(b) A licensee may take sucker eggs and sperm only in approved waters with a sucker egg license endorsement as provided by section 17.4994.

Sec. 16. Minnesota Statutes 2020, section 84.027, subdivision 13a, is amended to read:

Subd. 13a. ~~Game and fish~~ **Natural resources expedited permanent rules.** (a) In addition to the authority granted in subdivision 13, the commissioner of natural resources may adopt rules under section 14.389 that are authorized under:

(1) chapters 97A, 97B, and 97C to describe zone or permit area boundaries, to designate fish spawning beds or fish preserves, to select hunters or anglers for areas, to provide for registration of game or fish, to prevent or control wildlife disease, or to correct errors or omissions in rules that do not have a substantive effect on the intent or application of the original rule; ~~or~~

(2) section 84D.12 to designate prohibited invasive species, regulated invasive species, and unregulated nonnative species; or

(3) section 116G.15 to change the placement and boundaries of land use districts established in the Mississippi River Corridor Critical Area.

(b) The commissioner of natural resources may adopt rules under section 14.389 that are authorized under chapters 97A, 97B, and 97C, for purposes in addition to those listed in paragraph (a), clause (1), subject to the notice and public hearing provisions of section 14.389, subdivision 5.

Sec. 17. Minnesota Statutes 2020, section 84.027, is amended by adding a subdivision to read:

Subd. 14c. **Unadopted rules.** The commissioner of natural resources must not enforce or attempt to enforce an unadopted rule. For purposes of this subdivision, "unadopted rule" means a guideline, bulletin, criterion, manual standard, interpretive statement, policy plan, or similar pronouncement if the guideline, bulletin, criterion, manual standard, interpretive statement, policy plan, or similar pronouncement has not been adopted according to the rulemaking process provided under chapter 14. If an unadopted rule is challenged under section 14.381, the commissioner must cease enforcement of the unadopted rule and overcome a presumption that the unadopted rule must be adopted according to the rulemaking process provided under chapter 14.

Sec. 18. Minnesota Statutes 2020, section 84.027, subdivision 18, is amended to read:

Subd. 18. **Permanent school fund authority; reporting.** (a) The commissioner of natural resources has the authority and responsibility to administer school trust lands under sections 92.122 and 127A.31. The commissioner shall ~~biannually~~ biennially report to the Legislative Permanent School Fund Commission and the legislature on the management of the school trust lands that shows how the commissioner has and will continue to achieve the following goals:

(1) manage the school trust lands efficiently and in a manner that reflects the undivided loyalty to the beneficiaries consistent with the commissioner's fiduciary duties;

(2) reduce the management expenditures of school trust lands and maximize the revenues deposited in the permanent school trust fund;

(3) manage the sale, exchange, and commercial leasing of school trust lands, requiring returns of not less than fair market value, to maximize the revenues deposited in the permanent school trust fund and retain the value from the long-term appreciation of the school trust lands;

(4) manage the school trust lands to maximize the long-term economic return for the permanent school trust fund while maintaining sound natural resource conservation and management principles;

(5) optimize school trust land revenues and maximize the value of the trust consistent with balancing short-term and long-term interests, so that long-term benefits are not lost in an effort to maximize short-term gains; and

(6) maintain the integrity of the trust and prevent the misapplication of its lands and its revenues.

(b) When the commissioner finds an irresolvable conflict between maximizing the long-term economic return and protecting natural resources and recreational values on school trust lands, the commissioner shall give precedence to the long-term economic return in managing school trust lands. By July 1, 2018, the permanent school fund must be compensated for all school trust lands included under a designation or policy provision that prohibits long-term economic return. The commissioner shall submit recommendations to the appropriate legislative committees and divisions on methods of funding for the compensation required under this paragraph, including recommendations for appropriations from the general fund, nongeneral funds, and the state bond fund. Any uncompensated designation or policy provision restrictions on the long-term economic return on school trust lands remaining after July 1, 2018, must be compiled and submitted to the Legislative Permanent School Fund Commission for review.

(c) By December 31, 2013, the report required under paragraph (a) must provide an inventory and identification of all school trust lands that are included under a designation or policy provision that prohibits long-term economic return. The report must include a plan to compensate the permanent school fund through the purchase or exchange of the lands or a plan to manage the school trust land to generate long-term economic return to the permanent school fund. Subsequent reports under paragraph (a) must include a status report of the commissioner's progress in maximizing the long-term economic return on lands identified in the 2013 report.

(d) When management practices, policies, or designations by the commissioner diminish or prohibit the long-term economic return on school trust land, the conflict must be resolved as provided in section 92.122.

Sec. 19. Minnesota Statutes 2020, section 84.415, is amended by adding a subdivision to read:

Subd. 8. **Reimbursing costs.** In addition to fees specified in this section or in rules adopted by the commissioner, the applicant must reimburse the state for costs incurred for cultural resources review, monitoring, or other services provided by the Minnesota Historical Society under contract with the commissioner of natural resources or the State Historic Preservation Office of the Department of Administration in connection with the license application, preparing the license terms, or constructing the utility line.

Sec. 20. **[84.625] CONVEYANCE OF CONSERVATION EASEMENTS.**

Notwithstanding any law to the contrary, the commissioner of natural resources may, on state-owned lands administered by the commissioner and on behalf of the state, convey conservation easements as defined in section 84C.01, upon such terms and conditions, including reversion in the event of nonuse, as the commissioner may determine. Any terms and conditions obligating the state to incur costs related to monitoring or maintaining a conservation easement must acknowledge the state is liable for the costs only to the extent of an available appropriation according to section 16A.138.

Sec. 21. Minnesota Statutes 2020, section 84.63, is amended to read:

84.63 CONVEYANCE OF INTERESTS IN LANDS TO STATE AND, FEDERAL, AND TRIBAL GOVERNMENTS.

(a) Notwithstanding any existing law to the contrary, the commissioner of natural resources is hereby authorized on behalf of the state to convey to the United States, to a federally recognized Indian Tribe, or to the state of Minnesota or any of its subdivisions, upon state-owned lands under the administration of the commissioner of natural resources, permanent or temporary easements for specified periods or otherwise for trails, highways, roads including limitation of right of access from the lands to adjacent highways and roads, flowage for development of fish and game resources, stream protection, flood control, and necessary appurtenances thereto, such conveyances to be made upon such terms and conditions including provision for reversion in the event of non-user as the commissioner of natural resources may determine.

(b) In addition to the fee for the market value of the easement, the commissioner of natural resources shall assess the applicant the following fees:

(1) an application fee of \$2,000 to cover reasonable costs for reviewing the application and preparing the easement; and

(2) a monitoring fee to cover the projected reasonable costs for monitoring the construction of the improvement for which the easement was conveyed and preparing special terms and conditions for the easement. The commissioner must give the applicant an estimate of the monitoring fee before the applicant submits the fee.

(c) The applicant shall pay these fees to the commissioner of natural resources. The commissioner shall not issue the easement until the applicant has paid in full the application fee, the monitoring fee, and the market value payment for the easement.

(d) Upon completion of construction of the improvement for which the easement was conveyed, the commissioner shall refund the unobligated balance from the monitoring fee revenue. The commissioner shall not return the application fee, even if the application is withdrawn or denied.

(e) Money received under paragraph (b) must be deposited in the land management account in the natural resources fund and is appropriated to the commissioner of natural resources to cover the reasonable costs incurred for issuing and monitoring easements.

(f) A county or joint county regional railroad authority is exempt from all fees specified under this section for trail easements on state-owned land.

(g) In addition to fees specified in this section, the applicant must reimburse the state for costs incurred for cultural resources review, monitoring, or other services provided by the Minnesota Historical Society under contract with the commissioner of natural resources or the State Historic Preservation Office of the Department of Administration in connection with the easement application, preparing the easement terms, or constructing the trail, highway, road, or other improvements.

EFFECTIVE DATE. This section is effective the day following final enactment, except that paragraph (g) is effective July 1, 2021.

Sec. 22. Minnesota Statutes 2020, section 84.631, is amended to read:

84.631 ROAD EASEMENTS ACROSS STATE LANDS.

(a) Except as provided in section 85.015, subdivision 1b, the commissioner of natural resources, on behalf of the state, may convey a road easement across state land under the commissioner's jurisdiction to a private person requesting an easement for access to property owned by the person only if the following requirements are met: (1) there are no reasonable alternatives to obtain access to the property; and (2) the exercise of the easement will not cause significant adverse environmental or natural resource management impacts.

(b) The commissioner shall:

(1) require the applicant to pay the market value of the easement;

(2) limit the easement term to 50 years if the road easement is across school trust land;

(3) provide that the easement reverts to the state in the event of nonuse; and

(4) impose other terms and conditions of use as necessary and appropriate under the circumstances.

(c) An applicant shall submit an application fee of \$2,000 with each application for a road easement across state land. The application fee is nonrefundable, even if the application is withdrawn or denied.

(d) In addition to the payment for the market value of the easement and the application fee, the commissioner of natural resources shall assess the applicant a monitoring fee to cover the projected reasonable costs for monitoring the construction of the road and preparing special terms and conditions for the easement. The commissioner must give the applicant an estimate of the monitoring fee before the applicant submits the fee. The applicant shall pay the application and monitoring fees to the commissioner of natural resources. The commissioner shall not issue the easement until the applicant has paid in full the application fee, the monitoring fee, and the market value payment for the easement.

(e) Upon completion of construction of the road, the commissioner shall refund the unobligated balance from the monitoring fee revenue.

(f) Fees collected under paragraphs (c) and (d) must be credited to the land management account in the natural resources fund and are appropriated to the commissioner of natural resources to cover the reasonable costs incurred under this section.

(g) In addition to fees specified in this section, the applicant must reimburse the state for costs incurred for cultural resources review, monitoring, or other services provided by the Minnesota Historical Society under contract with the commissioner of natural resources or the State Historic Preservation Office of the Department of Administration in connection with the easement application, preparing the easement terms, or constructing the road.

Sec. 23. Minnesota Statutes 2020, section 84.82, subdivision 1a, is amended to read:

Subd. 1a. **General requirements.** A person may not operate ~~or transport~~ a snowmobile unless the snowmobile has been registered under this section. A person may not sell a snowmobile without furnishing the buyer a bill of sale on a form prescribed by the commissioner.

Sec. 24. Minnesota Statutes 2020, section 84.82, subdivision 7a, is amended to read:

Subd. 7a. **Collector snowmobiles; limited use.** The commissioner may issue a special permit to a person or organization to operate ~~or transport~~ a collector snowmobile without registration in parades or organized group outings, such as races, rallies, and other promotional events and for up to ten days each year for personal transportation. The commissioner may impose a reasonable restriction on a permittee and may revoke, amend, suspend, or modify a permit for cause.

Sec. 25. Minnesota Statutes 2020, section 84.92, subdivision 8, is amended to read:

Subd. 8. **All-terrain vehicle or vehicle.** "All-terrain vehicle" or "vehicle" means a motorized vehicle with: (1) not less than three, but not more than six ~~low pressure or non-pneumatic~~ tires; (2) a total dry weight of ~~2,000~~ 3,000 pounds or less; and (3) a total width from outside of tire rim to outside of tire rim that is 65 inches or less. All-terrain vehicle includes a class 1 all-terrain vehicle and class 2 all-terrain vehicle. All-terrain vehicle does not include a golf cart, mini-truck, dune buggy, or go-cart or a vehicle designed and used specifically for lawn maintenance, agriculture, logging, or mining purposes.

Sec. 26. Minnesota Statutes 2020, section 84.943, subdivision 3, is amended to read:

Subd. 3. **Appropriations matched by private funds or state bond fund appropriations.** (a) Appropriations transferred to the critical habitat private sector matching account and money credited to the account under section 168.1296, subdivision 5, may be expended only to the extent that they are matched ~~equally~~ with contributions from private sources ~~or~~; by funds contributed to the nongame wildlife management account; or by appropriations from the bond proceeds fund for projects that benefit critical natural habitat. The private contributions may be made in cash, property, land, or interests in land. Appropriations transferred to the account that are not matched within three years from the date of the appropriation shall cancel to the source of the appropriation. For the purposes of this section, the private contributions of property, land, or interests in land that are retained by the commissioner shall be valued in accordance with their appraised value.

(b) For every dollar used as a match under paragraph (a), the commissioner may expend up to two dollars from the account for the purposes described in subdivision 5.

Sec. 27. Minnesota Statutes 2020, section 84.943, subdivision 5, is amended to read:

Subd. 5. **Pledges and contributions.** (a) The commissioner of natural resources may accept contributions and pledges to the critical habitat private sector matching account. A pledge that is made contingent on an appropriation is acceptable and shall be reported with other pledges as required in this section. The commissioner may agree to match a contribution contingent on a future appropriation. In the budget request for each biennium, the commissioner shall report the balance of contributions in the account and the amount that has been pledged for payment in the succeeding two calendar years.

(b) Money in the account is appropriated to the commissioner of natural resources only for the direct acquisition, restoration, or ~~improvement~~ enhancement of land or interests in land as provided in section 84.944. ~~To the extent of available appropriations other than bond proceeds, the money matched to the nongame wildlife management account may be used for the management of nongame wildlife projects as specified in section 290.431.~~ Acquisition includes:

- (1) purchase of land or an interest in land by the commissioner; or
- (2) acceptance by the commissioner of gifts of land or interests in land as program projects.

(c) To the extent of available appropriations other than bond proceeds, the money matched to the nongame wildlife management account may be used for:

- (1) the management of nongame wildlife projects as specified in section 290.431;
- (2) restoration and enhancement activities for critical natural habitat; or
- (3) monitoring and evaluation activities for rare resources and native plant communities that inform the management of critical natural habitat.

No more than 30 percent of the nongame wildlife management account appropriations each fiscal year may be used to match money from the critical habitat private sector matching account for monitoring and evaluation activities.

Sec. 28. Minnesota Statutes 2020, section 84.944, subdivision 1, is amended to read:

Subdivision 1. **Acquisition, restoration, and enhancement considerations.** (a) In determining what critical natural habitat shall be ~~acquired or improved,~~ restored, or enhanced, the commissioner shall consider:

- (1) the significance of the land or water as existing or potential habitat for fish and wildlife and providing fish and wildlife oriented recreation;
- (2) the significance of the land, water, or habitat improvement to maintain or enhance native plant, fish, or wildlife species designated as endangered or threatened under section 84.0895;
- (3) the presence of native ecological communities that are now uncommon or diminishing; and

(4) the significance of the land, water or habitat improvement to protect or enhance natural features within or contiguous to natural areas including fish spawning areas, wildlife management areas, scientific and natural areas, riparian habitat and fish and wildlife management projects.

(b) Based on the above clauses, the commissioner by rule must establish a process to prioritize what critical habitat shall be acquired or improved.

Sec. 29. Minnesota Statutes 2020, section 84.946, subdivision 4, is amended to read:

Subd. 4. **Priorities; report.** The commissioner of natural resources must establish priorities for natural resource asset preservation and replacement projects. By ~~January 15~~ March 1 each year, the commissioner must submit to the commissioner of management and budget a list of the projects that have been paid for with money from a natural resource asset preservation and replacement appropriation during the preceding calendar year.

Sec. 30. Minnesota Statutes 2020, section 84D.02, subdivision 3, is amended to read:

Subd. 3. **Management plan.** By December 31, 2021, and every ten years thereafter, the commissioner ~~shall~~ must prepare ~~and maintain~~ a long-term plan, which may include specific plans for individual species and actions, for the statewide management of invasive species of aquatic plants and wild animals. The plan must address:

- (1) coordinated detection and prevention of accidental introductions;
- (2) coordinated dissemination of information about invasive species of aquatic plants and wild animals among resource management agencies and organizations;
- (3) a coordinated public education and awareness campaign;
- (4) coordinated control of selected invasive species of aquatic plants and wild animals on lands and public waters;
- (5) participation by lake associations, local citizen groups, and local units of government in the development and implementation of local management efforts;
- (6) a reasonable and workable inspection requirement for watercraft and equipment including those participating in organized events on the waters of the state;
- (7) the closing of points of access to infested waters, if the commissioner determines it is necessary, for a total of not more than seven days during the open water season for control or eradication purposes;
- (8) maintaining public accesses on infested waters to be reasonably free of aquatic macrophytes; and
- (9) notice to travelers of the penalties for violation of laws relating to invasive species of aquatic plants and wild animals.

Sec. 31. Minnesota Statutes 2020, section 84D.11, subdivision 1a, is amended to read:

Subd. 1a. **Permit for invasive carp.** The commissioner may issue a permit to departmental divisions for tagging bighead, black, grass, or silver carp for research or control. Under the permit, the carp may be released into the water body from which the carp was captured. ~~This subdivision expires December 31, 2021.~~

Sec. 32. Minnesota Statutes 2020, section 85.052, subdivision 1, is amended to read:

Subdivision 1. **Authority to establish.** (a) The commissioner may establish, by written order, provisions for the use of state parks for the following:

(1) special parking space for automobiles or other motor-driven vehicles in a state park or state recreation area;

(2) special parking spurs, campgrounds for automobiles, sites for tent camping, other types of lodging, camping, or day use facilities, and special auto trailer coach parking spaces, for the use of the individual charged for the space or facility;

~~(3) improvement and maintenance of golf courses already established in state parks, and charging reasonable use fees; and~~

~~(4)~~(3) providing water, sewer, and electric service to trailer or tent campsites and charging a reasonable use fee; and

(4) administrative penalties related to courtesy warnings and letters issued for failure to display a state park permit as required under section 85.053, subdivision 2.

(b) Provisions established under paragraph (a) are exempt from section 16A.1283 and the rulemaking provisions of chapter 14. Section 14.386 does not apply.

(c) For the purposes of this subdivision, "lodging" means an enclosed shelter, room, or building with furnishings for overnight use.

Sec. 33. Minnesota Statutes 2020, section 85.052, subdivision 2, is amended to read:

Subd. 2. **State park ~~pageants~~ special events.** (a) The commissioner may stage state park ~~pageants~~ special events in a state park, municipal park, or on other land near or adjoining a state park and charge an entrance or use fee for the ~~pageant~~ special event. All receipts from the ~~pageants~~ special events must be used in the same manner as though the ~~pageants~~ special events were conducted in a state park.

(b) The commissioner may establish, by written order, state park ~~pageant~~ special event areas to hold historical or other ~~pageants~~ special events conducted by the commissioner of a state agency or other public agency. Establishment of the areas is exempt from the rulemaking provisions of chapter 14, and section 14.386 does not apply.

Sec. 34. Minnesota Statutes 2020, section 85.052, subdivision 6, is amended to read:

Subd. 6. **State park reservation system.** (a) The commissioner may, by written order, develop reasonable reservation policies for campsites and other lodging. These policies are exempt from rulemaking provisions under chapter 14 and section 14.386 does not apply.

(b) The revenue collected from the state park reservation fee established under subdivision 5, including interest earned, shall be deposited in the state park account in the natural resources fund and is annually appropriated to the commissioner for the cost of operating the state park reservation and point-of-sale system.

Sec. 35. Minnesota Statutes 2020, section 85.053, subdivision 2, is amended to read:

Subd. 2. **Requirement.** Except as provided in section 85.054, a motor vehicle may not enter a state park, state recreation area, or state wayside over 50 acres in area, without a state park permit issued under this section or a state parks and trails plate issued under section 168.1295. Except for vehicles permitted under subdivisions 7, paragraph (a), clause (2), and 8, the state park permit must be affixed to the lower right corner windshield of the motor vehicle and must be completely affixed by its own adhesive to the windshield, or the commissioner may, by written order, provide an alternative means to display and validate state park permits. A motor vehicle owner or lessee is responsible for ensuring the owner's or lessee's vehicle has a state park permit, and the commissioner may issue warnings and citations under section 84.0835 to the owner or lessee of a vehicle not in compliance.

Sec. 36. Minnesota Statutes 2020, section 85.053, is amended by adding a subdivision to read:

Subd. 5a. **Free permit; members of federally recognized tribes.** (a) The commissioner must issue an annual state park permit for no charge to any member of the 11 federally recognized tribes in Minnesota. To qualify for a free state park permit under this subdivision, an individual must present a qualifying tribal identification, as determined by each of the tribal governments, to the park attendant on duty or other designee of the commissioner.

(b) For vehicles permitted under paragraph (a), the permit issued under this subdivision is valid only when displayed on a vehicle owned and occupied by the person to whom the permit is issued.

(c) The commissioner may issue a daily state park permit free of charge to an individual who qualifies under paragraph (a) and does not own or operate a motor vehicle.

EFFECTIVE DATE. This section is effective January 1, 2022.

Sec. 37. Minnesota Statutes 2020, section 85.054, subdivision 1, is amended to read:

Subdivision 1. **State Park Open House Days.** (a) A state park permit is not required for a motor vehicle to enter a state park, state monument, state recreation area, or state wayside, on four days each calendar year at each park, which the commissioner shall designate as State Park Open House Days. The commissioner may designate two consecutive days as State Park Open House Days, if the open house is held in conjunction with a special ~~pageant~~ event described in section 85.052, subdivision 2.

(b) The commissioner shall announce the date of each State Park Open House Day at least 30 days in advance of the date it occurs.

(c) The purpose of State Park Open House Days is to acquaint the public with state parks, recreation areas, and waysides.

(d) On State Park Open House Days, registered overnight guests in state parks and state recreation areas are exempt from the requirements for a state park permit under section 85.053 until after the camping or lodging check-out time of the following day in the park where the overnight stay occurred.

Sec. 38. Minnesota Statutes 2020, section 85.43, is amended to read:

85.43 DISPOSITION OF RECEIPTS; PURPOSE.

~~(a)~~ Fees from cross-country-ski passes shall be deposited in the state treasury and credited to a cross-country-ski account in the natural resources fund and, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, are appropriated to the commissioner of natural resources for ~~the following purposes:~~

(1) grants-in-aid for cross-country-ski trails to:

(i) counties and municipalities for construction and maintenance of cross-country-ski trails; and

(ii) special park districts as provided in section 85.44 for construction and maintenance of cross-country-ski trails; ~~and~~

(2) ~~administration of~~ administering the cross-country-ski trail grant-in-aid program; and

(3) developing and maintaining state cross-country-ski trails.

~~(b) Development and maintenance of state cross-country-ski trails are eligible for funding from the cross-country-ski account if the money is appropriated by law.~~

EFFECTIVE DATE. This section is effective retroactively from July 1, 2019.

Sec. 39. Minnesota Statutes 2020, section 89.021, is amended by adding a subdivision to read:

Subd. 42a. Riverlands State Forest.

Sec. 40. Minnesota Statutes 2020, section 89.17, is amended to read:

89.17 LEASES AND PERMITS.

(a) Notwithstanding the permit procedures of chapter 90, the commissioner may grant and execute, in the name of the state, leases and permits for the use of any forest lands under the authority of the commissioner for any purpose that in the commissioner's opinion is not inconsistent with the maintenance and management of the forest lands, on forestry principles for timber production. Every such lease or permit is revocable at the discretion of the commissioner at any time subject to such conditions as may be agreed on in the lease. The approval of the commissioner of administration is not required upon any such lease or permit. No such lease or permit for a period exceeding 21 years shall be granted except with the approval of the Executive Council.

(b) Public access to the leased land for outdoor recreation is the same as access would be under state management.

(c) Notwithstanding section 16A.125, subdivision 5, after deducting the reasonable costs incurred for preparing and issuing the lease, all remaining proceeds from leasing school trust land and university land for roads on forest lands must be deposited into the respective permanent fund for the lands.

(d) The commissioner may require a performance bond, security deposit, or other form of security for removing any improvements or personal property left on the leased premises by the lessee upon termination or cancellation of the lease.

(e) In addition to other payments required by this section, the applicant must reimburse the state for costs incurred for cultural resources review, monitoring, or other services provided by the Minnesota Historical Society under contract with the commissioner of natural resources or the State Historic Preservation Office of the Department of Administration in connection with reviewing the lease request, preparing the lease terms, or monitoring construction of improvements on the leased premises.

Sec. 41. Minnesota Statutes 2020, section 89A.11, is amended to read:

89A.11 SUNSET.

Sections 89A.01; 89A.02; 89A.03; 89A.04; 89A.05; 89A.06; 89A.07; 89A.08; 89A.09; 89A.10; 89A.105; and 89A.11 ~~are repealed~~ expire June 30, 2024 2028.

Sec. 42. Minnesota Statutes 2020, section 92.50, is amended by adding a subdivision to read:

Subd. 4. **Reimbursing costs.** In addition to other payments required by this section, the applicant must reimburse the state for costs incurred for cultural resources review, monitoring, or other services provided by the Minnesota Historical Society under contract with the commissioner of natural resources or the State Historic Preservation Office of the Department of Administration in connection with reviewing the lease request, preparing the lease terms, or constructing improvements on the leased premises.

Sec. 43. Minnesota Statutes 2020, section 92.502, is amended to read:

92.502 LEASE OF TAX-FORFEITED AND STATE LANDS.

(a) Notwithstanding section 282.04 or other law to the contrary, St. Louis County may enter a 30-year lease of tax-forfeited land for a wind energy project.

(b) The commissioner of natural resources may enter a 30-year lease of land administered by the commissioner for a wind energy project.

(c) The commissioner of natural resources may enter a 30-year lease of land administered by the commissioner for recreational trails and facilities. The commissioner may assess the lease applicant a monitoring fee to cover the projected reasonable costs of monitoring construction of the recreational trail or facility and preparing special terms and conditions of the license to ensure proper construction. The commissioner must give the applicant an estimate of the monitoring fee before the applicant is required to submit the fee. Upon completion of construction of the trail or facility, the commissioner must refund the unobligated balance from the monitoring fee revenue.

(d) Notwithstanding section 282.04 or other law to the contrary, Lake and St. Louis Counties may enter into 30-year leases of tax-forfeited land for recreational trails and facilities.

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

Sec. 44. **[92.503] CONSERVATION PLANNING LEASES.**

The commissioner of natural resources may lease state-owned lands as defined in section 92.01 for a term not to exceed 21 years for the purpose of investigating, analyzing, and developing conservation easements that provide ecosystem services benefits. Leases granted under this section are not subject to section 92.50, subdivision 1, paragraph (b), with respect to Executive Council approval for commercial leases or section 92.50, subdivision 1, paragraph (d).

Sec. 45. Minnesota Statutes 2020, section 94.3495, subdivision 3, is amended to read:

Subd. 3. **Valuation of land.** (a) In an exchange of class 1 land for class 2 or 3 land, the value of all the land shall be determined by the commissioner of natural resources, but the county board must approve the value determined for the class 2 land, and the governmental subdivision of the state must approve the value determined for the class 3 land. In an exchange of class 2 land for class 3 land, the value of all the land shall be determined by the county board of the county in which the land lies, but the governmental subdivision of the state must approve the value determined for the class 3 land.

(b) To determine the value of the land, the parties to the exchange may either (1) cause the land to be appraised, or (2) determine the value for each 40-acre tract or lot, or a portion thereof, using ~~the most current~~ township or county assessment schedules within the preceding two years for similar land types from the county assessor of the county in which the lands are located. Merchantable timber value should be considered in finalizing valuation of the lands.

(c) Except for school trust lands and university lands, the lands exchanged under this section shall be exchanged only for lands of at least substantially equal value. For the purposes of this subdivision, "substantially equal value" has the meaning given under section 94.343, subdivision 3, paragraph (b). No payment is due either party if the lands, other than school trust lands or university lands, are of substantially equal value but are not of the same value.

(d) School trust lands and university lands exchanged under this section must be exchanged only for lands of equal or greater value.

Sec. 46. Minnesota Statutes 2020, section 97A.015, subdivision 29, is amended to read:

Subd. 29. **Minnows.** "Minnows" means: (1) members of the minnow family, Cyprinidae, except carp and goldfish; (2) members of the mudminnow family, Umbridae; (3) members of the sucker family, Catostomidae, ~~not over 12 inches in length~~; (4) bullheads, ciscoes, lake whitefish, goldeyes, and mooneyes, not over seven inches long; (5) leeches; and (6) tadpole madtoms (willow cats) and stonecats.

Sec. 47. Minnesota Statutes 2020, section 97A.075, subdivision 1, is amended to read:

Subdivision 1. **Deer, bear, and lifetime licenses.** (a) For purposes of this subdivision, "deer license" means a license issued under section 97A.475, subdivisions 2, clauses (5), (6), (7), ~~(13)~~ (15), ~~(14)~~ (16), and ~~(15)~~ (17); 3, paragraph (a), clauses (2), (3), (4), ~~(10)~~ (12), ~~(11)~~ (13), and ~~(12)~~ (14); and 8, paragraph (b), and licenses issued under section 97B.301, subdivision 4.

(b) The deer management account is established as an account in the game and fish fund and may be used only for deer habitat improvement or deer management programs, including a computerized licensing system. The following amounts must be credited to the deer management account:

(1) \$16 from each annual deer license issued under section 97A.475, subdivisions 2, clauses (5), (6), and (7); 3, paragraph (a), clauses (2), (3), and (4); and 8, paragraph (b);

(2) \$2 from each annual deer license issued under sections 97A.475, subdivisions 2, clauses ~~(13)~~ (15), ~~(14)~~ (16), and ~~(15)~~ (17); and 3, paragraph (a), clauses ~~(10)~~ (12), ~~(11)~~ (13), and ~~(12)~~ (14); and 97B.301, subdivision 4; and

(3) \$16 annually from the lifetime fish and wildlife trust fund, established under section 97A.4742, for each license issued to a person 18 years of age or older under section 97A.473, subdivision 4, and \$2 annually from the lifetime fish and wildlife trust fund for each license issued to a person under 18 years of age.

(c) \$1 from each annual deer license and each bear license and \$1 annually from the lifetime fish and wildlife trust fund, established in section 97A.4742, for each license issued under section 97A.473, subdivision 4, must be credited to the deer and bear management account and is appropriated to the commissioner for deer- and bear-management programs, including a computerized licensing system.

(d) Fifty cents from each deer license is credited to the emergency deer feeding and wild Cervidae health-management account and is appropriated for emergency deer feeding and wild Cervidae health management. Money appropriated for emergency deer feeding and wild Cervidae health management is available until expended.

(e) When the unencumbered balance in the appropriation for emergency deer feeding and wild Cervidae health management exceeds \$2,500,000 at the end of a fiscal year, the unencumbered balance over \$2,500,000 is canceled and is available for deer- and bear-management programs and computerized licensing.

Sec. 48. Minnesota Statutes 2020, section 97A.075, subdivision 7, is amended to read:

Subd. 7. **Wolf licenses; account established.** (a) For purposes of this subdivision, "wolf license" means a license or permit issued under section 97A.475, subdivision 2, clause ~~(20)~~ (22); 3, paragraph (a), clause ~~(16)~~ (18); or 20, paragraph (b).

(b) A wolf management and monitoring account is created in the game and fish fund. Revenue from wolf licenses must be credited to the wolf management and monitoring account and is appropriated to the commissioner only for wolf management, research, damage control, enforcement, and education. Notwithstanding any other law to the contrary, money credited to the account may not be used to pay indirect costs or agency shared services.

Sec. 49. Minnesota Statutes 2020, section 97A.126, is amended by adding a subdivision to read:

Subd. 3. **Walk-in-access hunter validation; fee.** The fee for a walk-in-access hunter validation is \$3.

Sec. 50. Minnesota Statutes 2020, section 97A.137, subdivision 5, is amended to read:

Subd. 5. **Portable stands.** (a) Prior to the Saturday on or nearest September 16, a portable stand may be left overnight in a wildlife management area by a person with a valid bear license who is hunting within 100 yards of a bear bait site that is legally tagged and registered as prescribed under section 97B.425. Any person leaving a portable stand overnight under this subdivision must affix a tag with: (1) the person's name and address; (2) the licensee's driver's license number; or (3) the "MDNR#" license identification number issued to the licensee. The tag must be affixed to the stand in a manner that it can be read from the ground.

(b) From November 1 through December 31, a portable stand may be left overnight by a person possessing a license to take deer in a wildlife management area located in whole or in part north and west of a line described as follows:

State Trunk Highway 1 from the west boundary of the state to State Trunk Highway 89; then north along State Trunk Highway 89 to Fourtown; then north on County State-Aid Highway 44, Beltrami County, to County Road 704, Beltrami County; then north on County Road 704 to Dick's Parkway State Forest Road; then north on Dick's Parkway to County State-Aid Highway 5, Roseau County; then north on County State-Aid Highway 5 to Warroad; then north on State Trunk Highway 11 to State Trunk Highway 313; then north on State Trunk Highway 313 to the north boundary of the state.

A person leaving a portable stand overnight under this paragraph must affix a tag with: (1) the person's name and address; (2) the licensee's driver's license number; or (3) the "MDNR#" license identification number issued to the licensee. The tag must be affixed to the stand so that it can be read from the ground and must be made of a material sufficient to withstand weather conditions. A person leaving a portable stand overnight in a wildlife management area under this paragraph may not leave more than two portable stands in any one wildlife management area. Unoccupied portable stands left overnight under this paragraph may be used by any member of the public. ~~This paragraph expires December 31, 2019.~~

EFFECTIVE DATE. This section is effective retroactively from July 1, 2019, and Minnesota Statutes, section 97A.137, subdivision 5, paragraph (b), is revived and reenacted as of that date.

Sec. 51. Minnesota Statutes 2020, section 97A.401, subdivision 1, is amended to read:

Subdivision 1. **Commissioner's authority.** The commissioner may issue special permits for the activities in this section. A special permit may be issued in the form of a general permit to a governmental subdivision or to the general public to conduct one or more activities under subdivisions 2 to 7 ~~8~~.

Sec. 52. Minnesota Statutes 2020, section 97A.401, is amended by adding a subdivision to read:

Subd. 8. Snakes, lizards, and salamanders. The commissioner must prescribe conditions and may issue permits to breed, propagate, and sell snakes, lizards, and salamanders. A snake, lizard, or salamander that is obtained from a permitted breeder or that was possessed before August 1, 2021, may be possessed as a pet.

Sec. 53. Minnesota Statutes 2020, section 97A.421, subdivision 1, is amended to read:

Subdivision 1. **General.** (a) The annual license of a person convicted of a violation of the game and fish laws relating to the license or wild animals covered by the license is void when:

(1) a second conviction occurs within three years under a license to trap fur-bearing animals, take small game, or to take fish by angling or spearing;

(2) a ~~third~~ second conviction occurs within ~~one year~~ three years under a minnow dealer's license;

(3) a second conviction occurs within three years for violations of section 97A.425 that do not involve falsifications or intentional omissions of information required to be recorded, or attempts to conceal unlawful acts within the records;

(4) two or more misdemeanor convictions occur within a three-year period under a private fish hatchery license;

(5) the conviction occurs under a license not described in clause (1), (2), or (4) or is for a violation of section 97A.425 not described in clause (3); or

(6) the conviction is related to assisting a person in the illegal taking, transportation, or possession of wild animals, when acting as a hunting or angling guide.

(b) Except for big-game licenses and as otherwise provided in this section, for one year after the conviction the person may not obtain the kind of license or take wild animals under a lifetime license, issued under section 97A.473 or 97A.474, relating to the game and fish law violation.

Sec. 54. Minnesota Statutes 2020, section 97A.421, is amended by adding a subdivision to read:

Subd. 3b. Issuance after conviction; night vision or thermal imaging equipment. (a) A person who is convicted of a violation under paragraph (b) and who possessed night vision or thermal imaging equipment during the violation may not obtain a hunting license or hunt wild animals for five years from the date of conviction.

(b) The revocation under this subdivision applies to convictions for:

(1) trespassing;

(2) hunting game in closed season;

(3) hunting game in closed hours;

(4) possessing night vision or thermal imaging equipment while taking wild animals in violation of section 97B.086; or

(5) possessing unlawful firearms in deer zones in violation of section 97B.041.

Sec. 55. Minnesota Statutes 2020, section 97A.475, subdivision 2, is amended to read:

Subd. 2. **Resident hunting.** Fees for the following licenses, to be issued to residents only, are:

- (1) for persons age 18 or over and under age 65 to take small game, \$15.50;
- (2) for persons age 65 or over, \$7 to take small game;
- (3) for persons age 18 or over to take turkey, \$26;
- (4) for persons age 13 or over and under age 18 to take turkey, \$5;
- (5) for persons age 18 or over to take deer with firearms during the regular firearms season, \$34;
- (6) for persons age 18 or over to take deer by archery, \$34;
- (7) for persons age 18 or over to take deer by muzzleloader during the muzzleloader season, \$34;
- (8) to take moose, for a party of not more than six persons, \$356;
- (9) for persons age 18 or over to take bear, \$44;
- (10) to take elk, for a party of not more than two persons, \$287;
- (11) to take Canada geese during a special season, \$4;
- (12) to take light geese during the light goose conservation order, \$2.50;
- (13) to take sandhill crane during the sandhill crane season, \$3;
- ~~(12)~~ (14) to take prairie chickens, \$23;
- ~~(13)~~ (15) for persons age 13 or over and under age 18 to take deer with firearms during the regular firearms season, \$5;
- ~~(14)~~ (16) for persons age 13 or over and under age 18 to take deer by archery, \$5;
- ~~(15)~~ (17) for persons age 13 or over and under age 18 to take deer by muzzleloader during the muzzleloader season, \$5;
- ~~(16)~~ (18) for persons age 10, 11, or 12 to take bear, no fee;
- ~~(17)~~ (19) for persons age 13 or over and under age 18 to take bear, \$5;
- ~~(18)~~ (20) for persons age 18 or over to take small game for a consecutive 72-hour period selected by the licensee, \$19, of which an amount equal to one-half of the fee for the migratory-waterfowl stamp under subdivision 5, clause (1), shall be deposited in the waterfowl habitat improvement account under section 97A.075, subdivision 2; one-half of the fee for the pheasant stamp under

subdivision 5, clause (2), shall be deposited in the pheasant habitat improvement account under section 97A.075, subdivision 4; and one-half of the small-game surcharge under subdivision 4, shall be deposited in the wildlife acquisition account;

~~(19)~~ (21) for persons age 16 or over and under age 18 to take small game, \$5;

~~(20)~~ (22) to take wolf, \$30;

~~(21)~~ (23) for persons age 12 and under to take turkey, no fee;

~~(22)~~ (24) for persons age 10, 11, or 12 to take deer by firearm, no fee;

~~(23)~~ (25) for persons age 10, 11, or 12 to take deer by archery, no fee; and

~~(24)~~ (26) for persons age 10, 11, or 12 to take deer by muzzleloader during the muzzleloader season, no fee.

Sec. 56. Minnesota Statutes 2020, section 97A.475, subdivision 3, is amended to read:

Subd. 3. **Nonresident hunting.** (a) Fees for the following licenses, to be issued to nonresidents, are:

(1) for persons age 18 or over to take small game, \$90.50;

(2) for persons age 18 or over to take deer with firearms during the regular firearms season, \$180;

(3) for persons age 18 or over to take deer by archery, \$180;

(4) for persons age 18 or over to take deer by muzzleloader during the muzzleloader season, \$180;

(5) for persons age 18 or over to take bear, \$225;

(6) for persons age 18 or over to take turkey, \$91;

(7) for persons age 13 or over and under age 18 to take turkey, \$5;

(8) to take raccoon or bobcat, \$178;

(9) to take Canada geese during a special season, \$4;

(10) to take light geese during the light goose conservation order, \$2.50;

(11) to take sandhill crane during the sandhill crane season, \$3;

~~(10)~~ (12) for persons age 13 or over and under age 18 to take deer with firearms during the regular firearms season in any open season option or time period, \$5;

~~(11)~~ (13) for persons age 13 or over and under age 18 to take deer by archery, \$5;

~~(12)~~ (14) for persons age 13 or over and under age 18 to take deer during the muzzleloader season, \$5;

~~(13)~~ (15) for persons age 13 or over and under 18 to take bear, \$5;

~~(14)~~ (16) for persons age 18 or over to take small game for a consecutive 72-hour period selected by the licensee, \$75, of which an amount equal to one-half of the fee for the migratory-waterfowl stamp under subdivision 5, clause (1), shall be deposited in the waterfowl habitat improvement account under section 97A.075, subdivision 2; one-half of the fee for the pheasant stamp under subdivision 5, clause (2), shall be deposited in the pheasant habitat improvement account under section 97A.075, subdivision 4; and one-half of the small-game surcharge under subdivision 4, shall be deposited into the wildlife acquisition account;

~~(15)~~ (17) for persons age 16 or 17 to take small game, \$5;

~~(16)~~ (18) to take wolf, \$250;

~~(17)~~ (19) for persons age 12 and under to take turkey, no fee;

~~(18)~~ (20) for persons age ten, 11, or 12 to take deer by firearm, no fee;

~~(19)~~ (21) for persons age ten, 11, or 12 to take deer by archery, no fee;

~~(20)~~ (22) for persons age ten, 11, or 12 to take deer by muzzleloader during the muzzleloader season, no fee; and

~~(21)~~ (23) for persons age 10, 11, or 12 to take bear, no fee.

(b) A \$5 surcharge shall be added to nonresident hunting licenses issued under paragraph (a), clauses (1) to (6) and (8). An additional commission may not be assessed on this surcharge.

Sec. 57. Minnesota Statutes 2020, section 97A.475, subdivision 3a, is amended to read:

Subd. 3a. **Deer license donation and surcharge.** (a) A person may agree to add a donation of \$1, \$3, or \$5 to the fees for annual resident and nonresident licenses to take deer by firearms or archery established under subdivisions 2, clauses (5), (6), (7), ~~(13)~~ (15), ~~(14)~~ (16), and ~~(15)~~ (17), and 3, paragraph (a), clauses (2), (3), (4), ~~(10)~~ (12), ~~(11)~~ (13), and ~~(12)~~ (14).

(b) Beginning March 1, 2008, fees for bonus licenses to take deer by firearms or archery established under section 97B.301, subdivision 4, must be increased by a surcharge of \$1.

(c) An additional commission may not be assessed on the donation or surcharge.

Sec. 58. Minnesota Statutes 2020, section 97A.475, subdivision 4, is amended to read:

Subd. 4. **Small-game surcharge and donation.** (a) Fees for annual licenses to take small game must be increased by a surcharge of \$6.50, except licenses under subdivisions 2, clauses ~~(18)~~ (20) and ~~(19)~~ (21); and 3, paragraph (a), clause ~~(14)~~ (16) and (17). An additional commission may not be assessed on the surcharge and the following statement must be included in the annual

small-game-hunting regulations: "This \$6.50 surcharge is being paid by hunters for the acquisition and development of wildlife lands."

(b) A person may agree to add a donation of \$1, \$3, or \$5 to the fees for annual resident and nonresident licenses to take small game. An additional commission may not be assessed on the donation. The following statement must be included in the annual small-game-hunting regulations: "The small-game license donations are being paid by hunters for administration of the walk-in access program."

Sec. 59. Minnesota Statutes 2020, section 97A.505, subdivision 3b, is amended to read:

Subd. 3b. **Wild animals taken on Red Lake Reservation lands ~~within Northwest Angle.~~** Wild animals taken and tagged on the Red Lake Reservation lands in accordance with the Red Lake Band's Conservation Code on the Red Lake Reservation lands in Minnesota north of the 49th parallel shall be and all applicable federal law are considered lawfully taken and possessed under state law. Possessing wild animals harvested under this subdivision is in addition to any state limits.

Sec. 60. Minnesota Statutes 2020, section 97B.022, is amended by adding a subdivision to read:

Subd. 3. **Apprentice-hunter validation; fee.** The fee for an apprentice-hunter validation is \$3.50. Fees collected must be deposited in the firearms safety training account, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, and issuing fees collected under section 97A.485, subdivision 6, and are appropriated annually to the Enforcement Division of the Department of Natural Resources for administering the firearm safety course program.

Sec. 61. Minnesota Statutes 2020, section 97B.036, is amended to read:

97B.036 CROSSBOW HUNTING DURING FIREARMS SEASON.

Notwithstanding section 97B.035, subdivisions 1 and 2, a person may take deer, bear, or turkey by crossbow during the respective ~~regular~~ firearms seasons. The transportation requirements of section 97B.051 apply to crossbows during the ~~regular~~ firearms deer, bear, or turkey season. Crossbows must meet the requirements of section 97B.106, subdivision 2. A person taking deer, bear, or turkey by crossbow under this section must have a valid ~~firearms~~ license to take the respective game by firearm. This section does not allow the use of a crossbow by licensed muzzleloader hunters during the muzzleloader firearms deer season under section 97B.311.

Sec. 62. Minnesota Statutes 2020, section 97B.055, subdivision 2, is amended to read:

Subd. 2. **Restrictions related to motor vehicles.** (a) A person may not take a wild animal with a firearm or by archery from a motor vehicle except as permitted in this section.

(b) A person may not shoot at a decoy of a wild animal that is placed by a licensed peace officer by:

(1) discharging a firearm from a motor vehicle; or

(2) discharging an arrow from a bow from a motor vehicle.

(c) Notwithstanding section 97B.091, a person may transport a bow uncased while in a motorized watercraft and may take rough fish while in the boat as provided in section 97C.376, subdivision 3.

Sec. 63. Minnesota Statutes 2020, section 97B.071, is amended to read:

97B.071 CLOTHING AND GROUND BLIND REQUIREMENTS; BLAZE ORANGE OR BLAZE PINK.

(a) Except as provided in rules adopted under paragraph ~~(e)~~ (d), a person may not hunt or trap during the open season where deer may be taken by firearms under applicable laws and ordinances, unless the visible portion of the person's cap and outer clothing above the waist, excluding sleeves and gloves, is blaze orange or blaze pink. Blaze orange or blaze pink includes a camouflage pattern of at least 50 percent blaze orange or blaze pink within each foot square. This section does not apply to migratory-waterfowl hunters on waters of this state or in a stationary shooting location or to trappers on waters of this state.

(b) Except as provided in rules adopted under paragraph (d) and in addition to the requirements under paragraph (a), during the open season where deer may be taken by firearms under applicable laws and ordinances, a person in a fabric or synthetic ground blind on public land must have:

(1) a blaze orange or blaze pink safety covering on the top of the blind visible for 360 degrees around the blind; or

(2) at least 144 square inches of blaze orange or blaze pink material on each side of the blind.

~~(b)~~ (c) Except as provided in rules adopted under paragraph ~~(e)~~ (d), and in addition to the ~~requirement~~ requirements in ~~paragraph paragraphs~~ (a) and (b), a person may not take small game other than turkey, migratory birds, raccoons, and predators, except while trapping, unless a visible portion of at least one article of the person's clothing above the waist is blaze orange or blaze pink. This paragraph does not apply to a person when in a stationary location while hunting deer by archery or when hunting small game by falconry.

~~(e)~~ (d) The commissioner may, by rule, prescribe an alternative color in cases where ~~paragraph (a) or (b)~~ paragraphs (a) to (c) would violate the Religious Freedom Restoration Act of 1993, Public Law 103-141.

~~(d)~~ (e) A violation of paragraph ~~(b)~~ ~~shall~~ (c) does not result in a penalty, but is punishable only by a safety warning.

Sec. 64. Minnesota Statutes 2020, section 97B.086, is amended to read:

97B.086 POSSESSING NIGHT VISION OR THERMAL IMAGING EQUIPMENT.

(a) A person may not possess night vision or thermal imaging equipment while taking wild animals or while having in possession, either individually or as one of a group of persons, a firearm, bow, or other implement that could be used to take wild animals.

(b) This section does not apply to a firearm that is:

(1) unloaded;

(2) in a gun case expressly made to contain a firearm that fully encloses the firearm by being zipped, snapped, buckled, tied, or otherwise fastened without any portion of the firearm exposed; and

(3) in the closed trunk of a motor vehicle.

(c) This section does not apply to a bow that is:

(1) completely encased or unstrung; and

(2) in the closed trunk of a motor vehicle.

(d) If the motor vehicle under paragraph (b) or (c) does not have a trunk, the firearm or bow must be placed in the rearmost location of the vehicle.

(e) This section does not apply to night vision, night vision enhanced with an infrared illuminator, or thermal imaging equipment possessed by:

(1) peace officers or military personnel while exercising their duties; or

(2) a person taking coyote or fox as provided under section 97B.075 and rules adopted under section 97B.605, but the equipment must not be possessed during the regular firearms deer season.

Sec. 65. Minnesota Statutes 2020, section 97B.311, is amended to read:

97B.311 DEER SEASONS AND RESTRICTIONS.

(a) Except as provided under paragraph (c), the commissioner may, by rule, prescribe restrictions and designate areas where deer may be taken, including hunter selection criteria for special hunts established under section 97A.401, subdivision 4. The commissioner may, by rule, prescribe the open seasons for deer within the following periods:

(1) taking with firearms, other than muzzle-loading firearms, between November 1 and December 15;

(2) taking with muzzle-loading firearms between September 1 and December 31; and

(3) taking by archery between September 1 and December 31.

(b) Notwithstanding paragraph (a), the commissioner may establish special seasons within designated areas at any time of year.

(c) The commissioner may not impose an antler point restriction other than that imposed under Minnesota Rules, part 6232.0200, subpart 6.

Sec. 66. Minnesota Statutes 2020, section 97B.415, is amended to read:

97B.415 TAKING BEAR TO PROTECT PROPERTY; SPECIAL PERMIT FOR TAKING NUISANCE BEAR.

(a) A person may take a bear at any time to protect the person's property. The person must report the bear taken to a conservation officer within 48 hours. The bear may be disposed of as prescribed by the commissioner.

(b) The commissioner must issue a bear control special permit according to section 97A.401 for wildlife control operators to take nuisance bear by live trapping and relocating the bear. When a bear is trapped and released, an enforcement officer or a wildlife manager must approve the release location. The commissioner must provide specific training to wildlife control operators who are issued a permit under this paragraph, including a refresher course every five years. The commissioner may not charge a fee for the bear control special permit or training. A wildlife control operator with a special permit issued under this paragraph may use remote surveillance equipment to monitor live traps.

Sec. 67. Minnesota Statutes 2020, section 97B.645, subdivision 9, is amended to read:

Subd. 9. **Open season.** ~~There shall be no~~ (a) The commissioner must prescribe an annual open season for wolves ~~until after~~ unless the wolf is ~~delisted~~ listed under the federal Endangered Species Act of 1973. ~~After that time, the commissioner may prescribe open seasons and restrictions for taking wolves but must provide opportunity for public comment.~~ The season, restrictions, and any other requirements must be consistent with the goals identified in the wolf management plan adopted under section 97B.646.

(b) The commissioner must annually consult with the commissioner of agriculture and the United States Department of Agriculture, Animal and Plant Health Inspection Service, before determining the season, restrictions, and other requirements of the open season required under this section. The consultation must include a review of available data on wolf depredation on livestock and pets and other incidents of human conflict.

Sec. 68. Minnesota Statutes 2020, section 97B.715, subdivision 1, is amended to read:

Subdivision 1. **Stamp required.** (a) Except as provided in paragraph (b) or section 97A.405, subdivision 2, a person required to possess a small-game license may not hunt pheasants without a pheasant stamp validation.

(b) The following persons are exempt from this subdivision:

- (1) residents and nonresidents under age 18 and residents over age 65;
- (2) persons hunting on licensed commercial shooting preserves;
- (3) resident disabled veterans with a license issued under section 97A.441, subdivision 6a; and
- (4) residents and nonresidents hunting on licenses issued under section 97A.475, subdivision 2, clause ~~(18)~~ (20); or 3, paragraph (a), clause ~~(14)~~ (16).

Sec. 69. Minnesota Statutes 2020, section 97B.801, is amended to read:

97B.801 MINNESOTA MIGRATORY-WATERFOWL STAMP REQUIRED.

(a) Except as provided in this section or section 97A.405, subdivision 2, a person required to possess a small-game license may not take migratory waterfowl without a migratory-waterfowl stamp validation.

(b) Residents under age 18 or over age 65; resident disabled veterans with a license issued under section 97A.441, subdivision 6a; and persons hunting on their own property are not required to possess a stamp validation under this section.

(c) Residents and nonresidents with licenses issued under section 97A.475, subdivision 2, clause ~~(18)~~ (20); or 3, paragraph (a), clause ~~(14)~~ (16), are not required to possess a stamp validation under this section.

Sec. 70. Minnesota Statutes 2020, section 97B.811, subdivision 4a, is amended to read:

Subd. 4a. **Restrictions on certain motorized decoys.** ~~From the opening day of the duck season through the Saturday nearest October 8, a person may not use a motorized decoy, or other motorized device designed to attract migratory waterfowl. During the remainder of the duck season, the commissioner may, by rule, designate all or any portion of a wetland or lake closed to the use of motorized decoys or motorized devices designed to attract migratory waterfowl. On water bodies and lands fully contained within wildlife management area boundaries, a person may not use motorized decoys or motorized devices designed to attract migratory waterfowl at any time during the duck season.~~

Sec. 71. Minnesota Statutes 2020, section 97C.005, subdivision 3, is amended to read:

Subd. 3. **Seasons, limits, and other rules.** The commissioner may, in accordance with the procedures in subdivision 2, paragraphs (c) and (e), or by rule under chapter 14, establish open seasons, limits, methods, and other requirements for taking fish on special management waters. The commissioner may, by written order published in the State Register, amend daily, possession, or size limits to make midseason adjustments based on available harvest, angling pressure, and population data to manage the fisheries in the 1837 Ceded Territory in compliance with the court orders in Mille Lacs Band of Chippewa v. Minnesota, 119 S. Ct. 1187 (1999) and in the state waters of Upper Red Lake. The midseason adjustments in daily, possession, or size limits are not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply. Before the written order is effective, the commissioner shall attempt to notify persons or groups of persons affected by the written order by public announcement, posting, and other appropriate means as determined by the commissioner.

Sec. 72. Minnesota Statutes 2020, section 97C.081, subdivision 3, is amended to read:

Subd. 3. **Contests requiring permit.** (a) Unless subdivision 3a applies, a person must have a permit from the commissioner to conduct a fishing contest if:

(1) there are more than 25 boats for open-water contests, more than 150 participants for ice-fishing contests, or more than 100 participants for shore-fishing contests;

(2) entry fees are more than \$25 per person; or

(3) the contest is limited to trout species.

(b) The commissioner shall charge a fee for the permit that recovers the costs of issuing the permit and of monitoring the activities allowed by the permit. Notwithstanding section 16A.1283, the commissioner may, by written order published in the State Register, establish contest permit fees. The fees are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

(c) The commissioner may require the applicant to furnish evidence of financial responsibility in the form of a surety bond or bank letter of credit in the amount of \$25,000 if entry fees are over \$25 per person, or total prizes are valued at more than \$25,000, and if the applicant has either:

- (1) not previously conducted a fishing contest requiring a permit under this subdivision; or
- (2) ever failed to make required prize awards in a fishing contest conducted by the applicant.

(d) The permit fee for any individual contest may not exceed the following amounts:

- (1) \$70 for an open-water contest not exceeding 50 boats and without off-site weigh-in;
- (2) \$225 for an open-water contest with more than 50 boats and without off-site weigh-in;
- (3) \$280 for an open-water contest not exceeding 50 boats with off-site weigh-in;
- (4) \$560 for an open-water contest with more than 50 boats with off-site weigh-in; ~~or~~
- (5) \$135 for an ice-fishing contest with more than 150 participants; or
- (6) \$50 for a contest where all participants are age 18 years or under.

Sec. 73. Minnesota Statutes 2020, section 97C.081, subdivision 3a, is amended to read:

Subd. 3a. **No permit required.** A person may conduct a fishing contest without a permit from the commissioner if:

- (1) the contest is not limited to specifically named waters;
- ~~(2) all the contest participants are age 18 years or under;~~
- ~~(3)~~ (2) the contest is limited to rough fish and participants are required to fish with a hook and line; or
- ~~(4)~~ (3) the total prize value is \$500 or less.

Sec. 74. Minnesota Statutes 2020, section 97C.211, subdivision 2a, is amended to read:

Subd. 2a. **Acquiring fish.** (a) A private fish hatchery may not obtain fish outside of the state unless the fish or the source of the fish are approved by the commissioner. The commissioner may apply more stringent requirements to fish or a source of fish from outside the state than are applied to fish and sources of fish from within the state. The commissioner must either approve or deny the acquisition within 30 days after receiving a written request for approval. ~~Minnows acquired must be processed and not released into public waters, except as provided in section 97C.515, subdivision 4.~~ A request may be for annual acquisition.

(b) If the commissioner denies approval, a written notice must be submitted to the applicant stating the reasons for the denial and the commissioner must:

- (1) designate approved sources to obtain the desired fish or fish eggs; or
- (2) sell the fish or fish eggs from state fish hatcheries at fair market value.

Sec. 75. Minnesota Statutes 2020, section 97C.342, subdivision 2, is amended to read:

Subd. 2. **Bait restrictions.** (a) Frozen or dead fish on the ~~official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services~~ VHS-susceptible-species list under section 17.4982, subdivision 21b; cisco (all *Coregonus*, including lake herring and tullibee); and smelt (all *Osmerus*, *Spirincus*, *Hypomesus*, and *Allosmerus*) being used as bait in waters of the state must originate from water bodies certified disease-free. A water body is certified as disease-free if:

(1) the water body has been tested for viral hemorrhagic septicemia and the testing indicates the disease is not present; or

(2) the water body is located within a viral-hemorrhagic-septicemia-free zone posted on the Department of Natural Resources website.

(b) Certification for these individually tested water bodies is valid for one year from the date of test results. Certification of water bodies within a viral-hemorrhagic-septicemia-free zone posted on the Department of Natural Resources website is valid for the dates included in the posting. A viral-hemorrhagic-septicemia-free certification is also referred to as a fish health certification.

Sec. 76. Minnesota Statutes 2020, section 97C.515, subdivision 2, is amended to read:

Subd. 2. **Permit for ~~transportation~~ importation.** (a) A person may ~~transport~~ import live minnows ~~through~~ into the state with a permit from the commissioner. ~~The permit must state the name and address of the person, the number and species of minnows, the point of entry into the state, the destination, and the route through the state. The permit is not valid for more than 12 hours after it is issued.~~ A person must not import minnows into the state except as provided in this section.

~~(b) Minnows transported under this subdivision must be in a tagged container. The tag number must correspond with tag numbers listed on the minnow transportation permit.~~

~~(c) The commissioner may require the person transporting minnow species found on the official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services, to provide health certification for viral hemorrhagic septicemia. The certification must disclose any incidentally isolated replicating viruses, and must be dated within the 12 months preceding transport.~~

(b) Minnows must be certified as healthy according to standards of the World Organisation for Animal Health or the Fish Health Section Blue Book of the American Fisheries Society.

(c) Minnows must be certified free of viral hemorrhagic septicemia, infectious hematopoietic necrosis, infectious pancreatic necrosis, spring viremia of carp virus, fathead minnow nidovirus, and Heterosporis within the past 12 months.

(d) Minnows must originate from a biosecure facility that has tested negative for invasive species in the past 12 months.

(e) Only a person that holds a minnow dealer's license issued under section 97C.501, subdivision 2, may obtain a permit to import minnows.

(f) The following information must be available to the commissioner upon request for each load of imported minnows:

- (1) the date minnows were imported;
- (2) the number of pounds or gallons imported;
- (3) the facility name from which the minnows originated; and
- (4) a fish health certificate for the minnows.

(g) Minnows may be imported to feed hatchery fish if the requirements in paragraphs (a) to (f) are met.

Sec. 77. Minnesota Statutes 2020, section 97C.805, subdivision 2, is amended to read:

Subd. 2. **Restrictions.** (a) ~~The~~ Netting of lake whitefish and ciscoes is subject to the restrictions in this subdivision.

(b) A person may not use:

- (1) more than ~~two nets~~ one net;
- (2) a net more than 100 feet long; or
- (3) a net more than three feet wide.

(c) The mesh size of the ~~nets~~ net may not be less than:

- (1) 1-3/4 inches, stretch measure, for nets used to take ciscoes; and
- (2) 3-1/2 inches, stretch measure, for all other nets.

(d) A net may not be set in water, including ice thickness, deeper than six feet.

(e) The commissioner may designate waters where nets may be set so that portions of the net extend into water deeper than six feet under conditions prescribed by the commissioner to protect game fish. A pole or stake must project at least two feet above the surface of the water or ice at one end of ~~each~~ the net.

(f) A net may not be set within 50 feet of another net.

(g) A person may not have angling equipment in possession while netting lake whitefish or ciscoes.

Sec. 78. Minnesota Statutes 2020, section 97C.836, is amended to read:

97C.836 LAKE SUPERIOR LAKE TROUT; EXPANDED ASSESSMENT HARVEST.

The commissioner shall provide for taking of lake trout by licensed commercial operators in Lake Superior management zones MN-3 and MN-2 for expanded assessment and sale. The commissioner shall authorize expanded assessment taking and sale of lake trout in Lake Superior management zone MN-3 beginning annually in 2007 and zone MN-2 beginning annually in 2010. Total assessment taking and sale may not exceed 3,000 lake trout in zone MN-3 and 2,000 lake trout in zone MN-2 and may be reduced when necessary to protect the lake trout population or to manage the effects of invasive species or fish disease. Taking lake trout for expanded assessment and sale shall be allowed from June 1 to September 30, but may end earlier in the respective zones if the quotas are reached. The quotas must be reassessed at the expiration of the current ten-year Fisheries Management Plan for the Minnesota Waters of Lake Superior ~~dated September 2006~~.

Sec. 79. Minnesota Statutes 2020, section 103A.212, is amended to read:

103A.212 WATERSHED MANAGEMENT POLICY.

Subdivision 1. Purpose. The quality of life of every Minnesotan depends on water. Minnesota's rivers, lakes, streams, wetlands, and groundwater provide a foundation for drinking water and the state's recreational, municipal, commercial, industrial, agricultural, environmental, aesthetic, and economic well-being. The legislature finds that it is in the public interest to manage groundwater and surface water resources from the perspective of aquifers, watersheds, and river basins to achieve protection, preservation, enhancement, and restoration of the state's valuable groundwater and surface water resources.

Subd. 2. Coordination and cooperation. In implementing the policy under this section, state agencies and local and regional governments with authority over local water management, conservation, land use, land management, and development plans must take into consideration the manner in which their plans are consistent with the policy. To the extent practicable, state agencies and local and regional governments must endeavor to enter into formal and informal agreements and arrangements to jointly use staff and educational, technical, and financial resources to deliver programs or conduct activities to achieve the purposes of the policy.

Sec. 80. Minnesota Statutes 2020, section 103C.315, subdivision 4, is amended to read:

Subd. 4. **Compensation.** A supervisor shall receive compensation for services up to ~~\$75~~ \$125 per day, and may be reimbursed for expenses, including traveling expenses, necessarily incurred in the discharge of duties. A supervisor may be reimbursed for the use of the supervisor's own automobile in the performance of official duties at a rate up to the maximum tax-deductible mileage rate permitted under the federal Internal Revenue Code.

Sec. 81. Minnesota Statutes 2020, section 103G.201, is amended to read:

103G.201 PUBLIC WATERS INVENTORY.

(a) The commissioner ~~shall~~ must maintain a public waters inventory map of each county that shows the waters of this state that are designated as public waters under the public waters inventory

and classification procedures prescribed under Laws 1979, chapter 199, and ~~shall~~ must provide access to a copy of the maps. As county public waters inventory maps are revised according to this section, the commissioner ~~shall~~ must send a notification or a copy of the maps to the auditor of each affected county.

(b) The commissioner is authorized to revise the map of public waters established under Laws 1979, chapter 199, to reclassify those types 3, 4, and 5 wetlands previously identified as public waters wetlands under Laws 1979, chapter 199, as public waters or as wetlands under section 103G.005, subdivision 19. The commissioner may only reclassify public waters wetlands as public waters if:

(1) they are assigned a shoreland management classification by the commissioner under sections 103F.201 to 103F.221;

(2) they are classified as lacustrine wetlands or deepwater habitats according to Classification of Wetlands and Deepwater Habitats of the United States (Cowardin, et al., 1979 edition); or

(3) the state or federal government has become titleholder to any of the beds or shores of the public waters wetlands, subsequent to the preparation of the public waters inventory map filed with the auditor of the county, pursuant to paragraph (a), and the responsible state or federal agency declares that the water is necessary for the purposes of the public ownership.

(c) The commissioner must provide notice of ~~the~~ a reclassification under paragraph (b) or a revision under paragraph (e) to the local government unit, the county board, the watershed district, if one exists for the area, and the soil and water conservation district. Within 60 days of receiving notice from the commissioner, a party required to receive the notice may provide a resolution stating objections to the reclassification or revision. If the commissioner receives an objection from a party required to receive the notice, the reclassification or revision is not effective. If the commissioner does not receive an objection from a party required to receive the notice, the reclassification of a wetland under paragraph (b) or revision under paragraph (e) is effective 60 days after the notice is received by all of the parties.

(d) The commissioner ~~shall~~ must give priority to the reclassification of public waters wetlands that are or have the potential to be affected by public works projects.

(e) The commissioner may revise the public waters inventory map of each county:

(1) to reflect the changes authorized in paragraph (b); and

(2) as needed, to:

(i) correct errors in the original inventory;

(ii) add or subtract trout stream tributaries within sections that contain a designated trout stream following written notice to the landowner;

(iii) add depleted quarries, and sand and gravel pits, when the body of water exceeds 50 acres and the shoreland has been zoned for residential development; and

(iv) add or subtract public waters that have been created or eliminated as a requirement of a permit authorized by the commissioner under section 103G.245.

Sec. 82. Minnesota Statutes 2020, section 103G.223, is amended to read:

103G.223 CALCAREOUS FENS.

(a) Calcareous fens, as identified by the commissioner by written order published in the State Register, may not be filled, drained, or otherwise degraded, wholly or partially, by any activity, unless the commissioner, under an approved management plan, decides some alteration is necessary or as provided in paragraph (b). Identifications made by the commissioner are not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply.

(b) The commissioner may allow water appropriations that result in temporary reductions in groundwater resources on a seasonal basis under an approved calcareous fen management plan.

(c) If the commissioner determines that a water appropriation permit cannot be issued or renewed because of this section, the commissioner must, within one year of the date of denial and at no cost to the applicant, provide the applicant with a groundwater and surface water hydrologic evaluation that demonstrates by a preponderance of the evidence the basis for that conclusion.

(d) An applicant whose permit is denied under this section may file a written request with the commissioner to designate a mutually agreed upon third party expert to review the evaluation provided under paragraph (c) at no cost to the applicant, and to make recommendations to the commissioner about whether or not the permit should be issued. The third party expert must agree to provide the commissioner and applicant with the expert's recommendations within 90 days of agreeing to review the evaluation.

(e) A permit applicant may file for a contested case hearing under chapter 14 within 30 days of the later of the following:

(1) the date by which the hydrologic evaluation was required to have been provided to the applicant under paragraph (c);

(2) receiving the recommendations of the third party who is reviewing the evaluation under paragraph (d); or

(3) determining that no mutually agreed upon third party expert can be found.

(f) Any permit applicant who has had a water appropriation permit previously denied under this section may resubmit a permit application under this section and is entitled to all rights and reviews available under this section.

Sec. 83. Minnesota Statutes 2020, section 103G.271, subdivision 4a, is amended to read:

Subd. 4a. **Mt. Simon-Hinckley aquifer.** ~~(a)~~ The commissioner may not issue new water-use permits that will appropriate water from the Mt. Simon-Hinckley aquifer ~~in a metropolitan county, as defined in section 473.121, subdivision 4,~~ unless the appropriation is for potable water use, there are no feasible or practical alternatives to this source, and a water conservation plan is incorporated with the permit.

~~(b) The commissioner shall terminate all permits authorizing appropriation and use of water from the Mt. Simon-Hinckley aquifer for once-through systems in a metropolitan county, as defined in section 473.121, subdivision 4, by December 31, 1992.~~

Sec. 84. Minnesota Statutes 2020, section 103G.271, is amended by adding a subdivision to read:

Subd. 4b. **Bulk transport or sale.** (a) To maintain the supply of drinking water for future generations and except as provided under paragraph (b), the commissioner may not issue a new water-use permit to appropriate water in excess of one million gallons per year for bulk transport or sale of water for consumptive use to a location more than 50 miles from the point of the proposed appropriation.

(b) Paragraph (a) does not apply to a water-use permit for a public water supply, as defined under section 144.382, subdivision 4, issued to a local unit of government, rural water district established under chapter 116A, or Tribal unit of government if:

(1) the use is solely for the public water supply;

(2) the local unit of government, rural water district established under chapter 116A, or Tribal unit of government has a property interest at the point of the appropriation;

(3) the communities that will use the water are located within 100 miles of the point of appropriation; and

(4) the requirements in sections 103G.265, 103G.285, and 103G.287 are met.

Sec. 85. Minnesota Statutes 2020, section 103G.271, subdivision 7, is amended to read:

Subd. 7. **Transferring permit.** (a) A water-use permit may be transferred to a successive owner of real property if the permittee conveys the real property where the source of water is located. The new owner must notify the commissioner immediately after the conveyance and request transfer of the permit. The commissioner must not deny the transfer of a permit if the permittee is in compliance with all permit conditions and the permit meets the requirements of sections 103G.255 to 103G.301.

(b) When transferring a permit, the commissioner must not require additional conditions on the permit, reduce the appropriation, reduce the term, or require any testing.

Sec. 86. Minnesota Statutes 2020, section 103G.271, is amended by adding a subdivision to read:

Subd. 8. **Management plans; effect on land values.** Before a management plan for appropriating water is prepared, the commissioner must provide estimates of the impact of any new restriction or policy on land values in the affected area. Strategies to address adverse impacts to land values must be included in the plan.

Sec. 87. Minnesota Statutes 2020, section 103G.287, subdivision 4, is amended to read:

Subd. 4. **Groundwater management areas.** (a) The commissioner may designate groundwater management areas and limit total annual water appropriations and uses within a designated area to

ensure sustainable use of groundwater that protects ecosystems, water quality, and the ability of future generations to meet their own needs. Water appropriations and uses within a designated management area must be consistent with a groundwater management area plan approved by the commissioner that addresses water conservation requirements and water allocation priorities established in section 103G.261. During development of a groundwater management area plan, the commissioner and employees and agents of the department may disseminate information related to the timing, location, and agendas of meetings related to the plan, but must otherwise limit public information related to the groundwater management area plan to direct factual responses to public and media inquiries. At least 30 days prior to implementing or modifying a groundwater management area plan under this subdivision, the commissioner shall consult with the advisory team established in paragraph (c).

(b) Notwithstanding section 103G.271, subdivision 1, paragraph (b), and Minnesota Rules, within designated groundwater management areas, the commissioner may require general permits as specified in section 103G.271, subdivision 1, paragraph (c), for water users using less than 10,000 gallons per day or 1,000,000 gallons per year and water suppliers serving less than 25 persons for domestic purposes. The commissioner may waive the requirements under section 103G.281 for general permits issued under this paragraph, and the fee specified in section 103G.301, subdivision 2, paragraph (c), does not apply to general permits issued under this paragraph.

(c) When designating a groundwater management area, the commissioner shall assemble an advisory team to assist in developing a groundwater management area plan for the area. The advisory team members shall be selected from public and private entities that have an interest in the water resources affected by the groundwater management area. A majority of the advisory team members shall be public and private entities that currently hold water-use permits for water appropriations from the affected water resources. The commissioner shall consult with the League of Minnesota Cities, the Association of Minnesota Counties, the Minnesota Association of Watershed Districts, and the Minnesota Association of Townships in appointing the local government representatives to the advisory team. The advisory team may also include representatives from the University of Minnesota, the Minnesota State Colleges and Universities, other institutions of higher learning in Minnesota, political subdivisions with jurisdiction over water issues, nonprofits with expertise in water, and federal agencies.

(d) Before designating a groundwater management area, the commissioner must provide estimates of the impact of any new restriction or policy on land values in the affected area. Strategies to address adverse impacts to land values must be included in any plan.

Sec. 88. Minnesota Statutes 2020, section 103G.287, subdivision 5, is amended to read:

Subd. 5. **Sustainability standard.** (a) The commissioner may issue water-use permits for appropriation from groundwater only if the commissioner determines that the groundwater use is sustainable to supply the needs of future generations and the proposed use will not harm ecosystems, degrade water, or reduce water levels beyond the reach of public water supply and private domestic wells constructed according to Minnesota Rules, chapter 4725.

(b) For the purposes of this subdivision and subdivision 4, "sustainable" means a change in hydrologic regime of 20 percent or less relative to the August median stream flow.

Sec. 89. Minnesota Statutes 2020, section 103G.289, is amended to read:

103G.289 WELL INTERFERENCE; ~~WELL SEALING VALIDATION; CONTESTED CASE.~~

(a) The commissioner shall not validate a claim for well interference ~~claim~~ if the affected well has been sealed prior to the completion of the commissioner's investigation of the complaint. If the well is sealed prior to completion of the investigation, the commissioner must dismiss the complaint.

(b) When validating a claim for well interference, the commissioner must take into account the condition of the affected well.

(c) Within 30 days after the commissioner's decision on a claim for well interference, a party ordered by the commissioner to contribute to an affected well owner may petition for a contested case hearing under sections 14.57 to 14.62. The commissioner must grant the petitioner a contested case hearing on the commissioner's decision.

Sec. 90. Minnesota Statutes 2020, section 103G.401, is amended to read:

103G.401 APPLICATION TO ESTABLISH LAKE LEVELS.

(a) Applications for authority to establish and maintain levels of public waters and applications to establish the natural ordinary high-water level of public waters may be made to the commissioner by a public body or authority or by a majority of the riparian owners on the public waters.

(b) To conserve or utilize the water resources of the state, the commissioner may initiate proceedings to establish and maintain the level of public waters.

(c) When establishing an ordinary high-water level, the commissioner must provide written or electronic notice of the order to the local units of government where the public water is located.

Sec. 91. [103G.413] APPEAL OF ORDER ESTABLISHING ORDINARY HIGH-WATER LEVEL.

Subdivision 1. **Petition.** A local unit of government may petition for review of the ordinary high-water level. A petition may be filed on behalf of the local unit of government or riparian landowner affected by the ordinary high-water level. The petition must be filed by the local unit of government and include reasons why the determination should be reviewed and evidence to be considered as part of the review.

Subd. 2. **Review.** If a local unit of government files a petition under this section, the commissioner must review the petition within 90 days of the request and issue a final order. The commissioner may extend this period by 90 days by providing written notice of the extension to the applicant. Any further extension requires the agreement of the petitioner.

Sec. 92. Minnesota Statutes 2020, section 115.03, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) The agency is hereby given and charged with the following powers and duties:

(a) (1) to administer and enforce all laws relating to the pollution of any of the waters of the state;

(b) (2) to investigate the extent, character, and effect of the pollution of the waters of this state and to gather data and information necessary or desirable in the administration or enforcement of pollution laws, and to make such classification of the waters of the state as it may deem advisable;

(c) (3) to establish and alter such reasonable pollution standards for any waters of the state in relation to the public use to which they are or may be put as it shall deem necessary for the purposes of this chapter and, with respect to the pollution of waters of the state, chapter 116;

(d) (4) to encourage waste treatment, including advanced waste treatment, instead of stream low-flow augmentation for dilution purposes to control and prevent pollution;

(e) (5) to adopt, issue, reissue, modify, deny, or revoke, enter into or enforce reasonable orders, permits, variances, standards, rules, schedules of compliance, and stipulation agreements, under such conditions as it may prescribe, in order to prevent, control or abate water pollution, or for the installation or operation of disposal systems or parts thereof, or for other equipment and facilities:

(1) (i) requiring the discontinuance of the discharge of sewage, industrial waste or other wastes into any waters of the state resulting in pollution in excess of the applicable pollution standard established under this chapter;

(2) (ii) prohibiting or directing the abatement of any discharge of sewage, industrial waste, or other wastes, into any waters of the state or the deposit thereof or the discharge into any municipal disposal system where the same is likely to get into any waters of the state in violation of this chapter and, with respect to the pollution of waters of the state, chapter 116, or standards or rules promulgated or permits issued pursuant thereto, and specifying the schedule of compliance within which such prohibition or abatement must be accomplished;

(3) (iii) prohibiting the storage of any liquid or solid substance or other pollutant in a manner which does not reasonably assure proper retention against entry into any waters of the state that would be likely to pollute any waters of the state;

(4) (iv) requiring the construction, installation, maintenance, and operation by any person of any disposal system or any part thereof, or other equipment and facilities, or the reconstruction, alteration, or enlargement of its existing disposal system or any part thereof, or the adoption of other remedial measures to prevent, control or abate any discharge or deposit of sewage, industrial waste or other wastes by any person;

(5) (v) establishing, and from time to time revising, standards of performance for new sources taking into consideration, among other things, classes, types, sizes, and categories of sources, processes, pollution control technology, cost of achieving such effluent reduction, and any nonwater quality environmental impact and energy requirements. Said standards of performance for new sources shall encompass those standards for the control of the discharge of pollutants which reflect the greatest degree of effluent reduction which the agency determines to be achievable through application of the best available demonstrated control technology, processes, operating methods, or other alternatives, including, where practicable, a standard permitting no discharge of pollutants. New sources shall encompass buildings, structures, facilities, or installations from which there is

or may be the discharge of pollutants, the construction of which is commenced after the publication by the agency of proposed rules prescribing a standard of performance which will be applicable to such source. Notwithstanding any other provision of the law of this state, any point source the construction of which is commenced after May 20, 1973, and which is so constructed as to meet all applicable standards of performance for new sources shall, consistent with and subject to the provisions of section 306(d) of the Amendments of 1972 to the Federal Water Pollution Control Act, not be subject to any more stringent standard of performance for new sources during a ten-year period beginning on the date of completion of such construction or during the period of depreciation or amortization of such facility for the purposes of section 167 or 169, or both, of the Federal Internal Revenue Code of 1954, whichever period ends first. Construction shall encompass any placement, assembly, or installation of facilities or equipment, including contractual obligations to purchase such facilities or equipment, at the premises where such equipment will be used, including preparation work at such premises;

~~(6)~~ (vi) establishing and revising pretreatment standards to prevent or abate the discharge of any pollutant into any publicly owned disposal system, which pollutant interferes with, passes through, or otherwise is incompatible with such disposal system;

~~(7)~~ (vii) requiring the owner or operator of any disposal system or any point source to establish and maintain such records, make such reports, install, use, and maintain such monitoring equipment or methods, including where appropriate biological monitoring methods, sample such effluents in accordance with such methods, at such locations, at such intervals, and in such a manner as the agency shall prescribe, and providing such other information as the agency may reasonably require;

~~(8)~~ (viii) notwithstanding any other provision of this chapter, and with respect to the pollution of waters of the state, chapter 116, requiring the achievement of more stringent limitations than otherwise imposed by effluent limitations in order to meet any applicable water quality standard by establishing new effluent limitations, based upon section 115.01, subdivision 13, clause (b), including alternative effluent control strategies for any point source or group of point sources to insure the integrity of water quality classifications, whenever the agency determines that discharges of pollutants from such point source or sources, with the application of effluent limitations required to comply with any standard of best available technology, would interfere with the attainment or maintenance of the water quality classification in a specific portion of the waters of the state. Prior to establishment of any such effluent limitation, the agency shall hold a public hearing to determine the relationship of the economic and social costs of achieving such limitation or limitations, including any economic or social dislocation in the affected community or communities, to the social and economic benefits to be obtained and to determine whether or not such effluent limitation can be implemented with available technology or other alternative control strategies. If a person affected by such limitation demonstrates at such hearing that, whether or not such technology or other alternative control strategies are available, there is no reasonable relationship between the economic and social costs and the benefits to be obtained, such limitation shall not become effective and shall be adjusted as it applies to such person;

~~(9)~~ (ix) modifying, in its discretion, any requirement or limitation based upon best available technology with respect to any point source for which a permit application is filed after July 1, 1977, upon a showing by the owner or operator of such point source satisfactory to the agency that such modified requirements will represent the maximum use of technology within the economic capability

of the owner or operator and will result in reasonable further progress toward the elimination of the discharge of pollutants; and

~~(10)~~ (x) requiring that applicants for wastewater discharge permits evaluate in their applications the potential reuses of the discharged wastewater;

~~(6)~~ (6) to require to be submitted and to approve plans and specifications for disposal systems or point sources, or any part thereof and to inspect the construction thereof for compliance with the approved plans and specifications thereof;

~~(7)~~ (7) to prescribe and alter rules, not inconsistent with law, for the conduct of the agency and other matters within the scope of the powers granted to and imposed upon it by this chapter and, with respect to pollution of waters of the state, in chapter 116, provided that every rule affecting any other department or agency of the state or any person other than a member or employee of the agency shall be filed with the secretary of state;

~~(8)~~ (8) to conduct such investigations, issue such notices, public and otherwise, and hold such hearings as are necessary or which it may deem advisable for the discharge of its duties under this chapter and, with respect to the pollution of waters of the state, under chapter 116, including, but not limited to, the issuance of permits, and to authorize any member, employee, or agent appointed by it to conduct such investigations or, issue such notices and hold such hearings;

~~(9)~~ (9) for the purpose of water pollution control planning by the state and pursuant to the Federal Water Pollution Control Act, as amended, to establish and revise planning areas, adopt plans and programs and continuing planning processes, including, but not limited to, basin plans and areawide waste treatment management plans, and to provide for the implementation of any such plans by means of, including, but not limited to, standards, plan elements, procedures for revision, intergovernmental cooperation, residual treatment process waste controls, and needs inventory and ranking for construction of disposal systems;

~~(10)~~ (10) to train water pollution control personnel; and charge ~~such~~ fees ~~therefor as are~~ for the training as necessary to cover the agency's costs. The fees under this clause are subject to legislative approval under section 16A.1283. All such fees received shall be paid into the state treasury and credited to the Pollution Control Agency training account;

~~(11)~~ (11) to impose as additional conditions in permits to publicly owned disposal systems appropriate measures to insure compliance by industrial and other users with any pretreatment standard, including, but not limited to, those related to toxic pollutants, and any system of user charges ratably as is hereby required under state law or said Federal Water Pollution Control Act, as amended, or any regulations or guidelines promulgated thereunder;

~~(12)~~ (12) to set a period not to exceed five years for the duration of any national pollutant discharge elimination system permit or not to exceed ten years for any permit issued as a state disposal system permit only;

~~(13)~~ (13) to require each governmental subdivision identified as a permittee for a wastewater treatment works to evaluate in every odd-numbered year the condition of its existing system and identify future capital improvements that will be needed to attain or maintain compliance with a national pollutant discharge elimination system or state disposal system permit; and

~~(m)~~ (14) to train subsurface sewage treatment system personnel, including persons who design, construct, install, inspect, service, and operate subsurface sewage treatment systems, and charge fees for the training as necessary to pay the agency's costs. The fees under this clause are subject to legislative approval under section 16A.1283. All fees received must be paid into the state treasury and credited to the agency's training account. Money in the account is appropriated to the agency to pay expenses related to training.

(b) The information required in paragraph (a), clause ~~(m)~~ (13), must be submitted in every odd-numbered year to the commissioner on a form provided by the commissioner. The commissioner shall provide technical assistance if requested by the governmental subdivision.

(c) The powers and duties given the agency in this subdivision also apply to permits issued under chapter 114C.

Sec. 93. Minnesota Statutes 2020, section 115.455, is amended to read:

115.455 EFFLUENT LIMITATIONS; COMPLIANCE.

To the extent allowable under federal law, for a municipality that constructs a publicly owned treatment works or for an industrial national pollutant discharge elimination system and state disposal system permit holder that constructs a treatment works to comply with a new or modified effluent limitation, compliance with any new or modified effluent limitation adopted after construction begins that would require additional capital investment is required no sooner than 16 years after the date the facility begins operating.

Sec. 94. Minnesota Statutes 2020, section 115.77, subdivision 1, is amended to read:

Subdivision 1. **Fees.** The agency shall collect fees in amounts necessary, but no greater than the amounts necessary, to cover the reasonable costs of reviewing applications and issuing certifications. The fees under this subdivision are subject to legislative approval under section 16A.1283.

Sec. 95. Minnesota Statutes 2020, section 115.84, subdivision 2, is amended to read:

Subd. 2. **Rules.** The agency may adopt rules to govern certification of laboratories according to this section. ~~Notwithstanding section 16A.1283, the agency may adopt rules establishing fees.~~

Sec. 96. Minnesota Statutes 2020, section 115.84, subdivision 3, is amended to read:

Subd. 3. **Fees.** (a) Until the agency adopts a rule establishing fees for certification, the agency shall collect fees from laboratories registering with the agency, but not accredited by the commissioner of health under sections 144.97 to 144.99, in amounts necessary to cover the reasonable costs of the certification program, including reviewing applications, issuing certifications, and conducting audits and compliance assistance. The fees under this paragraph are subject to legislative approval under section 16A.1283.

(b) Fees under this section must be based on the number, type, and complexity of analytical methods that laboratories are certified to perform.

(c) Revenue from fees charged by the agency for certification ~~shall~~ must be credited to the environmental fund.

Sec. 97. Minnesota Statutes 2020, section 115A.03, is amended by adding a subdivision to read:

Subd. 1a. **Advanced recycling.** "Advanced recycling" means a manufacturing process for converting post-use polymers and recovered feedstocks into basic hydrocarbon raw materials, feedstocks, chemicals, liquid fuels, and other products like waxes and lubricants through processes that include pyrolysis, gasification, depolymerization, catalytic cracking, reforming, hydrogenation, solvolysis, and other similar technologies. The recycled products produced at advanced recycling facilities include but are not limited to monomers, oligomers, plastics, plastics and chemical feedstocks, basic and unfinished chemicals, crude oil, naphtha, liquid transportation fuels, waxes, lubricants, coatings, and other basic hydrocarbons. Advanced recycling is not processing, treatment, resource recovery, incineration, or waste management.

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

Sec. 98. Minnesota Statutes 2020, section 115A.03, is amended by adding a subdivision to read:

Subd. 1b. **Advanced recycling facility.** "Advanced recycling facility" means a facility that receives, stores, and converts post-use polymers and recovered feedstocks it receives using advanced recycling. An advanced recycling facility is a manufacturing facility subject to applicable agency manufacturing regulations for air, water, waste, and land use. An advanced recycling facility is not a solid waste facility, waste facility, or resource recovery facility.

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

Sec. 99. Minnesota Statutes 2020, section 115A.03, is amended by adding a subdivision to read:

Subd. 7b. **Depolymerization.** "Depolymerization" means a manufacturing process where post-use polymers are broken into smaller molecules such as monomers and oligomers or raw, intermediate, or final products, plastics and chemical feedstocks, basic and unfinished chemicals, crude oil, naphtha, liquid transportation fuels, waxes, lubricants, coatings, and other basic hydrocarbons.

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

Sec. 100. Minnesota Statutes 2020, section 115A.03, is amended by adding a subdivision to read:

Subd. 10b. **Gasification.** "Gasification" means a manufacturing process through which recovered feedstocks are heated and converted into a fuel-gas mixture in an oxygen-deficient atmosphere and the mixture is converted into valuable raw materials and intermediate and final products, including but not limited to plastic monomers, chemicals, waxes, lubricants, chemical feedstocks, crude oil, diesel, gasoline, diesel and gasoline blend stocks, home heating oil, and other fuels including ethanol and transportation fuel, that are returned to economic utility in the form of raw materials, products, or fuels.

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

Sec. 101. Minnesota Statutes 2020, section 115A.03, is amended by adding a subdivision to read:

Subd. 24c. **Post-use polymers.** "Post-use polymers" means plastic that:

(1) is derived from any industrial, commercial, agricultural, or domestic activities;

(2) is not mixed with solid waste or hazardous waste on site or during processing at the advanced recycling facility;

(3) is used or intended to be used as a feedstock for manufacturing crude oil, fuels, feedstocks, blend stocks, raw materials, or other intermediate products or final products using advanced recycling;

(4) has been sorted from solid waste and other regulated waste but may contain residual amounts of solid waste such as organic material and incidental contaminants or impurities such as paper labels and metal rings; and

(5) is processed at an advanced recycling facility or held at an advanced recycling facility before processing.

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

Sec. 102. Minnesota Statutes 2020, section 115A.03, is amended by adding a subdivision to read:

Subd. 24d. **Pyrolysis.** "Pyrolysis" means a manufacturing process through which post-use polymers are heated in an oxygen-deficient atmosphere until melted and thermally decomposed and then cooled, condensed, and converted into valuable raw materials and intermediate and final products, including but not limited to plastic monomers, chemicals, waxes, lubricants, chemical feedstocks, crude oil, diesel, gasoline, diesel and gasoline blend stocks, home heating oil, and other fuels including ethanol and transportation fuel, that are returned to economic utility in the form of raw materials, products, or fuels.

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

Sec. 103. Minnesota Statutes 2020, section 115A.03, subdivision 25, is amended to read:

Subd. 25. **Processing.** "Processing" means the treatment of waste after collection and before disposal. Processing includes but is not limited to reduction, storage, separation, exchange, resource recovery, physical, chemical, or biological modification, and transfer from one waste facility to another. Processing does not include advanced recycling.

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

Sec. 104. Minnesota Statutes 2020, section 115A.03, subdivision 25d, is amended to read:

Subd. 25d. **Refuse-derived fuel.** "Refuse-derived fuel" means a product resulting from the processing of mixed municipal solid waste in a manner that reduces the quantity of noncombustible material present in the waste, reduces the size of waste components through shredding or other mechanical means, and produces a fuel suitable for combustion in existing or new solid fuel-fired boilers. Fuels produced using advanced recycling are not refuse-derived fuels.

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

Sec. 105. Minnesota Statutes 2020, section 115A.03, is amended by adding a subdivision to read:

Subd. 25e. **Recovered feedstock.** "Recovered feedstock" means one or more of the following materials that has been processed so that it may be used as feedstock in an advanced recycling facility:

(1) post-use polymers; and

(2) materials for which the United States Environmental Protection Agency has made a nonwaste determination under Code of Federal Regulations, title 40, section 241.3(c), or has otherwise determined are feedstocks and not solid waste.

Recovered feedstock does not include unprocessed municipal solid waste. Recovered feedstock is not mixed with solid waste or hazardous waste on site or during processing at an advanced recycling facility.

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

Sec. 106. Minnesota Statutes 2020, section 115A.03, subdivision 27, is amended to read:

Subd. 27. **Resource recovery.** "Resource recovery" means the reclamation for sale, use, or reuse of materials, substances, energy, or other products contained within or derived from waste. Resource recovery does not include advanced recycling.

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

Sec. 107. Minnesota Statutes 2020, section 115A.03, subdivision 28, is amended to read:

Subd. 28. **Resource recovery facility.** "Resource recovery facility" means a waste facility established and used primarily for resource recovery, including related and appurtenant facilities such as transmission facilities and transfer stations primarily serving the resource recovery facility. An advanced recycling facility is not a resource recovery facility.

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

Sec. 108. Minnesota Statutes 2020, section 115A.03, is amended by adding a subdivision to read:

Subd. 32e. **Solvolyis.** "Solvolyis" means a manufacturing process through which post-use polymers are reacted with the aid of solvents while heated at low temperatures or pressurized, or both, to make useful products while allowing additives and contaminants to be separated. The products of solvolyis include but are not limited to monomers, intermediates, and valuable raw materials. The process includes but is not limited to hydrolysis, aminolysis, ammonolysis, methanolysis, and glycolysis.

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

Sec. 109. Minnesota Statutes 2020, section 115A.03, subdivision 34, is amended to read:

Subd. 34. **Waste.** "Waste" means solid waste, sewage sludge, and hazardous waste. Waste does not include post-use polymers or recovered feedstocks.

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

Sec. 110. Minnesota Statutes 2020, section 115A.03, subdivision 35, is amended to read:

Subd. 35. **Waste facility.** "Waste facility" means all property, real or personal, including negative and positive easements and water and air rights, which is or may be needed or useful for the processing or disposal of waste, except property for the collection of the waste and property used primarily for the manufacture of scrap metal or paper. Waste facility includes but is not limited to transfer stations, processing facilities, and disposal sites and facilities. An advanced recycling facility is not a waste facility.

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

Sec. 111. Minnesota Statutes 2020, section 115A.03, subdivision 36, is amended to read:

Subd. 36. **Waste management.** "Waste management" means activities which are intended to affect or control the generation of waste and activities which provide for or control the collection, processing and disposal of waste. Waste management does not include advanced recycling.

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

Sec. 112. **[115A.143] MATTRESS RECYCLING.**

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

(b) "Brand" means a name, symbol, word, or mark that attributes a mattress to the producer of the mattress.

(c) "Covered entity" means a political subdivision of the state, mattress retailer, permitted transfer station, waste-to-energy facility, health care facility, educational facility, military base, or commercial or nonprofit lodging establishment that possesses a discarded mattress that was used and discarded in this state. Covered entity does not include a renovator, refurbisher, or person that only transports a discarded mattress.

(d) "Discarded mattress" means a mattress that a consumer discarded, intends to discard, or abandoned in the state, but does not include a mattress that cannot be safely recycled because it is contaminated by putrescible solid waste or is substantially soiled, is infested with bedbugs, or poses a risk to worker health or equipment, which mattress should be disposed of through the existing solid waste system.

(e) "Energy recovery" means the process by which all or a portion of solid waste materials are processed or combusted to use the heat content or other forms of energy derived from the solid waste materials.

(f) "Foundation" means any ticking-covered structure that is used to support a mattress and that is composed of one or more of the following: a constructed frame, foam, or a box spring, whether

stationary, adjustable, or foldable. Foundation does not include any bed frame or base made of wood, metal, or other material that rests upon the floor and that serves as a brace for a mattress.

(g) "Mattress" means any resilient material or combination of materials that is enclosed by ticking, used alone or in combination with other products, and that is intended or promoted for sleeping upon. Mattress includes any foundation and any used or renovated mattress. Mattress does not include any mattress pad; mattress topper; sleeping bag; pillow; car bed; carriage; basket; dressing table; stroller; playpen; infant carrier; lounge pad; crib or bassinet mattress; crib bumper; liquid or gaseous filled ticking, including any water bed and any air mattress that does not contain upholstery material between the ticking and the mattress core; or upholstered furniture, including a sleeper sofa.

(h) "Mattress core" means the principal support system that is present in a mattress, including but not limited to springs, foam, air bladder, water bladder, or resilient filling.

(i) "Mattress recycling council" or "council" means the nonprofit organization created by producers or created by any trade association that represents producers who account for a majority of mattress production in the United States to design, submit, and implement the mattress stewardship program described in subdivision 2.

(j) "Mattress stewardship fee" means the amount added to the purchase price of a mattress sold to a consumer or to an ultimate end user in this state that is necessary to cover the cost of collecting, transporting, and processing discarded mattresses by the council according to the mattress stewardship program.

(k) "Mattress stewardship program" or "program" means the statewide program described in subdivision 2 and implemented according to the mattress stewardship plan developed under subdivision 2.

(l) "Mattress topper" means an item that contains resilient filling, with or without ticking, that is intended to be used with or on top of a mattress.

(m) "Performance goal" means a metric proposed by the council to annually measure the performance of the mattress stewardship program, taking into consideration technical and economic feasibilities, in achieving continuous, meaningful improvement in the rate of mattress recycling in the state and any other specified goal of the program.

(n) "Producer" means a person who manufactures or renovates a mattress that is sold, offered for sale, or distributed in the state under the producer's own name or brand. Producer includes:

(1) the owner of a trademark or brand under which a mattress is sold, offered for sale, or distributed in this state, whether or not the trademark or brand is registered in this state; and

(2) a person who imports a mattress into the United States that is sold or offered for sale in this state and that is manufactured or renovated by a person who does not have a presence in the United States.

(o) "Recycling" means a process in which discarded mattresses, components, and by-products may lose their original identity or form as they are transformed into new, usable, or marketable materials. Recycling does not include using destructive incineration.

(p) "Renovate" or "renovation" means altering a mattress for resale, including any one or a combination of the following: replacing the ticking or filling, adding additional filling, or replacing components with new or recycled materials. Renovate or renovation does not include:

(1) stripping a mattress of its ticking or filling without adding new material;

(2) sanitizing or sterilizing a mattress without otherwise altering the mattress; or

(3) a renovator altering a mattress for a person who retains the altered mattress for personal use, in accordance with chapter 325F.

(q) "Renovator" means a person who renovates discarded mattresses to resell the mattresses to consumers.

(r) "Retailer" means a person who sells mattresses to a consumer or to an ultimate end user in this state or offers mattresses to a consumer in this state.

(s) "Sale" means transfer of title of a mattress for consideration to a consumer or an ultimate end user in the state, including but not limited to by means of a sales outlet, catalog, website, or similar electronic means.

(t) "Sanitizing" means directly applying chemicals to a mattress to kill human disease-causing pathogens.

(u) "Sterilizing" means mitigating deleterious substances or organisms, including human disease-causing pathogens, fungi, and insects, from a mattress or filling material using a chemical or heat process.

(v) "Ticking" means the outermost layer of fabric or material of a mattress. Ticking does not include any layer of fabric or material quilted together with, or otherwise attached to, the outermost layer of fabric or material of a mattress.

(w) "Upholstery material" means all material, loose or attached, between the ticking and the core of a mattress.

Subd. 2. Mattress recycling council; required plan. (a) Within 180 days after the effective date of this section, each producer or the producer's designee must join the mattress recycling council. Within 180 days after the effective date of this section, the council must submit a plan for approval by the commissioner to establish a statewide mattress stewardship program, as described in this paragraph. Retailers may participate in the council. The mattress stewardship program must, to the extent technologically feasible and economically practical:

(1) provide for free, convenient, and accessible statewide opportunities for receiving discarded mattresses from any person in the state with a discarded mattress that was used and discarded in the state, including but not limited to participating covered entities that accumulate and segregate a minimum of 100 discarded mattresses for collection at one time;

(2) provide for free collection of discarded mattresses from transfer stations that accumulate and segregate fewer than 50 mattresses, provided the transfer stations require the collection due to space or permit requirements;

(3) provide for council-financed end-of-life management for discarded mattresses collected according to clauses (1) and (2);

(4) provide suitable storage containers at or make other mutually agreeable storage and transport arrangements for permitted transfer stations for segregated, discarded mattresses, at no cost to the municipality, provided the transfer station makes space available for the purpose and imposes no fee for placement of the storage container on the transfer station's premises;

(5) provide that the council will conduct research as needed related to improving used mattress collection, dismantling, and recycling operations, including pilot programs to test new processes, methods, or equipment on a local, regional, or otherwise limited basis; and

(6) include a mattress stewardship fee that is sufficient to cover the costs of operating and administering the program.

(b) The plan submitted according to paragraph (a) must:

(1) identify each producer participating in the program;

(2) describe the fee structure for the program;

(3) establish performance goals for the first two years of the program;

(4) identify proposed facilities to be used by the program;

(5) set convenience goals and a timeline for implementing and achieving convenient access to the program;

(6) detail how the program will promote recycling discarded mattresses consistent with the state's solid waste management hierarchy; and

(7) include a description of public education regarding the program.

(c) The council must set the amount of the mattress stewardship fee that is added to the purchase price of a mattress at the point of sale. The council must establish and implement a fee structure that covers but does not exceed the costs of developing the plan described in paragraph (b), operating and administering the program described in paragraph (a), and maintaining a financial reserve sufficient to operate the program over multiple years in a fiscally prudent and responsible manner. The council must set the fee as a flat rate and not as a percentage of the purchase price. The council must maintain all records relating to the program for not less than three years.

(d) Under the program, recycling is preferred over any other disposal method for mattresses, to the extent that recycling is technologically feasible and economically practical.

(e) The commissioner must approve the plan for establishing the mattress stewardship program if the plan meets the requirements of paragraphs (a) to (d). No later than 90 days after the council

submits the plan according to this section, the commissioner must make a determination whether to approve the plan. Before making the determination, the commissioner must post the plan on the agency's website and solicit public comments on the plan. If the commissioner disapproves the plan because the plan does not meet the requirements of paragraphs (a) to (d), the commissioner must describe the reasons for the disapproval in a notice of determination that the commissioner provides to the council. The council must revise and resubmit the plan to the commissioner no later than 45 days after receiving notice of the commissioner's disapproval. No later than 45 days after receiving the revised plan, the commissioner must review and approve or disapprove the revised plan and provide a notice of determination to the council. The council may resubmit a revised plan to the commissioner for approval no more than twice. If the council fails to submit a plan that is acceptable to the commissioner because it does not meet the requirements of paragraphs (a) to (d), the commissioner must modify a submitted plan to make it conform to the requirements of paragraphs (a) to (d) and approve it. No later than 180 days after approval of a plan according to this paragraph, the council must implement the mattress stewardship program. Regardless of when the program begins, the program's fiscal year begins January 1.

(f) The council must submit any proposed substantial change to the program to the commissioner for approval. If the commissioner does not disapprove a proposed substantial change within 90 days of receiving notice of the proposed substantial change, the proposed substantial change is deemed approved. For purposes of this paragraph, "substantial change" means:

(1) a change in the processing facilities to be used for discarded mattresses collected under the program; or

(2) a material change to the system for collecting mattresses.

(g) Within 90 days after the end of the program's second fiscal year, the council must submit updated performance goals to the commissioner that are based on the experience of the program during the first two years of the program.

(h) The council must notify the commissioner of other material changes to the program on an ongoing basis, without resubmitting the plan to the commissioner for approval. Material changes include but are not limited to a change in the composition, officers, or contact information of the council.

(i) Within 90 days after the end of the program's second fiscal year and every two years thereafter, the council must propose a mattress stewardship fee for all mattresses sold in this state. The council may propose a change to the mattress stewardship fee more frequently than once every two years if the council determines the change is needed to avoid funding shortfalls or excesses for the mattress stewardship program. Any proposed mattress stewardship fee must be reviewed by an auditor to ensure that the assessment does not exceed the cost to fund the mattress stewardship program described in paragraph (a) and to maintain financial reserves sufficient to operate the program over multiple years in a fiscally prudent and responsible manner. Not later than 60 days after the council proposes a mattress stewardship fee, the auditor must render an opinion to the commissioner as to whether the proposed mattress stewardship fee is reasonable to achieve the goals set forth in this section. If the auditor concludes that the mattress stewardship fee is reasonable, then the proposed fee goes into effect. If the auditor concludes that the mattress stewardship fee is not reasonable, the auditor must provide the council with written notice explaining the auditor's opinion. No later than

60 days after the council receives the auditor's opinion, the council may either propose a new mattress stewardship fee or provide written comments on the auditor's opinion. If the auditor concludes that the fee is not reasonable, the commissioner must decide, based on the auditor's opinion and any comments provided by the council, whether to approve the proposed mattress stewardship fee. The council must select the auditor. The cost of any work performed by the auditor under this paragraph and paragraph (k) must be paid by the mattress stewardship fee.

(j) Not later than October 15 each year, the council must submit an annual report to the commissioner for the most recently completed fiscal year. The commissioner must post the annual report on the agency's website. The report must include:

(1) the tonnage of mattresses collected under the program from:

(i) transfer stations;

(ii) retailers; and

(iii) all other covered entities;

(2) the tonnage of mattresses diverted for recycling;

(3) the weight of mattress materials recycled, as indicated by the weight of each of the commodities sold to secondary markets;

(4) the weight of mattress materials sent for disposal at:

(i) waste-to-energy facilities;

(ii) landfills; and

(iii) any other facilities;

(5) a summary of the public education that supports the program;

(6) an evaluation of the effectiveness of methods and processes used to achieve performance goals of the program; and

(7) recommendations for any changes to the program.

(k) Two years after the program is implemented according to paragraph (e) and every three years thereafter or upon the request of the commissioner, but not more frequently than once a year, the council must cause an audit of the program to be conducted by an auditor as described in paragraph (i). The audit must review the accuracy of the council's data concerning the program and provide any other information requested by the commissioner, consistent with the requirements of this section, provided the request does not require the disclosure of proprietary information or trade or business secrets. The council must pay for the audit. The council must maintain all records relating to the program for at least three years.

Subd. 3. **Charging fee; producer participation.** Upon implementation of the mattress stewardship program, each manufacturer, renovator, retailer, or distributor that sells a mattress to a

consumer or to an ultimate end user in the state must add the mattress stewardship fee to the purchase price for the mattress and must remit the fee collected to the council. In each transaction, the fee must appear on the invoice and must be accompanied by a brief description of the fee. The council must determine the rules and procedures necessary to implement collection of the fee in a fair, efficient, and lawful manner. Any producer who fails to participate in the program must not sell mattresses in this state.

Subd. 4. **Receipt of discarded mattresses.** Upon implementation of the mattress stewardship program according to subdivision 2, paragraph (e), a covered entity that participates in the program must not charge for the receipt of discarded mattresses that are discarded in this state, except that covered entities may charge a fee for providing the service of collecting mattresses and may restrict the acceptance of mattresses by number, source, or physical condition.

Sec. 113. Minnesota Statutes 2020, section 115A.565, subdivision 1, is amended to read:

Subdivision 1. **Grant program established.** The commissioner ~~shall~~ **must** make competitive grants to political subdivisions or federally recognized tribes to establish curbside recycling or composting, increase recycling or composting, reduce the amount of recyclable materials entering disposal facilities, or reduce the costs associated with hauling waste by locating collection sites as close as possible to the site where the waste is generated. To be eligible for grants under this section, a political subdivision or federally recognized tribe must be located outside the seven-county metropolitan area and a city must have a population of less than 45,000.

Sec. 114. Minnesota Statutes 2020, section 115B.40, subdivision 1, is amended to read:

Subdivision 1. **Response to releases.** The commissioner may take any environmental response action, including emergency action, related to a release or threatened release of a hazardous substance, pollutant or contaminant, or decomposition gas from a qualified facility that the commissioner deems reasonable and necessary to protect the public health or welfare or the environment under the standards required in sections 115B.01 to 115B.20. The commissioner may undertake studies necessary to determine reasonable and necessary environmental response actions at individual facilities. The commissioner may develop general work plans for environmental studies, presumptive remedies, and generic remedial designs for facilities with similar characteristics, as well as implement reuse and redevelopment strategies. Prior to selecting environmental response actions for a facility, the commissioner shall hold at least one public informational meeting near the facility and provide for receiving and responding to comments related to the selection. The commissioner shall design, implement, and provide oversight consistent with the actions selected under this subdivision.

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

Sec. 115. **[115B.422] CLOSED LANDFILL EMERGENCY ACCOUNT.**

Subdivision 1. **Establishment; appropriation.** A closed landfill emergency account is established in the remediation fund. Money in the account, including interest, is appropriated to the commissioner for environmental response actions at qualified facilities or priority qualified facilities where there is an imminent and substantial danger to the health and welfare of the people of the state resulting from the potential contamination of drinking water supplies or the potential for direct human contact with a release or threatened release of a hazardous substance, pollutant or contaminant, or decomposition gas.

Subd. 2. **Annual report.** No later than February 1 each year, the commissioner must report activities and expenditures under this section to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment finance.

Sec. 116. Minnesota Statutes 2020, section 116.03, subdivision 2b, is amended to read:

Subd. 2b. **Permitting efficiency.** (a) It is the goal of the state that environmental and resource management permits be issued or denied within 90 days for tier 1 permits or 150 days for tier 2 permits following submission of a permit application. The commissioner of the Pollution Control Agency shall establish management systems designed to achieve the goal. For the purposes of this section, "tier 1 permits" are permits that do not require individualized actions or public comment periods, and "tier 2 permits" are permits that require individualized actions or public comment periods.

(b) The commissioner ~~shall~~ must prepare ~~an annual~~ semiannual permitting efficiency ~~report~~ reports that ~~includes~~ include statistics on meeting the tier 2 goal in paragraph (a) and the criteria for tier 2 by permit categories. ~~The report is~~ reports are due on February 1 and August 1 each year. For permit applications that have not met the goal, ~~the~~ each report must state the reasons for not meeting the goal. In stating the reasons for not meeting the goal, the commissioner ~~shall~~ must separately identify delays caused by the responsiveness of the proposer, ~~lack of staff,~~ scientific or technical disagreements, or the level of public engagement. ~~The~~ Each report must specify the number of days from initial submission of the application to the day of determination that the application is complete. ~~The~~ Each report must aggregate the data for the year reporting period and assess whether program or system changes are necessary to achieve the goal. Whenever a report required by this subdivision states the number of permits completed within a particular period, the report must, immediately after the number and in parentheses, state the percentage of total applications received for that permit category that the number represents. Whenever a report required by this subdivision states the number of permits completed within a particular period, the report must separately state completion data for industrial and municipal permits. ~~The report~~ reports must be posted on the agency's website and submitted to the governor and the chairs and ranking minority members of the house of representatives and senate committees having jurisdiction over environment policy and finance.

(c) The commissioner shall allow electronic submission of environmental review and permit documents to the agency.

(d) Within 30 business days of application for a permit subject to paragraph (a), the commissioner of the Pollution Control Agency shall notify the permit applicant, in writing, whether the application is complete or incomplete. If the commissioner determines that an application is incomplete, the notice to the applicant must enumerate all deficiencies, citing specific provisions of the applicable rules and statutes, and advise the applicant on how the deficiencies can be remedied. If the commissioner determines that the application is complete, the notice must confirm the application's tier 1 or tier 2 permit status. If the commissioner believes that a complete application for a tier 2 construction permit cannot be issued within the 150-day goal, the commissioner must provide notice to the applicant with the commissioner's notice that the application is complete and, upon request of the applicant, provide the permit applicant with a schedule estimating when the agency will begin drafting the permit and issue the public notice of the draft permit. This paragraph does not apply to an application for a permit that is subject to a grant or loan agreement under chapter 446A.

(e) For purposes of this subdivision, "permit professional" means an individual not employed by the Pollution Control Agency who:

- (1) has a professional license issued by the state of Minnesota in the subject area of the permit;
- (2) has at least ten years of experience in the subject area of the permit; and

(3) abides by the duty of candor applicable to employees of the Pollution Control Agency under agency rules and complies with all applicable requirements under chapter 326.

(f) Upon the agency's request, an applicant relying on a permit professional must participate in a meeting with the agency before submitting an application:

(1) at least two weeks prior to the preapplication meeting, the applicant must submit at least the following:

(i) project description, including, but not limited to, scope of work, primary emissions points, discharge outfalls, and water intake points;

(ii) location of the project, including county, municipality, and location on the site;

(iii) business schedule for project completion; and

(iv) other information requested by the agency at least four weeks prior to the scheduled meeting; and

(2) during the preapplication meeting, the agency shall provide for the applicant at least the following:

(i) an overview of the permit review program;

(ii) a determination of which specific application or applications will be necessary to complete the project;

(iii) a statement notifying the applicant if the specific permit being sought requires a mandatory public hearing or comment period;

(iv) a review of the timetable established in the permit review program for the specific permit being sought; and

(v) a determination of what information must be included in the application, including a description of any required modeling or testing.

(g) The applicant may select a permit professional to undertake the preparation of the permit application and draft permit.

(h) If a preapplication meeting was held, the agency shall, within seven business days of receipt of an application, notify the applicant and submitting permit professional that the application is complete or is denied, specifying the deficiencies of the application.

(i) Upon receipt of notice that the application is complete, the permit professional shall submit to the agency a timetable for submitting a draft permit. The permit professional shall submit a draft permit on or before the date provided in the timetable. Within 60 days after the close of the public comment period, the commissioner shall notify the applicant whether the permit can be issued.

(j) Nothing in this section shall be construed to modify:

(1) any requirement of law that is necessary to retain federal delegation to or assumption by the state; or

(2) the authority to implement a federal law or program.

(k) The permit application and draft permit shall identify or include as an appendix all studies and other sources of information used to substantiate the analysis contained in the permit application and draft permit. The commissioner shall request additional studies, if needed, and the permit applicant shall submit all additional studies and information necessary for the commissioner to perform the commissioner's responsibility to review, modify, and determine the completeness of the application and approve the draft permit.

Sec. 117. Minnesota Statutes 2020, section 116.06, subdivision 22, is amended to read:

Subd. 22. **Solid waste.** "Solid waste" means garbage, refuse, sludge from a water supply treatment plant or air contaminant treatment facility, and other discarded waste materials and sludges, in solid, semisolid, liquid, or contained gaseous form, resulting from industrial, commercial, mining, and agricultural operations; and from community activities, but does not include:

(1) hazardous waste;

(2) animal waste used as fertilizer;

(3) earthen fill, boulders, ~~or~~ rock;

(4) concrete diamond grinding and saw slurry associated with the construction, improvement, or repair of a road when deposited on the road project site in a manner that is in compliance with best management practices and rules of the agency;

(5) sewage sludge;

(6) solid or dissolved material in domestic sewage or other common pollutants in water resources, such as silt, dissolved or suspended solids in industrial wastewater effluents or discharges ~~which~~ that are point sources subject to permits under section 402 of the Federal Water Pollution Control Act, as amended, or dissolved materials in irrigation return flows; ~~or~~

(7) source, special nuclear, or by-product material as defined by the Atomic Energy Act of 1954, as amended; or

(8) post-use polymers or recovered feedstocks converted at an advanced recycling facility or held at an advanced recycling facility before being converted.

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

Sec. 118. Minnesota Statutes 2020, section 116.07, subdivision 2, is amended to read:

Subd. 2. **Adopting standards.** (a) The Pollution Control Agency shall improve air quality by promoting, in the most practicable way possible, the use of energy sources and waste disposal methods which produce or emit the least air contaminants consistent with the agency's overall goal of reducing all forms of pollution. The agency shall also adopt standards of air quality, not including maximum allowable standards of emission of air contaminants from motor vehicles, recognizing that due to variable factors, no single standard of purity of air is applicable to all areas of the state. In adopting standards the Pollution Control Agency shall give due recognition to the fact that the quantity or characteristics of air contaminants or the duration of their presence in the atmosphere, which may cause air pollution in one area of the state, may cause less or not cause any air pollution in another area of the state, and it shall take into consideration in this connection such factors, including others which it may deem proper, as existing physical conditions, zoning classifications, topography, prevailing wind directions and velocities, and the fact that a standard of air quality which may be proper as to an essentially residential area of the state, may not be proper as to a highly developed industrial area of the state. Such standards of air quality shall be premised upon scientific knowledge of causes as well as effects based on technically substantiated criteria and commonly accepted practices. No local government unit shall set standards of air quality which are more stringent than those set by the Pollution Control Agency.

(b) The Pollution Control Agency shall promote solid waste disposal control by encouraging the updating of collection systems, elimination of open dumps, and improvements in incinerator practices. The agency shall also adopt standards for the control of the collection, transportation, storage, processing, and disposal of solid waste and sewage sludge for the prevention and abatement of water, air, and land pollution, recognizing that due to variable factors, no single standard of control is applicable to all areas of the state. In adopting standards, the Pollution Control Agency shall give due recognition to the fact that elements of control which may be reasonable and proper in densely populated areas of the state may be unreasonable and improper in sparsely populated or remote areas of the state, and it shall take into consideration in this connection such factors, including others which it may deem proper, as existing physical conditions, topography, soils and geology, climate, transportation, and land use. Such standards of control shall be premised on technical criteria and commonly accepted practices.

(c) The Pollution Control Agency shall also adopt standards describing the maximum levels of noise in terms of sound pressure level which may occur in the outdoor atmosphere, recognizing that due to variable factors no single standard of sound pressure is applicable to all areas of the state. Such standards shall give due consideration to such factors as the intensity of noises, the types of noises, the frequency with which noises recur, the time period for which noises continue, the times of day during which noises occur, and such other factors as could affect the extent to which noises may be injurious to human health or welfare, animal or plant life, or property, or could interfere unreasonably with the enjoyment of life or property. In adopting standards, the Pollution Control Agency shall give due recognition to the fact that the quantity or characteristics of noise or the duration of its presence in the outdoor atmosphere, which may cause noise pollution in one area of the state, may cause less or not cause any noise pollution in another area of the state, and it shall take into consideration in this connection such factors, including others which it may deem proper, as existing physical conditions, zoning classifications, topography, meteorological conditions and the fact that a standard which may be proper in an essentially residential area of the state, may not be proper as to a highly developed industrial area of the state. Such noise standards shall be premised

upon scientific knowledge as well as effects based on technically substantiated criteria and commonly accepted practices. No local governing unit shall set standards describing the maximum levels of sound pressure which are more stringent than those set by the Pollution Control Agency.

(d) The Pollution Control Agency shall adopt standards for the identification of hazardous waste and for the management, identification, labeling, classification, storage, collection, transportation, processing, and disposal of hazardous waste, recognizing that due to variable factors, a single standard of hazardous waste control may not be applicable to all areas of the state. In adopting standards, the Pollution Control Agency shall recognize that elements of control which may be reasonable and proper in densely populated areas of the state may be unreasonable and improper in sparsely populated or remote areas of the state. The agency shall consider existing physical conditions, topography, soils, and geology, climate, transportation and land use. Standards of hazardous waste control shall be premised on technical knowledge, and commonly accepted practices. Hazardous waste generator licenses may be issued for a term not to exceed five years. No local government unit shall set standards of hazardous waste control which are in conflict or inconsistent with those set by the Pollution Control Agency.

(e) A person who generates less than 100 kilograms of hazardous waste per month is exempt from the following agency hazardous waste rules:

(1) rules relating to transportation, manifesting, storage, and labeling for photographic fixer and x-ray negative wastes that are hazardous solely because of silver content; and

(2) any rule requiring the generator to send to the agency or commissioner a copy of each manifest for the transportation of hazardous waste for off-site treatment, storage, or disposal, except that counties within the metropolitan area may require generators to provide manifests.

Nothing in this paragraph exempts the generator from the agency's rules relating to on-site accumulation or outdoor storage. A political subdivision or other local unit of government may not adopt management requirements that are more restrictive than this paragraph.

(f) In any rulemaking proceeding under chapter 14 to adopt standards for air quality, solid waste, or hazardous waste under this chapter, or standards for water quality under chapter 115, the statement of need and reasonableness must include:

(1) an assessment of any differences between the proposed rule and:

(i) existing federal standards adopted under the Clean Air Act, United States Code, title 42, section 7412(b)(2); the Clean Water Act, United States Code, title 33, sections 1312(a) and 1313(c)(4); and the Resource Conservation and Recovery Act, United States Code, title 42, section 6921(b)(1);

(ii) similar standards in states bordering Minnesota; and

(iii) similar standards in states within the Environmental Protection Agency Region 5; and

(2) a specific analysis of the need and reasonableness of each difference.

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

Sec. 119. Minnesota Statutes 2020, section 116.07, subdivision 4d, is amended to read:

Subd. 4d. **Permit fees.** (a) The agency may collect permit fees in amounts not greater than those necessary to cover the reasonable costs of developing, reviewing, and acting upon applications for agency permits and implementing and enforcing the conditions of the permits pursuant to agency rules. Permit fees ~~shall~~ must not include the costs of litigation. The fee schedule must reflect reasonable and routine direct and indirect costs associated with permitting, implementation, and enforcement. The agency may impose an additional enforcement fee to be collected for ~~a period of~~ up to two years to cover the reasonable costs of implementing and enforcing the conditions of a permit under the rules of the agency. Water fees under this paragraph are subject to legislative approval under section 16A.1283. Any money collected under this paragraph ~~shall~~ must be deposited in the environmental fund.

(b) Notwithstanding paragraph (a), the agency shall collect an annual fee from the owner or operator of all stationary sources, emission facilities, emissions units, air contaminant treatment facilities, treatment facilities, potential air contaminant storage facilities, or storage facilities subject to a notification, permit, or license requirement under this chapter, subchapters I and V of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., or rules adopted thereunder. The annual fee ~~shall~~ must be used to pay for all direct and indirect reasonable costs, including legal costs, required to develop and administer the notification, permit, or license program requirements of this chapter, subchapters I and V of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., or rules adopted thereunder. Those costs include the reasonable costs of reviewing and acting upon an application for a permit; implementing and enforcing statutes, rules, and the terms and conditions of a permit; emissions, ambient, and deposition monitoring; preparing generally applicable regulations; responding to federal guidance; modeling, analyses, and demonstrations; preparing inventories and tracking emissions; and providing information to the public about these activities.

(c) The agency shall set fees that:

(1) will result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each volatile organic compound; pollutant regulated under United States Code, title 42, section 7411 or 7412 (section 111 or 112 of the federal Clean Air Act); and each pollutant, except carbon monoxide, for which a national primary ambient air quality standard has been promulgated;

(2) may result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each pollutant not listed in clause (1) that is regulated under this chapter or air quality rules adopted under this chapter; and

(3) shall collect, in the aggregate, from the sources listed in paragraph (b), the amount needed to match grant funds received by the state under United States Code, title 42, section 7405 (section 105 of the federal Clean Air Act).

The agency must not include in the calculation of the aggregate amount to be collected under clauses (1) and (2) any amount in excess of 4,000 tons per year of each air pollutant from a source. The increase in air permit fees to match federal grant funds ~~shall be~~ is a surcharge on existing fees. The commissioner may not collect the surcharge after the grant funds become unavailable. In addition, the commissioner shall use nonfee funds to the extent practical to match the grant funds so that the fee surcharge is minimized.

(d) To cover the reasonable costs described in paragraph (b), the agency shall provide in the rules promulgated under paragraph (c) for an increase in the fee collected in each year by the percentage, if any, by which the Consumer Price Index for the most recent calendar year ending before the beginning of the year the fee is collected exceeds the Consumer Price Index for the calendar year 1989. For purposes of this paragraph, the Consumer Price Index for any calendar year is the average of the Consumer Price Index for all-urban consumers published by the United States Department of Labor, as of the close of the 12-month period ending on August 31 of each calendar year. The revision of the Consumer Price Index that is most consistent with the Consumer Price Index for calendar year 1989 ~~shall~~ must be used.

(e) Any money collected under paragraphs (b) to (d) must be deposited in the environmental fund and must be used solely for the activities listed in paragraph (b).

(f) Permit applicants who wish to construct, reconstruct, or modify a project may offer to reimburse the agency for the costs of staff time or consultant services needed to expedite the preapplication process and permit development process through the final decision on the permit, including the analysis of environmental review documents. The reimbursement ~~shall be~~ is in addition to permit application fees imposed by law. When the agency determines that it needs additional resources to develop the permit application in an expedited manner, and that expediting the development is consistent with permitting program priorities, the agency may accept the reimbursement. The commissioner must give the applicant an estimate of costs to be incurred by the commissioner. The estimate must include a brief description of the tasks to be performed, a schedule for completing the tasks, and the estimated cost for each task. The applicant and the commissioner must enter into a written agreement detailing the estimated costs for the expedited permit decision-making process to be incurred by the agency. The agreement must also identify staff anticipated to be assigned to the project. The commissioner must not issue a permit until the applicant has paid all fees in full. The commissioner must refund any unobligated balance of fees paid. Reimbursements accepted by the agency are appropriated to the agency for the purpose of developing the permit or analyzing environmental review documents. Reimbursement by a permit applicant ~~shall~~ must precede and not be contingent upon issuance of a permit; ~~shall~~ must not affect the agency's decision on whether to issue or deny a permit, what conditions are included in a permit, or the application of state and federal statutes and rules governing permit determinations; and ~~shall~~ must not affect final decisions regarding environmental review.

(g) The fees under this subdivision are exempt from section 16A.1285.

Sec. 120. Minnesota Statutes 2020, section 116.07, subdivision 7, is amended to read:

Subd. 7. Counties; processing applications for animal lot permits. (a) Any Minnesota county board may, by resolution, with approval of the Pollution Control Agency, assume responsibility for processing applications for permits required by the Pollution Control Agency under this section for livestock feedlots, poultry lots or other animal lots. The responsibility for permit application processing, if assumed by a county, may be delegated by the county board to any appropriate county officer or employee.

(b) For the purposes of this subdivision, the term "processing" includes:

(1) the distribution to applicants of forms provided by the Pollution Control Agency;

(2) the receipt and examination of completed application forms, and the certification, in writing, to the Pollution Control Agency either that the animal lot facility for which a permit is sought by an applicant will comply with applicable rules and standards, or, if the facility will not comply, the respects in which a variance would be required for the issuance of a permit; and

(3) rendering to applicants, upon request, assistance necessary for the proper completion of an application.

(c) For the purposes of this subdivision, the term "processing" may include, at the option of the county board, issuing, denying, modifying, imposing conditions upon, or revoking permits pursuant to the provisions of this section or rules promulgated pursuant to it, subject to review, suspension, and reversal by the Pollution Control Agency. The Pollution Control Agency shall, after written notification, have 15 days to review, suspend, modify, or reverse the issuance of the permit. After this period, the action of the county board is final, subject to appeal as provided in chapter 14. For permit applications filed after October 1, 2001, section 15.99 applies to feedlot permits issued by the agency or a county pursuant to this subdivision.

(d) For the purpose of administration of rules adopted under this subdivision, the commissioner and the agency may provide exceptions for cases where the owner of a feedlot has specific written plans to close the feedlot within five years. These exceptions include waiving requirements for major capital improvements.

(e) For purposes of this subdivision, a discharge caused by an extraordinary natural event such as a precipitation event of greater magnitude than the 25-year, 24-hour event, tornado, or flood in excess of the 100-year flood is not a "direct discharge of pollutants."

(f) In adopting and enforcing rules under this subdivision, the commissioner shall cooperate closely with other governmental agencies.

(g) The Pollution Control Agency shall work with the Minnesota Extension Service, the Department of Agriculture, the Board of Water and Soil Resources, producer groups, local units of government, as well as with appropriate federal agencies such as the Natural Resources Conservation Service and the Farm Service Agency, to notify and educate producers of rules under this subdivision at the time the rules are being developed and adopted and at least every two years thereafter.

(h) The Pollution Control Agency shall adopt rules governing the issuance and denial of permits for livestock feedlots, poultry lots or other animal lots pursuant to this section. Pastures are exempt from the rules authorized under this paragraph. ~~No feedlot permit shall include any terms or conditions that impose any requirements related to any pastures owned or utilized by the feedlot operator other than restrictions under a manure management plan.~~ A feedlot permit is not required for livestock feedlots with more than ten but less than 50 animal units; provided they are not in shoreland areas. A livestock feedlot permit does not become required solely because of a change in the ownership of the buildings, grounds, or feedlot. These rules apply both to permits issued by counties and to permits issued by the Pollution Control Agency directly. No feedlot permit issued by the Pollution Control Agency shall include terms or conditions that:

(1) impose requirements related to pastures owned or used by the feedlot operator other than restrictions under a manure management plan;

(2) prohibit application of solid manure during February and March;

(3) require establishing a cover crop as a condition of allowing application of manure in September; or

(4) require implementing nitrogen best management practices as a condition of allowing application of manure in October.

(i) The Pollution Control Agency shall exercise supervising authority with respect to the processing of animal lot permit applications by a county.

(j) Any new rules or amendments to existing rules proposed under the authority granted in this subdivision, or to implement new fees on animal feedlots, must be submitted to the members of legislative policy and finance committees with jurisdiction over agriculture and the environment prior to final adoption. The rules must not become effective until 90 days after the proposed rules are submitted to the members.

(k) Until new rules are adopted that provide for plans for manure storage structures, any plans for a liquid manure storage structure must be prepared or approved by a registered professional engineer or a United States Department of Agriculture, Natural Resources Conservation Service employee.

(l) A county may adopt by ordinance standards for animal feedlots that are more stringent than standards in Pollution Control Agency rules.

(m) After January 1, 2001, a county that has not accepted delegation of the feedlot permit program must hold a public meeting prior to the agency issuing a feedlot permit for a feedlot facility with 300 or more animal units, unless another public meeting has been held with regard to the feedlot facility to be permitted.

(n) After the proposed rules published in the State Register, volume 24, number 25, are finally adopted, the agency may not impose additional conditions as a part of a feedlot permit, unless specifically required by law or agreed to by the feedlot operator.

(o) For the purposes of feedlot permitting, a discharge from land-applied manure or a manure stockpile that is managed according to agency rule must not be subject to a fine for a discharge violation.

(p) For the purposes of feedlot permitting, manure that is land applied, or a manure stockpile that is managed according to agency rule, must not be considered a discharge into waters of the state, unless the discharge is to waters of the state, as defined by section 103G.005, subdivision 17, except type 1 or type 2 wetlands, as defined in section 103G.005, subdivision 17b, and does not meet discharge standards established for feedlots under agency rule.

(q) Unless the upgrade is needed to correct an immediate public health threat under section 145A.04, subdivision 8, or the facility is determined to be a concentrated animal feeding operation under Code of Federal Regulations, title 40, section 122.23, in effect on April 15, 2003, the agency may not require a feedlot operator:

(1) to spend more than \$3,000 to upgrade an existing feedlot with less than 300 animal units unless cost-share money is available to the feedlot operator for 75 percent of the cost of the upgrade; or

(2) to spend more than \$10,000 to upgrade an existing feedlot with between 300 and 500 animal units, unless cost-share money is available to the feedlot operator for 75 percent of the cost of the upgrade or \$50,000, whichever is less.

(r) A feedlot operator who stores and applies up to 100,000 gallons per calendar year of private truck wash wastewater resulting from trucks that transport animals or supplies to and from the feedlot does not require a permit to land-apply industrial by-products if the feedlot operator stores and applies the wastewater in accordance with Pollution Control Agency requirements for land applications of industrial by-product that do not require a permit.

(s) A feedlot operator who holds a permit from the Pollution Control Agency to land-apply industrial by-products from a private truck wash is not required to have a certified land applicator apply the private truck wash wastewater if the wastewater is applied by the feedlot operator to cropland owned or leased by the feedlot operator or by a commercial animal waste technician licensed by the commissioner of agriculture under chapter 18C. For purposes of this paragraph and paragraph (r), "private truck wash" means a truck washing facility owned or leased, operated, and used only by a feedlot operator to wash trucks owned or leased by the feedlot operator and used to transport animals or supplies to and from the feedlot.

EFFECTIVE DATE. This section is effective retroactively from February 1, 2021.

Sec. 121. Minnesota Statutes 2020, section 116.07, is amended by adding a subdivision to read:

Subd. 13. Unadopted rules. The commissioner of the Pollution Control Agency must not enforce or attempt to enforce an unadopted rule. For purposes of this subdivision, "unadopted rule" means a guideline, bulletin, criterion, manual standard, interpretive statement, policy plan, or similar pronouncement if the guideline, bulletin, criterion, manual standard, interpretive statement, policy plan, or similar pronouncement has not been adopted according to the rulemaking process provided under chapter 14. If an unadopted rule is challenged under section 14.381, the commissioner must cease enforcement of the unadopted rule and overcome a presumption that the unadopted rule must be adopted according to the rulemaking process provided under chapter 14.

Sec. 122. Minnesota Statutes 2020, section 116.155, is amended by adding a subdivision to read:

Subd. 5c. Closed landfill emergency account. The closed landfill emergency account is as described in section 115B.422.

Sec. 123. **[116.157] REDUCTION OF AIR POLLUTION THROUGH SUPPORT OF ZERO EMISSION VEHICLE CHOICE.**

Subdivision 1. Policy. It is the policy of this state:

(1) to reduce air pollution by supporting the market for zero emission vehicles;

(2) to do so by ensuring consumers have access to the most desirable zero emission vehicles;
and

(3) to maximize consumer access to desirable zero emission vehicles by ensuring that undesirable zero emission vehicles do not take up space on automobile dealer lots that could be used to offer more desirable zero emission vehicles.

Subd. 2. **Duty to purchase vehicle.** In order to further the policies described in subdivision 1, if the Pollution Control Agency adopts a requirement that a certain percentage of the passenger cars and light duty trucks that each automobile manufacturer annually delivers for sale in Minnesota must be vehicles with zero tailpipe emissions, then the agency must purchase from an automobile dealer any zero emission vehicle that has remained unsold on the dealer's lot for more than 90 days if requested to do so by the automobile dealer.

Subd. 3. **Appropriation.** There is annually appropriated from the environmental fund to the commissioner of the Pollution Control Agency a sum sufficient to purchase vehicles as required under subdivision 2.

Sec. 124. Minnesota Statutes 2020, section 116D.04, subdivision 2a, is amended to read:

Subd. 2a. **When prepared.** (a) Where there is potential for significant environmental effects resulting from any major governmental action, the action must be preceded by a detailed environmental impact statement prepared by the responsible governmental unit. The environmental impact statement must be an analytical rather than an encyclopedic document that describes the proposed action in detail, analyzes its significant environmental impacts, discusses appropriate alternatives to the proposed action and their impacts, and explores methods by which adverse environmental impacts of an action could be mitigated. The environmental impact statement must also analyze those economic, employment, and sociological effects that cannot be avoided should the action be implemented. To ensure its use in the decision-making process, the environmental impact statement must be prepared as early as practical in the formulation of an action.

(b) The board shall by rule establish categories of actions for which environmental impact statements and for which environmental assessment worksheets must be prepared as well as categories of actions for which no environmental review is required under this section. A mandatory environmental assessment worksheet is not required for the expansion of an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph (b), or the conversion of an ethanol plant to a biobutanol facility or the expansion of a biobutanol facility as defined in section 41A.15, subdivision 2d, based on the capacity of the expanded or converted facility to produce alcohol fuel, but must be required if the ethanol plant or biobutanol facility meets or exceeds thresholds of other categories of actions for which environmental assessment worksheets must be prepared. The responsible governmental unit for an ethanol plant or biobutanol facility project for which an environmental assessment worksheet is prepared is the state agency with the greatest responsibility for supervising or approving the project as a whole.

(c) A mandatory environmental impact statement is not required for a facility or plant located outside the seven-county metropolitan area that produces less than 125,000,000 gallons of ethanol, biobutanol, or cellulosic biofuel annually, or produces less than 400,000 tons of chemicals annually, if the facility or plant is: an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph

(b); a biobutanol facility, as defined in section 41A.15, subdivision 2d; or a cellulosic biofuel facility. A facility or plant that only uses a cellulosic feedstock to produce chemical products for use by another facility as a feedstock is not considered a fuel conversion facility as used in rules adopted under this chapter.

(d) The responsible governmental unit shall promptly publish notice of the completion of an environmental assessment worksheet by publishing the notice in at least one newspaper of general circulation in the geographic area where the project is proposed, by posting the notice on a website that has been designated as the official publication site for publication of proceedings, public notices, and summaries of a political subdivision in which the project is proposed, or in any other manner determined by the board and shall provide copies of the environmental assessment worksheet to the board and its member agencies. Comments on the need for an environmental impact statement may be submitted to the responsible governmental unit during a 30-day period following publication of the notice that an environmental assessment worksheet has been completed. The responsible governmental unit may extend the 30-day comment period for an additional 30 days one time. Further extensions of the comment period may not be made unless approved by the project's proposer. The responsible governmental unit's decision on the need for an environmental impact statement must be based on the environmental assessment worksheet and the comments received during the comment period, and must be made within 15 days after the close of the comment period. The board's chair may extend the 15-day period by not more than 15 additional days upon the request of the responsible governmental unit.

(e) An environmental assessment worksheet must also be prepared for a proposed action whenever material evidence accompanying a petition by not less than 100 individuals who reside or own property in ~~the state~~ a county where the proposed action will be undertaken or in one or more adjoining counties, submitted before the proposed project has received final approval by the appropriate governmental units, demonstrates that, because of the nature or location of a proposed action, there may be potential for significant environmental effects. Petitions requesting the preparation of an environmental assessment worksheet must be submitted to the board. The chair of the board shall determine the appropriate responsible governmental unit and forward the petition to it. A decision on the need for an environmental assessment worksheet must be made by the responsible governmental unit within 15 days after the petition is received by the responsible governmental unit. The board's chair may extend the 15-day period by not more than 15 additional days upon request of the responsible governmental unit.

(f) Except in an environmentally sensitive location where Minnesota Rules, part 4410.4300, subpart 29, item B, applies, the proposed action is exempt from environmental review under this chapter and rules of the board, if:

(1) the proposed action is:

(i) an animal feedlot facility with a capacity of less than 1,000 animal units; or

(ii) an expansion of an existing animal feedlot facility with a total cumulative capacity of less than 1,000 animal units;

(2) the application for the animal feedlot facility includes a written commitment by the proposer to design, construct, and operate the facility in full compliance with Pollution Control Agency feedlot rules; and

(3) the county board holds a public meeting for citizen input at least ten business days before the Pollution Control Agency or county issuing a feedlot permit for the animal feedlot facility unless another public meeting for citizen input has been held with regard to the feedlot facility to be permitted. The exemption in this paragraph is in addition to other exemptions provided under other law and rules of the board.

(g) The board may, before final approval of a proposed project, require preparation of an environmental assessment worksheet by a responsible governmental unit selected by the board for any action where environmental review under this section has not been specifically provided for by rule or otherwise initiated.

(h) An early and open process must be used to limit the scope of the environmental impact statement to a discussion of those impacts that, because of the nature or location of the project, have the potential for significant environmental effects. The same process must be used to determine the form, content, and level of detail of the statement as well as the alternatives that are appropriate for consideration in the statement. In addition, the permits that will be required for the proposed action must be identified during the scoping process. Further, the process must identify those permits for which information will be developed concurrently with the environmental impact statement. The board shall provide in its rules for the expeditious completion of the scoping process. The determinations reached in the process must be incorporated into the order requiring the preparation of an environmental impact statement.

(i) The responsible governmental unit shall, to the extent practicable, avoid duplication and ensure coordination between state and federal environmental review and between environmental review and environmental permitting. Whenever practical, information needed by a governmental unit for making final decisions on permits or other actions required for a proposed project must be developed in conjunction with the preparation of an environmental impact statement. When an environmental impact statement is prepared for a project requiring multiple permits for which two or more agencies' decision processes include either mandatory or discretionary hearings before a hearing officer before the agencies' decision on the permit, the agencies may, notwithstanding any law or rule to the contrary, conduct the hearings in a single consolidated hearing process if requested by the proposer. All agencies having jurisdiction over a permit that is included in the consolidated hearing shall participate. The responsible governmental unit shall establish appropriate procedures for the consolidated hearing process, including procedures to ensure that the consolidated hearing process is consistent with the applicable requirements for each permit regarding the rights and duties of parties to the hearing, and shall use the earliest applicable hearing procedure to initiate the hearing. All agencies having jurisdiction over a permit identified in the draft environmental assessment worksheet scoping document must begin reviewing any permit application upon publication of the notice of preparation of the environmental impact statement.

(j) An environmental impact statement must be prepared and its adequacy determined within 280 days after notice of its preparation unless the time is extended by consent of the parties or by the governor for good cause. The responsible governmental unit shall determine the adequacy of an environmental impact statement, unless within 60 days after notice is published that an

environmental impact statement will be prepared, the board chooses to determine the adequacy of an environmental impact statement. If an environmental impact statement is found to be inadequate, the responsible governmental unit has 60 days to prepare an adequate environmental impact statement.

(k) The proposer of a specific action may include in the information submitted to the responsible governmental unit a preliminary draft environmental impact statement under this section on that action for review, modification, and determination of completeness and adequacy by the responsible governmental unit. A preliminary draft environmental impact statement prepared by the project proposer and submitted to the responsible governmental unit must identify or include as an appendix all studies and other sources of information used to substantiate the analysis contained in the preliminary draft environmental impact statement. The responsible governmental unit shall require additional studies, if needed, and obtain from the project proposer all additional studies and information necessary for the responsible governmental unit to perform its responsibility to review, modify, and determine the completeness and adequacy of the environmental impact statement.

Sec. 125. Minnesota Statutes 2020, section 116G.07, is amended by adding a subdivision to read:

Subd. 4. **Exemption; Mississippi River Corridor Critical Area.** Plans and regulations of local units of government within the Mississippi River Corridor Critical Area are exempt from subdivisions 1 to 3 and are subject to section 116G.15, subdivision 8.

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

Sec. 126. Minnesota Statutes 2020, section 116G.15, is amended by adding a subdivision to read:

Subd. 8. **Reviewing and approving local plans and regulations.** (a) In the Mississippi River Corridor Critical Area, the commissioner of natural resources is responsible for carrying out the duties of the board and the Metropolitan Council is responsible for carrying out the duties of the regional development commission under sections 116G.07 to 116G.10. Notwithstanding sections 116G.07, subdivisions 2 and 3, and 116G.10, subdivision 3, the responsibilities and procedures for reviewing and approving local plans and regulations in the Mississippi River Corridor Critical Area, and amendments thereto, are subject to this subdivision.

(b) Within 60 days of receiving a draft plan from a local unit of government, the commissioner, in coordination with the Metropolitan Council, must review the plan to determine the plan's consistency with:

(1) this section;

(2) Minnesota Rules, chapter 6106; and

(3) the local unit of government's comprehensive plan.

(c) Within 60 days of receiving draft regulations from a local unit of government, the commissioner must review the regulations to determine the regulations' consistency with:

(1) Minnesota Rules, chapter 6106; and

(2) the commissioner-approved plan adopted by the local unit of government under paragraph (b).

(d) Upon review of a draft plan and regulations under paragraphs (b) and (c), the commissioner must:

(1) conditionally approve the draft plan and regulations by written decision; or

(2) return the draft plan and regulations to the local unit of government for modification, along with a written explanation of the need for modification.

(i) When the commissioner returns a draft plan and regulations to the local unit of government for modification, the local unit of government must revise the draft plan and regulations within 60 days after receiving the commissioner's written explanation and must resubmit the revised draft plan and regulations to the commissioner.

(ii) The Metropolitan Council and the commissioner must review the revised draft plan and regulations upon receipt from the local unit of government as provided under paragraphs (b) and (c).

(iii) If the local unit of government or the Metropolitan Council requests a meeting, a final revision need not be made until a meeting is held with the commissioner on the draft plan and regulations. The request extends the 60-day time limit specified in item (i) until after the meeting is held.

(e) Only plans and regulations receiving final approval from the commissioner have the force and effect of law. The commissioner must grant final approval under this section only if:

(1) the plan is an element of a comprehensive plan that is authorized by the Metropolitan Council according to sections 473.175 and 473.858; and

(2) the local unit of government adopts a plan and regulations that are consistent with the draft plan and regulations conditionally approved under paragraph (d).

(f) The local unit of government must implement and enforce the commissioner-approved plan and regulations after the plan and regulations take effect.

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

Sec. 127. Minnesota Statutes 2020, section 127A.353, subdivision 4, is amended to read:

Subd. 4. **Duties; powers.** (a) The school trust lands director shall:

(1) take an oath of office before assuming any duties as the director;

(2) evaluate the school trust land asset position;

(3) determine the estimated current and potential market value of school trust lands;

(4) advise the governor, Executive Council, commissioner of natural resources, and the Legislative Permanent School Fund Commission on the management of school trust lands, including:

- (i) Department of Natural Resources school trust land management plans;
- (ii) leases of school trust lands;
- (iii) royalty agreements on school trust lands;
- (iv) land sales and exchanges;
- (v) cost certification; and
- (vi) revenue generating options;

(5) propose to the Legislative Permanent School Fund Commission legislative changes that will improve the asset allocation of the school trust lands;

(6) develop a ten-year strategic plan and a 25-year framework for management of school trust lands, in conjunction with the commissioner of natural resources, that is updated every five years and implemented by the commissioner, with goals to:

- (i) retain core real estate assets;
- (ii) increase the value of the real estate assets and the cash flow from those assets;
- (iii) rebalance the portfolio in assets with high performance potential and the strategic disposal of selected assets;
- (iv) establish priorities for management actions; ~~and~~
- (v) balance revenue enhancement and resource stewardship; and
- (vi) advance strategies on school trust lands to capitalize on ecosystem services markets;

(7) submit to the Legislative Permanent School Fund Commission for review an annual budget and management plan for the director; and

(8) keep the beneficiaries, governor, legislature, and the public informed about the work of the director by reporting to the Legislative Permanent School Fund Commission in a public meeting at least once during each calendar quarter.

(b) In carrying out the duties under paragraph (a), the school trust lands director shall have the authority to:

- (1) direct and control money appropriated to the director;
- (2) establish job descriptions and employ up to five employees in the unclassified service, within the limitations of money appropriated to the director;
- (3) enter into interdepartmental agreements with any other state agency;

(4) enter into joint powers agreements under chapter 471;

(5) evaluate and initiate real estate development projects on school trust lands with the advice of the Legislative Permanent School Fund Commission in order to generate long-term economic return to the permanent school fund;

(6) serve as temporary trustee of school trust land for school trust lands subject to proposed or active eminent domain proceedings; and

(7) submit recommendations on strategies for school trust land leases, sales, or exchanges to the commissioner of natural resources and the Legislative Permanent School Fund Commission.

Sec. 128. Minnesota Statutes 2020, section 282.08, is amended to read:

282.08 APPORTIONMENT OF PROCEEDS TO TAXING DISTRICTS.

The net proceeds from the sale or rental of any parcel of forfeited land, or from the sale of products from the forfeited land, must be apportioned by the county auditor to the taxing districts interested in the land, as follows:

(1) the portion required to pay any amounts included in the appraised value under section 282.01, subdivision 3, as representing increased value due to any public improvement made after forfeiture of the parcel to the state, but not exceeding the amount certified by the appropriate governmental authority must be apportioned to the governmental subdivision entitled to it;

(2) the portion required to pay any amount included in the appraised value under section 282.019, subdivision 5, representing increased value due to response actions taken after forfeiture of the parcel to the state, but not exceeding the amount of expenses certified by the Pollution Control Agency or the commissioner of agriculture, must be apportioned to the agency or the commissioner of agriculture and deposited in the fund from which the expenses were paid;

(3) the portion of the remainder required to discharge any special assessment chargeable against the parcel for drainage or other purpose whether due or deferred at the time of forfeiture, must be apportioned to the governmental subdivision entitled to it; and

(4) any balance must be apportioned as follows:

(i) The county board may annually by resolution set aside no more than 30 percent of the receipts remaining to be used for forest development on tax-forfeited land and dedicated memorial forests, to be expended under the supervision of the county board. It must be expended only on projects improving the health and management of the forest resource.

(ii) The county board may annually by resolution set aside no more than 20 percent of the receipts remaining to be used for the acquisition and maintenance of county parks or recreational areas as defined in sections 398.31 to 398.36, to be expended under the supervision of the county board.

(iii) The county board may by resolution set aside up to 100 percent of the receipts remaining to be used:

- (A) according to section 282.09, subdivision 2;
- (B) for remediating contamination at tax-forfeited properties; or
- (C) for correcting blighted conditions at tax-forfeited properties.

An election made under this item is effective for a minimum of five years, unless the county board specifies a shorter duration.

(iv) Any balance remaining must be apportioned as follows: county, 40 percent; town or city, 20 percent; and school district, 40 percent, provided, however, that in unorganized territory that portion which would have accrued to the township must be administered by the county board of commissioners.

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

Sec. 129. Minnesota Statutes 2020, section 290C.04, is amended to read:

290C.04 APPLICATIONS.

(a) A landowner may apply to enroll forest land for the sustainable forest incentive program under this chapter. The claimant must complete, sign, and submit an application to the commissioner by October 31 in order for the land to become eligible beginning in the next year. The application shall be on a form prescribed by the commissioners of revenue and natural resources and must include the information the commissioners deem necessary. At a minimum, the application must show the following information for the land and the claimant: (i) the claimant's Social Security number or state or federal business tax registration number and date of birth, (ii) the claimant's address, (iii) the claimant's signature, (iv) the county's parcel identification numbers for the tax parcels that completely contain the claimant's forest land that is sought to be enrolled, (v) the number of acres eligible for enrollment in the program, ~~(vi) the approved plan writer's signature and identification number,~~ (vi) proof, in a form specified by the commissioner, that the claimant has executed and acknowledged in the manner required by law for a deed, and recorded, a covenant that the land is not and shall not be developed in a manner inconsistent with the requirements and conditions of this chapter, and ~~(viii)~~ (vii) a registration number for the forest management plan, issued by the commissioner of natural resources. The covenant shall state in writing that the covenant is binding on the claimant and the claimant's successor or assignee, and that it runs with the land for a period of not less than eight years unless the claimant requests termination of the covenant after a reduction in payments due to changes in the payment formula under section 290C.07 or as a result of executive action, the amount of payment a claimant is eligible to receive under section 290C.07 is reduced or limited. The commissioner shall specify the form of the covenant and provide copies upon request. The covenant must include a legal description that encompasses all the forest land that the claimant wishes to enroll under this section or the certificate of title number for that land if it is registered land. The commissioner of natural resources shall record the area eligible for enrollment into the Sustainable Forest Incentive Act as electronic geospatial data, as defined in section 16E.30, subdivision 10.

(b) The commissioner shall provide by electronic means data sufficient for the commissioner of natural resources to determine whether the land qualifies for enrollment. The commissioner must make the data available within 30 days of receipt of the application filed by the claimant or by

October 1, whichever is sooner. The commissioner of natural resources must notify the commissioner whether the land qualifies for enrollment within 30 days of the data being available, and if the land qualifies for enrollment, the commissioner of natural resources shall specify the number of qualifying acres per tax parcel.

(c) The commissioner shall notify the claimant within 90 days after receipt of a completed application that either the land has or has not been approved for enrollment. A claimant whose application is denied may appeal the denial as provided in section 290C.13.

(d) Within 90 days after the denial of an application, or within 90 days after the final resolution of any appeal related to the denial, the commissioner shall execute and acknowledge a document releasing the land from the covenant required under this chapter. The document must be mailed to the claimant and is entitled to be recorded.

(e) The Social Security numbers collected from individuals under this section are private data as provided in section 13.355. The federal business tax registration number and date of birth data collected under this section are also private data on individuals or nonpublic data, as defined in section 13.02, subdivisions 9 and 12, but may be shared with county assessors for purposes of tax administration and with county treasurers for purposes of the revenue recapture under chapter 270A.

Sec. 130. Laws 2016, chapter 154, section 16, is amended to read:

Sec. 16. EXCHANGE OF STATE LAND; AITKIN, BELTRAMI, AND KOOCHICHING COUNTIES.

(a) Notwithstanding the riparian restrictions in Minnesota Statutes, section 94.342, subdivision 3, and subject to the valuation restrictions described in paragraph (c), the commissioner of natural resources may, with the approval of the Land Exchange Board as required under the Minnesota Constitution, article XI, section 10, and according to the remaining provisions of Minnesota Statutes, sections 94.342 to 94.347, exchange the state-owned land leased for farming wild rice described in paragraph (b).

(b) The state land that may be exchanged is held under the following state leases for farming of wild rice:

- (1) Lease LAGR001305, covering 175.1 acres in Aitkin County;
- (2) Lease LMIS010040, covering 107.1 acres in Beltrami County;
- (3) Lease LMIS010096, covering 137.4 acres in Beltrami County; and
- (4) Lease LAGR001295, covering 264.40 acres in Koochiching County.

(c) For the appraisal of the land, no improvements paid for by the lessee shall be included in the estimate of market value.

(d) Additional adjoining state lands may be added to the exchanges if mutually agreed upon by the commissioner and the exchange partner to avoid leaving unmanageable parcels of land in state ownership after an exchange or to meet county zoning standards or other regulatory needs for the wild rice farming operations.

(e) The state land administered by the commissioner of natural resources in Koochiching County borders the Lost River. The lands to be exchanged are not required to provide at least equal opportunity for access to waters by the public, but the lands must be at least equal in value and have the potential to generate revenue for the school trust lands.

(f) Notwithstanding Minnesota Statutes, section 94.343, subdivision 8a, lessees must pay to the commissioner all costs, as determined by the commissioner, that are associated with each exchange transaction, including valuation expenses; legal fees; survey expenses; costs of title work, advertising, and public hearings; transactional staff costs; and closing costs.

Sec. 131. Laws 2016, chapter 154, section 48, is amended to read:

Sec. 48. EXCHANGE OF STATE LAND; ST. LOUIS COUNTY.

Subdivision 1. Exchange of land. (a) Notwithstanding the riparian restrictions in Minnesota Statutes, section 94.342, subdivision 3, the commissioner of natural resources may, with the approval of the Land Exchange Board as required under the Minnesota Constitution, article XI, section 10, and according to the remaining provisions of Minnesota Statutes, sections 94.342 to 94.347, exchange the riparian land described in paragraph (b).

(b) The state land that may be exchanged is located in St. Louis County and is described as: Government Lot 5, Section 35, Township 64 North, Range 12 West.

(c) The state land administered by the commissioner of natural resources borders Low Lake. The land to be exchanged is forest land that includes areas bordering the Whiteface River. While the land does not provide at least equal opportunity for access to waters by the public, the land to be acquired by the commissioner in the exchange will improve access to adjacent state forest lands.

Subd. 2. Gifts of land. Notwithstanding Minnesota Statutes, section 94.342 or 94.343, or any other law to the contrary, the Land Exchange Board may consider a gift of land from the exchange partner pursuant to Minnesota Statutes, section 84.085, subdivision 1, paragraph (d), in addition to land proposed for exchange with the state land referenced in subdivision 1, paragraph (b), in determining whether the proposal is in the best interests of the school trust.

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

Sec. 132. Laws 2019, First Special Session chapter 4, article 1, section 2, subdivision 9, is amended to read:

Subd. 9. Environmental Quality Board	1,774,000	1,274,000
Appropriations by Fund		
	2020	2021
General	1,081,000	1,081,000
Environmental	393,000	193,000
Remediation	300,000	-0-

(a) \$200,000 the first year is from the environmental fund to begin to develop and

assemble the material required under Code of Federal Regulations, title 40, section 233.10, to have the state of Minnesota assume the section 404 permitting program of the Federal Clean Water Act. The Board may execute contracts or interagency agreements to facilitate developing the required agreements and materials. By February 1, ~~2021~~ 2022, the board must submit a report on the additional funding necessary to secure section 404 assumption and the additional funding needed to fully implement the state-assumed program to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the environment and natural resources. This is a onetime appropriation and is available until June 30, 2022.

(b) \$300,000 the first year is from the remediation fund to conduct a study of the potential to deploy solar photovoltaic devices on closed landfill program sites. This is a onetime appropriation. By December 1, 2020, the board, in consultation with the Pollution Control Agency and the commissioners of administration, commerce, and management and budget, must provide to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources policy and finance and energy policy and finance a report on the use of properties in the state's closed landfill program for solar energy production. The report must include:

- (1) identification and assessment of properties in the closed landfill program with the highest potential for solar energy production;
- (2) identification of potential barriers to solar energy production and potential ways to address those barriers; and
- (3) policy recommendations that would facilitate solar energy production on closed landfill program sites in a manner that would

contribute to state and local government sustainability goals.

EFFECTIVE DATE. This section is effective retroactively from January 31, 2021.

Sec. 133. Laws 2019, First Special Session chapter 4, article 3, section 109, as amended by Laws 2020, chapter 83, article 1, section 100, is amended to read:

Sec. 109. **APPLYING STORM WATER RULES TO CITIES AND TOWNSHIPS.**

Until the Pollution Control Agency amends rules for storm water, Minnesota Rules, part 7090.1010, subpart 1, item B, subitem (1), applies only to the portions of a city, ~~a town, and unorganized areas of counties~~ or township that are designated as urbanized under Code of Federal Regulations, title 40, section 122.26 (a)(9)(i)(A), and other platted areas within ~~that jurisdiction~~ those jurisdictions.

Sec. 134. **ADDITIONS TO STATE PARKS.**

Subdivision 1. **[85.012] [Subd. 18.] Fort Snelling State Park, Dakota County.** The following areas are added to Fort Snelling State Park, Dakota County:

(1) that part of Section 28, Township 28 North, Range 23 West, Dakota County, Minnesota, bounded by the Dakota County line along the Minnesota River and the following described lines:

Beginning at the intersection of the south line of Lot 18 of Auditor's Subdivision Number 29 of Mendota, according to the plat on file in the Office of the Dakota County Recorder, with the westerly right-of-way line of the existing Sibley Memorial Highway; thence northerly along said westerly right-of-way line to the north line of said Lot 18; thence westerly along the north line of said Lot 18 to the easterly right-of-way line of the Chicago and Northwestern Railroad; thence northerly and northeasterly along said easterly right-of-way to the east line of said Section 28;

(2) that part of Section 33, Township 28 North, Range 23 West, Dakota County, Minnesota, lying westerly of the easterly right-of-way of the Chicago and Northwestern Railroad;

(3) that part of Government Lot 6 of Section 33, Township 28 North, Range 23 West, Dakota County, Minnesota, lying East of the easterly right-of-way of the Chicago and Northwestern Railroad and West of the westerly right-of-way of Sibley Memorial Highway and North of the South 752 feet of said Government Lot 6;

(4) the North 152 feet of the South 752 feet of that part of Government Lot 6 of Section 33, Township 28 North, Range 23 West, Dakota County, Minnesota, lying East of the easterly right-of-way of the Chicago and Northwestern Railroad and West of the westerly right-of-way of Sibley Memorial Highway;

(5) the North 270 feet of the South 600 feet of that part of Government Lot 6 lying between the westerly right-of-way of Sibley Memorial Highway and the easterly right-of-way of the Chicago and Northwestern Railroad in Section 33, Township 28 North, Range 23 West, Dakota County, Minnesota;

(6) that part of the South 20 rods of Government Lot 6 of Section 33, Township 28 North, Range 23 West, Dakota County, Minnesota, lying East of the easterly right-of-way of the Chicago and Northwestern Railroad and West of the westerly right-of-way of Sibley Memorial Highway, excepting therefrom that part described as follows:

Commencing at the southeast corner of said Government Lot 6; thence North 89 degrees 56 minutes 54 seconds West assumed bearing along the south line of said Government Lot 6 a distance of 260.31 feet to the point of beginning of the property to be described; thence continue North 89 degrees 56 minutes 54 seconds West a distance of 71.17 feet; thence northwesterly a distance of 37.25 feet along a nontangential curve concave to the East having a radius of 4,098.00 feet and a central angle of 00 degrees 31 minutes 15 seconds the chord of said curve bears North 23 degrees 31 minutes 27 seconds West; thence northerly a distance of 127.39 feet along a compound curve concave to the East having a radius of 2,005.98 feet and a central angle of 03 degrees 38 minutes 19 seconds; thence North 70 degrees 22 minutes 29 seconds East not tangent to said curve a distance of 65.00 feet; thence southerly a distance of 123.26 feet along a nontangential curve concave to the East having a radius of 1,940.98 feet and a central angle of 03 degrees 38 minutes 19 seconds the chord of said curve bears South 21 degrees 26 minutes 40 seconds East; thence southerly a distance of 65.42 feet to the point of beginning along a compound curve concave to the East having a radius of 4,033.00 feet and a central angle of 00 degrees 55 minutes 46 seconds;

(7) that part of Government Lot 5 of Section 33, Township 28 North, Range 23 West, Dakota County, Minnesota, lying East of the easterly right-of-way of the Chicago and Northwestern Railroad and West of the westerly right-of-way of Sibley Memorial Highway, excepting therefrom that part described as follows:

Commencing at the southeast corner of said Government Lot 5; thence North 89 degrees 56 minutes 18 seconds West assumed bearing along the south line of said Government Lot 5 a distance of 70.48 feet to the point of beginning of the property to be described; thence continue North 89 degrees 56 minutes 18 seconds West along said south line of Government Lot 5 a distance of 40.01 feet; thence North 01 degree 30 minutes 25 seconds East a distance of 6.08 feet; thence northerly a distance of 185.58 feet along a tangential curve concave to the West having a radius of 4,427.00 feet and a central angle of 02 degrees 24 minutes 07 seconds; thence South 89 degrees 06 minutes 18 seconds West not tangent to said curve a distance of 25.00 feet; thence North 00 degrees 53 minutes 42 seconds West a distance of 539.13 feet; thence northerly a distance of 103.77 feet along a tangential curve concave to the West having a radius of 1,524.65 feet and a central angle of 03 degrees 53 minutes 59 seconds; thence northerly a distance of 159.33 feet along a compound curve concave to the West having a radius of 522.45 feet and a central angle of 17 degrees 28 minutes 23 seconds; thence northwesterly a distance of 86.78 feet along a tangential curve concave to the West having a radius of 1,240.87 feet and a central angle of 04 degrees 00 minutes 25 seconds; thence North 26 degrees 16 minutes 30 seconds West tangent to said curve a distance of 92.39 feet; thence northwesterly a distance of 178.12 feet along a tangential curve concave to the East having a radius of 4,098.00 feet and a central angle of 02 degrees 29 minutes 25 seconds to a point on the north line of said Government Lot 5 which is 331.48 feet from the northeast corner thereof as measured along said north line; thence South 89 degrees 56 minutes 54 seconds East along said north line of Government Lot 5 a distance of 71.17 feet; thence southeasterly a distance of 146.53 feet along a nontangential curve concave to the East having a radius of 4,033.00 feet and a central angle of 02 degrees 04

minutes 54 seconds the chord of said curve bears South 25 degrees 14 minutes 03 seconds East; thence South 26 degrees 16 minutes 30 seconds East tangent to said curve a distance of 92.39 feet; thence southerly a distance of 91.33 feet along a tangential curve concave to the West having a radius of 1,305.87 feet and a central angle of 04 degrees 00 minutes 25 seconds; thence southerly a distance of 179.15 feet along a tangential curve concave to the West having a radius of 587.45 feet and a central angle of 17 degrees 28 minutes 23 seconds; thence southerly a distance of 108.20 feet along a compound curve concave to the West having a radius of 1,589.65 feet and a central angle of 03 degrees 53 minutes 59 seconds; thence South 00 degrees 53 minutes 42 seconds East tangent to said curve a distance of 539.13 feet; thence southerly a distance of 187.26 feet along a tangential curve concave to the West having a radius of 4,467.00 feet and a central angle of 02 degrees 24 minutes 07 seconds; thence South 01 degree 30 minutes 25 seconds West tangent to said curve a distance of 5.07 feet to the point of beginning; and

(8) that part of Government Lot 4 of Section 33, Township 28 North, Range 23 West, Dakota County, Minnesota, lying East of the easterly right-of-way of the Chicago and Northwestern Railroad and northerly of the following described line:

Commencing at the southeast corner of said Government Lot 4; thence North 89 degrees 55 minutes 42 seconds West assumed bearing along the south line of said Government Lot 4 a distance of 312.44 feet to corner B205, MNDOT Right-of-Way Plat No. 19-93, according to the recorded map thereof; thence continue North 89 degrees 55 minutes 42 seconds West along said south line of Government Lot 4 a distance of 318.00 feet to the easterly right-of-way of Chicago and Northwestern Railroad; thence northerly along said railroad right-of-way a distance of 387.97 feet along a nontangential curve concave to the West having a radius of 2,963.54 feet and a central angle of 07 degrees 30 minutes 03 seconds, the chord of said curve bears North 00 degrees 42 minutes 41 seconds East; thence North 03 degrees 02 minutes 21 seconds West tangent to said curve along said railroad right-of-way a distance of 619.45 feet to the point of beginning of the line to be described; thence North 89 degrees 35 minutes 27 seconds East a distance of 417.92 feet; thence North 18 degrees 18 minutes 58 seconds East a distance of 317.52 feet to a point on the north line of said Government Lot 4 which is 135.00 feet from the northeast corner thereof as measured along said north line and there terminating.

Subd. 2. [85.012] [Subd. 38A.] Lake Vermilion-Soudan Underground Mine State Park, St. Louis County. The following areas are added to Lake Vermilion-Soudan Underground Mine State Park, St. Louis County, and are designated as the Granelda Unit:

(1) Lot 3 of Section 28 and Lot 5 of Section 29 in Township 63 North of Range 17, all West of the 4th Principal Meridian, according to the United States Government Survey thereof;

(2) the Northeast Quarter of the Southwest Quarter, the Northwest Quarter, the Southeast Quarter of the Northeast Quarter, the Northeast Quarter of the Northeast Quarter, and Lots numbered 1, 2, 3, and 4 of Section 29 in Township 63 North of Range 17, all West of the 4th Principal Meridian, according to the United States Government survey thereof;

(3) Lots 1 and 2 of Section 32 in Township 63 North of Range 17, all West of the 4th Principal Meridian, according to the United States Government Survey thereof; and

(4) Lot 4 of Section 23 in Township 63 North of Range 18, all West of the 4th Principal Meridian, according to the United States Government Survey thereof.

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

Sec. 135. **ADDITION TO STATE RECREATION AREA.**

[85.013] [Subd. 12a.] Iron Range Off-Highway Vehicle Recreation Area, St. Louis County. The following area is added to Iron Range Off-Highway Vehicle Recreation Area, St. Louis County: that part of the South Half of the Northwest Quarter of Section 15, Township 58 North, Range 17 West, St. Louis County, Minnesota, lying northerly of the following described line:

Commencing at the West quarter corner of said Section 15; thence North 01 degree 24 minutes 27 seconds West, bearing assumed, along the west line of said South Half of the Northwest Quarter a distance of 1,034.09 feet to a 3/4-inch rebar with plastic cap stamped "MN DNR LS 44974" (DM) and the point of beginning; thence South 62 degrees 44 minutes 07 seconds East 405.24 feet to a DM; thence South 82 degrees 05 minutes 24 seconds East 314.95 feet to a DM; thence South 86 degrees 18 minutes 01 second East 269.23 feet to a DM; thence North 81 degrees 41 minutes 24 seconds East 243.61 feet to a DM; thence North 71 degrees 48 minutes 05 seconds East 478.17 feet to a DM; thence North 60 degrees 53 minutes 38 seconds East 257.32 feet to a DM; thence South 09 degrees 16 minutes 07 seconds East 179.09 feet to a DM; thence South 49 degrees 16 minutes 00 seconds East 127.27 feet to a DM; thence South 50 degrees 16 minutes 11 seconds East 187.13 feet to a DM; thence South 67 degrees 11 minutes 35 seconds East 189.33 feet to a DM; thence South 67 degrees 13 minutes 16 seconds East 209.43 feet to a DM; thence South 80 degrees 39 minutes 19 seconds East 167.59 feet to a DM on the east line of said South Half of the Northwest Quarter, and there terminating.

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

Sec. 136. **DELETIONS FROM STATE PARKS.**

Subdivision 1. **[85.012] [Subd. 18.] Fort Snelling State Park, Dakota County.** The following areas are deleted from Fort Snelling State Park, Dakota County:

(1) all of Section 33, Township 28 North, Range 23 West of the 4th Principal Meridian lying westerly of the westerly right-of-way line of the existing Minnesota Trunk Highway No. 13, excepting the right-of-way owned by the Chicago and Northwestern railway company; and

(2) all of Section 28, Township 28 North, Range 23 West of the 4th Principal Meridian bounded by the Dakota County line along the Minnesota River and the following described lines: Beginning at the south line of said Section 28 at its intersection with the westerly right-of-way line of the existing Minnesota Trunk Highway No. 13; thence northerly along the said westerly right-of-way line of existing Minnesota Trunk Highway No. 13 to the southerly right-of-way line of existing Minnesota Trunk Highway Nos. 55 and 100; thence along the existing southerly right-of-way line of Minnesota Trunk Highway Nos. 55 and 100 to the westerly right-of-way line owned by the Chicago and Northwestern railway company; thence northeasterly along the said westerly right-of-way line of the Chicago and Northwestern railway to the east line of said Section 28, excepting therefrom the right-of-way owned by the Chicago and Northwestern railway company.

Subd. 2. **[85.012] [Subd. 43.] Minneopa State Park, Blue Earth County.** The following area is deleted from Minneopa State Park, Blue Earth County: a tract of land located in the Northwest Quarter of the Northwest Quarter of Section 21, Township 108 North, Range 27 West of the Fifth Principal Meridian, Blue Earth County, Minnesota, more particularly described as follows:

Commencing at the northwest corner of said Section 21; thence on an assumed bearing of South 01 degree 31 minutes 27 seconds East, along the west line of the Northwest Quarter of the Northwest Quarter of said Section 21, a distance of 545.00 feet, to the south line of the North 545.00 feet of the Northwest Quarter of the Northwest Quarter of said Section 21, also being the south line of Minneopa Cemetery and the point of beginning of the tract to be herein described; thence North 88 degrees 22 minutes 26 seconds East, along said south line of Minneopa Cemetery, a distance of 228.95 feet; thence southwesterly 58.5 feet, more or less, to the intersection of the west line of Block 188 and the northerly line of the railroad right-of-way, said point of intersection being 31.90 feet distant, measured at right angles from the south line of said Minneopa Cemetery; thence continue southwesterly along said railroad right-of-way 187 feet, more or less, to a point on the west line of the Northwest Quarter of the Northwest Quarter of said Section 21; thence North 01 degree 31 minutes 27 seconds West, along said west line to the point of beginning.

Subd. 3. **[85.012] [Subd. 60.] William O'Brien State Park, Washington County.** The following areas are deleted from William O'Brien State Park, Washington County:

(1) those parts of Section 25, Township 32 North, Range 20 West, Washington County, Minnesota, described as follows:

The West two rods of the Southwest Quarter of the Northeast Quarter, the West two rods of the North two rods of the Northwest Quarter of the Southeast Quarter, and the East two rods of the Southeast Quarter of the Northwest Quarter; and

(2) the East two rods over and across the Northeast Quarter of the Northwest Quarter, excepting therefrom the North 200 feet of said Northeast Quarter of the Northwest Quarter. Also, the West 2 rods of the Northwest Quarter of the Northeast Quarter, excepting therefrom the North 266 feet of said Northwest Quarter of the Northeast Quarter. Also, the South 66 feet of the North 266 feet of that part of said Northwest Quarter of the Northeast Quarter lying southwesterly of the existing public road known as 199th Street North.

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

Sec. 137. PRIVATE SALE OF SURPLUS STATE LAND; CASS COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, the commissioner of natural resources may sell by private sale the surplus land that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land to be conveyed is located in Cass County and is described as: the westerly 20.00 feet of the West Half of the Northeast Quarter, Section 16, Township 139 North, Range 30 West,

Cass County, Minnesota. The Grantor, its employees and agents only, reserves a perpetual easement for ingress and egress over and across the above described land.

(d) The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

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

Sec. 138. **PRIVATE SALE OF SURPLUS STATE LAND; LAKE OF THE WOODS COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, the commissioner of natural resources may sell by private sale the surplus land that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land to be conveyed is located in Lake of the Woods County and is described as: a strip of land lying in Government Lot 3, Section 5, Township 163 North, Range 34 West of the Fifth Principal Meridian, Lake of the Woods County, Minnesota; said strip of land being 33.00 feet in width lying 16.50 feet on each side of the following described centerline:

Commencing at the southeast corner of said Government Lot 3; thence North 00 degrees 09 minutes 28 seconds West, assumed bearing, along the east line of said Government Lot 3, a distance of 690 feet, more or less, to the south line of that particular tract of land deeded to the State of Minnesota according to Document No. 75286, on file and of record in the Office of the Recorder, Lake of the Woods County, Minnesota; thence South 89 degrees 50 minutes 32 seconds West, along said south line of that particular tract of land, a distance of 200.00 feet; thence South 00 degrees 09 minutes 28 seconds East, parallel with the east line of said Government Lot 3, a distance of 40.00 feet; thence South 89 degrees 50 minutes 32 seconds West, a distance of 16.50 feet to the point of beginning of the centerline to be herein described; thence South 00 degrees 09 minutes 28 seconds East, parallel with the east line of said Government Lot 3, a distance of 650.5 feet, more or less, to the south line of said Government Lot 3 and said centerline there terminating.

(d) The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

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

Sec. 139. **PRIVATE SALE OF SURPLUS STATE LAND; ST. LOUIS COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, the commissioner of natural resources may convey the surplus land that is described in paragraph (c) to a local unit of government for no consideration.

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land to be conveyed is located in St. Louis County and is described as: that part of the Southwest Quarter of the Northwest Quarter of Section 27, Township 52 North, Range 17 West, St. Louis County, Minnesota, described as follows:

Commencing at the quarter corner between Sections 27 and 28 of said Township 52 North, Range 17 West; thence running East 624 feet; thence North 629 feet to the point of beginning; thence North 418 feet; thence East 208 feet; thence South 418 feet; thence West 208 feet to the point of beginning.

(d) The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land were conveyed to a local unit of government.

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

Sec. 140. **PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited lands described in paragraph (c).

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in St. Louis County and are described as:

(1) Lot 5, Block 9, including part of vacated Seafield Street adjacent, Bristol Beach 1st Division, Duluth (parcel 010-0300-01030); and

(2) that part of the Southeast Quarter of the Northwest Quarter, Township 58, Range 15, Section 5, lying northerly of the northerly right-of-way line of the town of White road running in an east-west direction connecting County Road No. 138 with State Highway No. 135 and lying westerly of the following described line: commencing at the northeast corner of Government Lot 3; thence South 89 degrees 46 minutes 22 seconds West along the north line of Government Lot 3 558.28 feet; thence South 27 degrees 50 minutes 01 second West 102.75 feet; thence South 41 degrees 51 minutes 46 seconds West 452.29 feet; thence South 28 degrees 19 minutes 22 seconds West 422.74 feet; thence South 30 degrees 55 minutes 42 seconds West 133.79 feet; thence southwesterly 210.75 feet along a tangential curve concave to the southeast having a radius of 300 feet and a central angle of 40 degrees 15 minutes 00 seconds; thence South 09 degrees 19 minutes 19 seconds East tangent to said curve 100.30 feet, more or less, to the north line of said Southeast Quarter of the Northwest Quarter; thence North 89 degrees 09 minutes 31 seconds East along said north line 40.44 feet to the point of beginning of the line; thence South 09 degrees 19 minutes 19 seconds East 148 feet, more or less, to said right-of-way line and said line there terminating. Surface only (parcel 570-0021-00112).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

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

Sec. 141. **PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; WADENA COUNTY.**

(a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell by public sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Wadena County and is described as: the Northeast Quarter of the Southwest Quarter of Section 26, Township 136 North, Range 34 West, Wadena County, Minnesota, except that part described as follows:

Beginning at the northeast corner of said Northeast Quarter of the Southwest Quarter; thence West 10 rods; thence South 8 rods; thence East 10 rods; thence North 8 rods to the point of beginning and there terminating.

(d) The land borders the Redeye River. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land were returned to private ownership.

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

Sec. 142. **RIVERLANDS STATE FOREST; BOUNDARIES.**

[89.021] [Subd. 42a.] **Riverlands State Forest.** The following areas are designated as the Riverlands State Forest:

(1) those parts of Carlton County in Township 49 North, Range 16 West, described as follows:

(i) Government Lots 4, 5, and 6, the westerly 50 feet of Government Lot 3, the easterly 50 feet of Government Lot 8, and Government Lot 7 except that part conveyed to the State of Minnesota for highway right-of-way, Section 30;

(ii) Government Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12 and all of Government Lot 14 except the North 890 feet of the West 765 feet and except the railroad right-of-way, Section 31; and

(iii) the South Half of the Northwest Quarter and the Southwest Quarter of Section 32;

(2) those parts of St. Louis County in Township 50 North, Range 17 West, described as follows:

(i) Government Lots 1, 2, 3, and 6 and the Southeast Quarter of the Northwest Quarter of Section 7;

(ii) Government Lots 1, 2, and 3, that part of the Northeast Quarter of the Northeast Quarter lying south of Township Road 5703, the Northwest Quarter of the Northwest Quarter, the Northeast Quarter of the Southeast Quarter, the Southwest Quarter of the Southeast Quarter, the Southeast

Quarter of the Northeast Quarter, the Northwest Quarter of the Southeast Quarter, and the Southeast Quarter of the Southeast Quarter, Section 15;

(iii) Government Lots 1, 2, 3, and 4, Section 16;

(iv) Government Lots 1, 2, 3, and 4, Section 17;

(v) Government Lots 1 and 2, Section 18;

(vi) Government Lots 3, 7, 8, and 9, Section 22;

(vii) that part of the Southwest Quarter of the Southwest Quarter lying within 50 feet of the St. Louis River in Section 23;

(viii) Government Lots 11 and 12 and that part of Government Lot 6 lying South of the North 700 feet, except the railroad right-of-way, Section 26; and

(ix) Government Lot 3 in Section 27;

(3) those parts of St. Louis County in Township 50 North, Range 18 West, described as follows:

(i) Government Lots 2, 3, 4, 7, 9, and 10, the Southwest Quarter of the Northeast Quarter, the Southeast Quarter of the Northwest Quarter, the Northwest Quarter of the Southeast Quarter, the Northeast Quarter of the Southwest Quarter, reserving a 66-foot-wide access easement across Government Lot 2 for access to Grantor's property in Section 31, Township 51 North, Range 17 West, and that part of Government Lot 6, Section 1, and Government Lot 6, Section 2, described as follows:

Commencing at an iron pin at the centerline curve point of Trunk Highway No. 2, being the Minnesota Department of Transportation Station No. 2637 + 00, said point bears North 76 degrees 18 minutes 00 seconds West, assumed bearing 762.00 feet from the point of intersection of the tangent of said Trunk Highway No. 2, being an aluminum-capped monument on the cap of which are stamped the figures "2644 62.0" and the letters "PI," "Minn Highway Dept. Monument," thence South 13 degrees 42 minutes 00 seconds West 100.00 feet along the prolongation of the radial line from said curve point, to the southerly right-of-way line of said Trunk Highway No. 2, the point of beginning of the tract to be herein described; thence easterly 622.50 feet along said southerly right-of-way line, along a nontangential curve, concave to the North, having a radius of 5,830.00 feet, a central angle of 6 degrees 07 minutes 04 seconds, and the chord of said curve bears South 79 degrees 21 minutes 32 seconds East; thence South 26 degrees 25 minutes 57 seconds West 284.19 feet; thence South 88 degrees 07 minutes 14 seconds West 769 feet, more or less, to the shore of the St. Louis River; thence northerly along said shore to its intersection with a line that bears North 76 degrees 18 minutes 00 seconds West from the point of beginning; thence South 76 degrees 18 minutes 00 seconds East 274 feet, more or less, to the point of beginning, Section 1; and

(ii) Government Lot 1, Section 12;

(4) those parts of St. Louis County in Township 51 North, Range 17 West, described as follows:

(i) Government Lots 3, 4, 5, 6, and 8, Section 3;

(ii) Government Lots 1, 2, 3, 4, 5, 6, 7, 8, and 9 and the Northwest Quarter of the Northeast Quarter, Southeast Quarter of the Northwest Quarter, and East Half of the Southeast Quarter, Section 9;

(iii) Government Lots 1, 2, 5, and 8 and the Southwest Quarter of the Southeast Quarter, Section 16;

(iv) Government Lots 2, 3, 4, 5, 6, 7, 8, and 9 and the Southeast Quarter of the Southeast Quarter of the Northwest Quarter of the Northwest Quarter, Section 20;

(v) Government Lot 1 and the Southwest Quarter of the Southwest Quarter, Section 29;

(vi) Government Lots 4, 5, 6, 7, 8, 9, 10, 11, and 12 and the Northeast Quarter of Southwest Quarter, Section 30; and

(vii) Government Lots 1, 2, 3, 4, 5, and 6, Section 31;

(5) those parts of St. Louis County in Township 51 North, Range 18 West, described as follows:

(i) Government Lots 1 and 2, Section 27;

(ii) Government Lot 1, Section 28, except railroad right-of-way;

(iii) Government Lots 2, 3, and 4, Section 28;

(iv) Government Lots 3 and 4, Section 29;

(v) Government Lots 2, 3, and 4, Section 30;

(vi) Government Lots 3 and 4, Section 35; and

(vii) Government Lots 1, 2, 3, 4, 5, 6, 7, and 8 and the Northeast Quarter of the Northwest Quarter, Northeast Quarter of the Southeast Quarter, Southeast Quarter of the Southeast Quarter, and Southwest Quarter of the Southeast Quarter, Section 36, reserving a 66-foot-wide access easement across Government Lots 5 and 6 and the Southwest Quarter of the Southeast Quarter for access to Grantor's property in Section 31, Township 51 North, Range 17 West;

(6) those parts of St. Louis County in Township 51 North, Range 19 West, described as follows:

(i) that part of Government Lots 1, 2, and 3, Section 26, lying North of the St. Louis River and Government Lot 7, Section 28;

(ii) Government Lot 8, Section 28, lying northerly of G.N. right-of-way and Government Lot 5, Section 30;

(iii) Government Lots 7 and 10, Section 30, except right-of-way;

(iv) Government Lot 9, Section 30; and

(v) Government Lot 1, Section 31, lying northerly of the northerly railroad right-of-way line;

(7) those parts of St. Louis County in Township 51 North, Range 20 West, described as follows:

(i) Government Lot 2, Section 16;

(ii) Government Lot 8, Section 22;

(iii) Government Lot 3, Section 26;

(iv) Government Lots 1, 2, 3, and 4, Section 36; and

(v) Government Lots 6, 7, and 8, Section 36, except railroad right-of-way;

(8) those parts of St. Louis County in Township 52 North, Range 15 West, described as follows:

(i) Government Lots 3, 4, 5, and 6, Section 16;

(ii) Government Lots 1, 2, 3, 4, 5, 7, and 8, Section 17, and Government Lot 6, Section 17, except the West 330 feet; and

(iii) Government Lots 3, 4, 5, 6, and 7, Section 19;

(9) those parts of St. Louis County in Township 52 North, Range 16 West, described as follows:

(i) Government Lots 1, 2, 3, 4, and 5 and the Southeast Quarter of the Southeast Quarter, Northeast Quarter of the Southwest Quarter, and Southwest Quarter of the Southwest Quarter, Section 21;

(ii) Government Lots 2, 3, 4, 5, 6, 7, 8, 9, and 10 and the Northeast Quarter of the Northwest Quarter and Northwest Quarter of the Northwest Quarter, Section 22;

(iii) Government Lot 3, Section 23;

(iv) Government Lot 2, Section 24;

(v) Government Lots 1, 4, 5, 6, 7, 8, 9, and 10, Section 25;

(vi) Government Lot 1, Section 26;

(vii) Government Lots 2 and 7, Section 26;

(viii) Government Lots 3 and 4, Section 27, reserving unto Grantor and Grantor's successors and assigns a 66-foot-wide access road easement across said Government Lot 3 for the purpose of access to Grantor's or Grantor's successors or assigns land and Grantor's presently owned land that may be sold, assigned, or transferred in Government Lot 1, Section 27, said access road being measured 33 feet from each side of the centerline of that road that is presently existing at various widths and running in a generally southwesterly-northeasterly direction;

(ix) Government Lots 1 and 2, Section 28;

(x) Government Lots 1, 2, 3, and 5 and the Northeast Quarter of the Northeast Quarter and Southwest Quarter of the Northeast Quarter, Section 29;

(xi) Government Lots 1, 2, 3, and 4, Section 31, reserving unto Grantor and Grantor's successors and assigns a 66-foot-wide access road easement across said Government Lots 1, 2, and 3 for the purpose of access to Grantor's or Grantor's successors or assigns land and Grantor's presently owned lands that may be sold, assigned, or transferred in Government Lot 4, Section 29, said access road being measured 33 feet from each side of the centerline of that road that is presently existing at various widths and running in a generally East-West direction and any future extensions thereof as may be reasonably necessary to provide the access contemplated herein;

(xii) Government Lots 5, 7, 8, and 9, Section 31;

(xiii) Government Lots 1 and 2, an undivided two-thirds interest in the Northeast Quarter of the Northwest Quarter, an undivided two-thirds interest in the Southeast Quarter of the Northwest Quarter, and an undivided two-thirds interest in the Southwest Quarter of the Northwest Quarter, Section 32, reserving unto Grantor and Grantor's successors and assigns an access road easement across the West 66 feet of the North 66 feet of said Government Lot 1 for the purpose of access to Grantor's or Grantor's successors or assigns land and Grantor's presently owned land that may be sold, assigned, or transferred in Government Lot 4, Section 29; and

(xiv) Northeast Quarter of Northeast Quarter, Section 35;

(10) those parts of St. Louis County in Township 52 North, Range 17 West, described as follows:

(i) the Southwest Quarter of the Southeast Quarter and Southeast Quarter of the Southwest Quarter, Section 24, reserving unto Grantor and Grantor's successors and assigns a 66-foot-wide access road easement across said Southwest Quarter of the Southeast Quarter for the purpose of access to Grantor's or Grantor's successors or assigns land and Grantor's presently owned land that may be sold, assigned, or transferred in Government Lot 4, Section 29, Township 52 North, Range 16 West, said access road being measured 33 feet from each side of the centerline of that road that is presently existing at various widths and running in a generally North-South direction;

(ii) Government Lots 2, 3, 4, 5, and 7 and the Southwest Quarter of the Northeast Quarter, Section 25, reserving unto Grantor and Grantor's successors and assigns a 66-foot-wide access road easement across said Government Lots 2 and 5 for the purpose of access to Grantor's or Grantor's successors or assigns land and Grantor's presently owned land that may be sold, assigned, or transferred in Government Lot 6, Section 25, said access road being measured 33 feet from each side of the centerline of that road that is presently existing at various widths and running in a generally northwesterly-southeasterly direction and any future extensions thereof as may be reasonably necessary to provide the access contemplated herein;

(iii) Government Lots 2, 4, 5, and 6 and all that part of Government Lot 3 lying East of U.S. Highway 53, Section 26, reserving unto Grantor and Grantor's successors and assigns a 66-foot-wide access road easement across said Government Lots 2 and 3 for the purpose of access to Grantor's or Grantor's successors or assigns land and Grantor's presently owned land that may be sold, assigned, or transferred in Government Lot 1, Section 26, said access road being measured 33 feet from each side of the centerline of that road that is presently existing at various widths and running in a generally southwesterly-northeasterly direction and reserving unto Grantor and Grantor's successors and assigns a 66-foot-wide access road easement across said Government Lots 4, 5, and 6 for the purpose of access to Grantor's or Grantor's successors or assigns land and Grantor's presently owned land

that may be sold, assigned, or transferred in Government Lot 6, Section 25, said access road being measured 33 feet from each side of the centerline of that road that is presently existing at various widths and running in a generally southwesterly-northeasterly direction and any future extensions thereof as may be reasonably necessary to provide the access contemplated herein; and

(iv) Government Lots 1, 2, and 3, Section 36, reserving unto Grantor and Grantor's successors and assigns an access road easement across the West 66 feet of said Government Lot 2 for the purpose of access to Grantor's or Grantor's successors or assigns land and Grantor's presently owned land that may be sold, assigned, or transferred in the Southwest Quarter of the Northeast Quarter, Section 36;

(11) those parts of St. Louis County in Township 52 North, Range 19 West, described as follows:

(i) Government Lot 1, Section 16;

(ii) Government Lots 1 and 2, Section 17; and

(iii) Government Lot 1, Section 19;

(12) those parts of St. Louis County in Township 52 North, Range 20 West, described as follows:

(i) Government Lots 2, 3, and 4, Section 13;

(ii) Government Lot 6, Section 24;

(iii) that part of Government Lot 8, Section 24, described as follows:

Commencing at the West Quarter corner of said Section 24, which is also the northwest corner of Government Lot 8; thence South 01 degree 36 minutes 01 second East (bearing assigned) 1,230.11 feet along the west line of Government Lot 8 to the centerline of St. Louis County Highway 29 and the point of beginning; thence North 46 degrees 59 minutes 59 seconds East along said centerline 445.91 feet; thence South 43 degrees 00 minutes 01 second East 82.57 feet to an iron pipe monument on the westerly bank of the St. Louis River; thence continuing South 43 degrees 00 minutes 01 second East 30 feet, more or less, to the water's edge of the St. Louis River; thence southwesterly along said water's edge to the west line of said Government Lot 8; thence North 01 degree 36 minutes 01 second West along the west line of said Government Lot 8 to the point of beginning;

(iv) Government Lots 3, 4, and 5 and the Southeast Quarter of the Southwest Quarter, Section 26; and

(v) Government Lots 1, 2, 3, and 4, Section 34;

(13) those parts of St. Louis County in Township 53 North, Range 13 West, described as follows:

(i) all that part of the Northwest Quarter of the Northwest Quarter lying North and West of the Little Cloquet River, Section 4;

(ii) Government Lots 1, 2, 3, 4, and 5, the Northeast Quarter of the Northeast Quarter, Northwest Quarter of the Northeast Quarter, Southwest Quarter of the Northeast Quarter, Northeast Quarter

of the Northwest Quarter, Southeast Quarter of the Northwest Quarter, Northeast Quarter of the Southwest Quarter, and Southwest Quarter of the Northwest Quarter, Section 5;

(iii) Government Lots 1, 2, and 4 and the Northwest Quarter of the Southeast Quarter, Southeast Quarter of the Southeast Quarter, Southwest Quarter of the Southeast Quarter, Southeast Quarter of the Southwest Quarter, and Southwest Quarter of the Southwest Quarter, Section 6;

(iv) Government Lots 1, 2, 3, 4, 5, 6, and 7 and the Northwest Quarter of the Northeast Quarter, Northeast Quarter of the Northwest Quarter, Northwest Quarter of the Northwest Quarter, Southeast Quarter of the Northwest Quarter, Southwest Quarter of the Northwest Quarter, Southeast Quarter of the Southeast Quarter, and Northeast Quarter of the Southwest Quarter, Section 7;

(v) Government Lots 1 and 2 and the Northeast Quarter of the Northeast Quarter, Northwest Quarter of the Northeast Quarter, Southeast Quarter of the Northeast Quarter, Southwest Quarter of the Northeast Quarter, Northeast Quarter of the Southwest Quarter, Northwest Quarter of the Southwest Quarter, and Southwest Quarter of the Southwest Quarter, Section 8;

(vi) the Northeast Quarter of the Northwest Quarter, Northwest Quarter of the Northwest Quarter, Southeast Quarter of the Northwest Quarter, and Southwest Quarter of the Northwest Quarter, Section 17;

(vii) Government Lots 1 and 4, Section 29;

(viii) Government Lots 1 and 2 and the Northeast Quarter of the Northeast Quarter, Northwest Quarter of the Northeast Quarter, Southeast Quarter of the Northeast Quarter, Northeast Quarter of the Northwest Quarter, Northwest Quarter of the Northwest Quarter, Southeast Quarter of the Northwest Quarter, and Southwest Quarter of the Northwest Quarter, Section 30; and

(ix) Government Lots 1, 2, 3, and 4, Section 31;

(14) Government Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10, Section 36, Township 53 North, Range 14 West, St. Louis County;

(15) those parts of St. Louis County in Township 53 North, Range 18 West, described as follows:

(i) Government Lots 3, 6, 7, and 8, Section 6; and

(ii) Government Lots 1 and 2, Section 7;

(16) those parts of St. Louis County in Township 53 North, Range 19 West, described as follows:

(i) all that part of Government Lot 5 lying within 50 feet of the St. Louis River, Section 5, and Government Lots 1, 2, 5, 6, 7, and 8, Section 12;

(ii) Government Lots 1, 2, 3, 5, 8, and 9, Section 13;

(iii) all that portion of Government Lot 1, Section 23, that lies within 50 feet of the East bank of the Whiteface River at mean stage of water;

(iv) all that portion of Government Lots 2, 4, and 5, Section 23, that lies within 50 feet of the West bank of the Whiteface River at mean stage of water;

(v) all that part of Government Lot 7, Section 23, lying West of the former DM&IR railroad right-of-way;

(vi) Government Lots 8 and 10, Section 23;

(vii) all that part of the Northwest Quarter of the Southeast Quarter, Section 23, lying West of the former DM&IR railroad right-of-way;

(viii) Government Lots 5, 7, and 8, Section 31; and

(ix) Government Lot 5, Section 33;

(17) those parts of St. Louis County in Township 54 North, Range 13 West, described as follows:

(i) Government Lots 1, 4, 5, 6, and 7, Section 20;

(ii) Government Lots 3, 4, 6, 7, and 8 and the Southeast Quarter of the Southwest Quarter, Section 21;

(iii) Government Lots 1, 2, 3, 4, 5, and 7, Section 29;

(iv) Government Lots 1, 2, 3, 4, 9, and 10, Section 30; and

(v) Government Lots 5, 6, and 7 and the Northeast Quarter of the Northeast Quarter, Northwest Quarter of the Northeast Quarter, Southwest Quarter of the Northeast Quarter, Southeast Quarter of the Northwest Quarter, and Northwest Quarter of the Southeast Quarter, Section 31;

(18) those parts of St. Louis County in Township 54 North, Range 16 West, described as follows:

(i) Government Lots 2, 3, and 4 and the Northwest Quarter of the Southwest Quarter, Southeast Quarter of the Northwest Quarter, Southeast Quarter of the Northeast Quarter, and Southwest Quarter of the Northeast Quarter, Section 1;

(ii) Government Lots 1, 2, 3, 4, 6, 7, and 8 and the Northwest Quarter of the Southeast Quarter, Northeast Quarter of the Southeast Quarter, Southwest Quarter of the Southeast Quarter, Southeast Quarter of the Southeast Quarter, Southeast Quarter of the Southwest Quarter, and Southeast Quarter of the Northeast Quarter, Section 2;

(iii) all that part of Government Lot 9 lying South of the Whiteface River and West of County Road 547, also known as Comstock Lake Road, Section 3; and

(iv) Government Lots 3 and 4 and the Southeast Quarter of the Northeast Quarter and Southwest Quarter of the Northeast Quarter, Section 10;

(19) those parts of St. Louis County in Township 54 North, Range 18 West, described as follows:

(i) the South Half of the Southwest Quarter, except the railroad right-of-way, Section 15;

(ii) Government Lot 2, except the North 660 feet of the East 990 feet, Section 16;

(iii) Government Lots 1, 3, 4, 5, 6, 7, and 8, Section 16;

(iv) Government Lot 3, Section 20;

(v) Government Lots 1, 2, 3, 4, and 5, Section 21;

(vi) Government Lots 1, 4, 5, and 7, Section 22;

(vii) those parts of Government Lots 2 and 9, except railroad right-of-way, Section 22;

(viii) all that part of Government Lot 6, Section 22, lying West of the Duluth Mesaba and Northern Railway Company's right-of-way;

(ix) Government Lot 9, Section 22, except the following parcels:

(A) beginning at a point where the south line of company road, called Kelsey Road, intersects with the west line of the right-of-way of the Duluth, Missabe and Northern Railway on the Northeast Quarter of the Southeast Quarter, Section 22, Township 54, Range 18; thence West along the south line of said company road 627 feet; thence South 348 1/3 feet; thence East 627 feet to the west line of the right-of-way of the Duluth, Missabe and Northern Railway; thence North on the west line of said right-of-way 348 1/3 feet to commencement;

(B) beginning at the quarter corner between Sections 22 and 23, Township 54, Range 18; thence running North along the section line 114 feet, 6 inches, to the south line of Kelsey Road; thence northwesterly along the south line of Kelsey Road 348 feet, 8 inches, to the boundary of the right-of-way of the Duluth, Missabe and Northern Railway, thence South along the easterly boundary of the right-of-way of the Duluth, Missabe and Northern Railway 274 feet to the quarter line on Section 22; thence easterly along said quarter line 304 feet, 6 inches, to the point of beginning; and

(C) commencing at the southwest corner of Riverside Cemetery as recorded in "P" of Plats, Page 15; thence easterly along the south line of said cemetery to a point where said cemetery line intersects the westerly line of Highway No. 7, also known as Mesaba Trunk Highway; thence southerly along the westerly line of said Highway No. 7 to a point where said westerly line of said Highway No. 7 intersects the south line of Lot 9, Section 22, Township 54, Range 18; thence westerly along the southerly line of said Lot 9 to a point where the southerly line intersects the easterly line of the DM & N Railway Company's right-of-way; thence northerly along the easterly side of said DM & N Railway Company's right-of-way to beginning;

(x) Government Lots 2, 3, 4, 5, 6, 7, and 8, Section 29;

(xi) Government Lots 5 and 6, Section 30; and

(xii) Government Lots 3, 4, 5, 6, 9, 10, 11, and 12, Section 31;

(20) those parts of St. Louis County in Township 54 North, Range 19 West, described as follows:

(i) Government Lots 5, 6, 7, 8, and 9, Section 5;

(ii) Government Lots 1, 2, 3, 4, 5, 6, 7, and 8, Section 8;

(iii) Government Lots 1, 2, 3, 4, 5, 6, 7, and 8, Section 20;

(iv) Government Lots 2 and 3, Section 29;

(v) Government Lot 1, Section 32;

(vi) Government Lot 5, except the South 1,320 feet, Section 32; and

(vii) Government Lot 2, Section 33;

(21) those parts of St. Louis County in Township 55 North, Range 15 West, described as follows:

(i) Governments Lot 1 and 2, Section 11;

(ii) Government Lot 9, except Highway 4 right-of-way, Section 11;

(iii) Government Lot 10, except Highway 4 right-of-way, Section 11;

(iv) Government Lots 2, 3, 4, 5, 6, and 7, Section 15;

(v) Government Lots 2, 3, 5, 6, 7, and 8 and the Northeast Quarter of Southwest Quarter, Section 21;

(vi) the Southwest Quarter of the Northeast Quarter, reserving unto Grantor and Grantor's successors and assigns a 66-foot-wide access easement across said Southwest Quarter of the Northeast Quarter for the purpose of access to Grantor's or Grantor's successors or assigns land and Grantor's presently owned land that may be sold, assigned, or transferred in Government Lot 4, Section 21, Township 55 North, Range 15 West, said access road being measured 33 feet on each side of the centerline of that road that is presently existing and known as the Whiteface Truck Trail, Section 21;

(vii) Government Lots 1, 2, and 3, Section 22;

(viii) Government Lots 1 and 2 and the Northeast Quarter of the Northwest Quarter, Section 28;

(ix) Government Lots 1, 4, 6, 8, and 9 and the Northeast Quarter of the Northeast Quarter, Northeast Quarter of the Southeast Quarter, and Northwest Quarter of the Southwest Quarter, Section 29;

(x) Government Lots 3 and 4 and the Northeast Quarter of the Southeast Quarter, Northeast Quarter of the Southwest Quarter, and Southeast Quarter of the Southwest Quarter, Section 30;

(xi) Government Lots 2, 3, 4, 5, 6, 8, 9, 10, and 11 and the Northeast Quarter of the Southwest Quarter, Section 31; and

(xii) Government Lot 1, Section 32;

(22) those parts of St. Louis County in Township 55 North, Range 16 West, described as follows:

(i) the Southwest Quarter of the Southeast Quarter, reserving unto Grantor and Grantor's successors and assigns a 66-foot-wide access road easement across said Southwest Quarter of the Southeast Quarter for the purpose of access to Grantor's or Grantor's successors or assigns land and Grantor's presently owned land that may be sold, assigned, or transferred in Government Lot 5, Section 1, Township 54 North, Range 16 West, Section 35; and

(ii) the Southeast Quarter of the Southeast Quarter, reserving unto Grantor and Grantor's successors and assigns a 66-foot-wide access road easement across said Southeast Quarter of the Southeast Quarter for the purpose of access to Grantor's or Grantor's successors or assigns land and Grantor's presently owned land that may be sold, assigned, or transferred in Government Lot 5, Section 1, Township 54 North, Range 16 West, Section 35;

(23) those parts of St. Louis County in Township 55 North, Range 19 West, described as follows:

(i) an undivided two-thirds interest in Government Lot 1, Section 2;

(ii) Government Lots 2, 9, 10, and 12, Section 2;

(iii) Government Lot 11, Section 2, except railroad right-of-way;

(iv) Government Lots 1, 2, 3, 4, and 6, Section 10;

(v) Government Lot 4, Section 11;

(vi) Government Lots 1, 2, 6, 7, and 13, Section 15;

(vii) Government Lots 1 and 2, Section 16;

(viii) Government Lots 1 and 3 and the Southeast Quarter of the Northeast Quarter and Southwest Quarter of the Northeast Quarter, Section 22;

(ix) Government Lots 3, 4, 5, 6, 7, and 8 and the Northeast Quarter of the Northwest Quarter, Section 29;

(x) Government Lot 6, Section 30; and

(xi) Government Lots 4, 7, 8, 9, and 10, Section 31;

(24) those parts of St. Louis County in Township 56 North, Range 17 West, described as follows:

(i) Government Lots 2 and 8 and the Northwest Quarter of the Southeast Quarter and Northeast Quarter of the Southwest Quarter, Section 3;

(ii) Government Lots 4, 5, 6, 7, and 9, Section 3; and

(iii) Government Lots 6 and 9, that part of Government Lot 8 lying North of Highway No. 53, and that part of Government Lot 7 lying West of Highway No. 53, Section 4;

(25) those parts of St. Louis County in Township 56 North, Range 18 West, described as follows:

(i) Government Lots 5 and 6, Section 2;

(ii) Government Lots 5, 7, and 9 and the Northeast Quarter of the Southwest Quarter, Section 3;

(iii) all that part of Government Lot 11, except the following described parcel of land:

Beginning at a point that is located 958 feet North of the southeast corner of said Government Lot 11, which corner is also the southeast corner of said Section 3, and 33 feet West of the east line of said Lot 11; thence running North parallel with the east line of said Lot 11 a distance of 700.5 feet to a point; thence southwesterly to a point that is 331.5 feet West and 1226 feet North of the southeast corner of said Lot 11; thence southerly parallel with the east line of said lot, a distance of 268 feet to a point; thence easterly a distance of 298.5 feet to the place of beginning, Section 3;

(iv) Government Lot 12, Section 3, except the following described parcels of land:

(A) commencing at a point along the East and West One-Quarter line of said Section 3, which point is 33 feet West of the East One-Quarter corner of said Section 3, said point being on the west right-of-way line of County Highway No. 7; thence westerly along said quarter line for a distance of 300 feet to a point; thence southerly at right angles and parallel to the highway right-of-way in question for a distance of 300 feet to a point; thence easterly for a distance of 300 feet to a point in the west right-of-way line of County Highway No. 7; thence northerly along the west right-of-way line of County Highway No. 7 for a distance of 300 feet to the point of beginning;

(B) commencing at the East Quarter corner of said Section 3; thence westerly along the East/West Quarter line of said Section 3 a distance of 33.00 feet to the westerly right-of-way line of County Highway No. 7; thence continuing westerly along said East/West Quarter line a distance of 300.00 feet to the point of beginning; thence southerly, parallel with the westerly right-of-way line of County Highway No. 7 a distance of 400.00 feet; thence westerly, parallel with said East/West Quarter line to the easterly right-of-way line of the DM&IR Railroad; thence northerly along said easterly right-of-way line to said East/West Quarter line; thence easterly along said East/West Quarter line to the point of beginning; and

(C) the East 33 feet of the North 300 feet of said Government Lot 12;

(v) the Southeast Quarter of the Southeast Quarter, Section 4;

(vi) the Southeast Quarter of the Southeast Quarter, Section 7;

(vii) Government Lots 6 and 7, Section 8;

(viii) Government Lots 1 and 2, Section 9;

(ix) Government Lots 2 and 3, Section 17;

(x) Government Lots 5, 6, 7, 9, 10, 11, 12, and 13 and the Southeast Quarter of the Northwest Quarter, Section 18;

(xi) Government Lots 6, 7, 8, 9, 11, and 12 and the Northeast Quarter of the Northwest Quarter, Section 19;

(xii) Government Lots 1, 5, 8, and 9, Section 20;

(xiii) Government Lots 4, 5, 6, 7, and 8 and Government Lot 3, except for 1.0 acre for cemetery, Section 29;

(xiv) Government Lot 9, Section 30;

(xv) Government Lots 1, 2, 3, 6, 8, 9, 10, and 11, Section 31; and

(xvi) Government Lots 1 and 2, Section 32;

(26) those parts of St. Louis County in Township 56 North, Range 19 West, described as follows:

(i) Government Lot 1, Section 35;

(ii) Government Lot 2, Section 35; and

(iii) Government Lots 1, 2, 3, 4, 5, 6, 7, 8, and 9 and the Southeast Quarter of the Southeast Quarter and Southwest Quarter of the Northeast Quarter, Section 36;

(27) those parts of St. Louis County in Township 57 North, Range 16 West, described as follows:

(i) the Southeast Quarter of the Northwest Quarter, Northwest Quarter of the Northeast Quarter, Southwest Quarter of the Southwest Quarter, and Northeast Quarter of the Southwest Quarter, Section 12; and

(ii) the Southeast Quarter of the Northwest Quarter, Section 15; and

(28) those parts of St. Louis County in Township 57 North, Range 17 West, described as follows:

(i) the Northeast Quarter of the Southwest Quarter and Southwest Quarter of the Southwest Quarter, Section 25; and

(ii) the Southeast Quarter of the Southeast Quarter and the Northeast Quarter of the Southeast Quarter, Section 26.

Sec. 143. **PRIVATE SALE OF TAX-FORFEITED LAND; AITKIN COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Aitkin County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Aitkin County and is described as:

The North Half of the Northeast Quarter of the Northeast Quarter lying East of 275th Avenue in Section 11, Township 47 North, Range 25 West, Aitkin County, Minnesota (part of parcel 15-0-017700).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership.

Sec. 144. **GOODHUE COUNTY; LAND TRANSFERS.**

Subdivision 1. **Land transfers.** (a) Notwithstanding Minnesota Statutes, section 373.01, subdivision 1, Goodhue County may sell, lease, or otherwise convey county-owned land that abuts Lake Byllesby to adjoining property owners who after the transfer will have direct access to Lake Byllesby. Any sale, lease, or other conveyance must be for the market value of the property as appraised by the county. A sale, lease, or other conveyance under this section must reserve to the county mineral rights according to Minnesota Statutes, section 373.01, and flowage easements relating to water levels of Lake Byllesby.

(b) This section does not apply to any county-owned land that has been developed by the county as public parkland.

Subd. 2. **Effective date; local approval.** This section is effective the day after the governing body of Goodhue County and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 145. **PRIVATE SALE OF TAX-FORFEITED LANDS; ITASCA COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Itasca County may sell by private sale the tax-forfeited lands described in paragraph (c).

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in Itasca County and are described as:

(1) all that part of Government Lot 2, Section 27, Township 145 North, Range 26 West, lying northeasterly of the northeasterly right-of-way line of CSAH 39 and northwesterly of the following described line: Commencing at the northwest corner of said Government Lot 2; thence South 89 degrees 21 minutes East, along the north line of said Government Lot 2 a distance of 286 feet, more or less, to a point on the northeasterly right-of-way line of the CSAH 39 right-of-way; thence South 51 degrees 01 minute East, 260.41 feet to the point of beginning of the line to be described; thence North 42 degrees 11 minutes East to intersect the water's edge of Ball Club Lake and there said line terminates; and

(2) the South two rods of the East 16 rods of Government Lot 14, Section 4, Township 60 North, Range 26 West of the Fourth Principle Meridian, containing approximately 0.20 acres.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 146. **PRIVATE SALE OF SURPLUS LAND BORDERING PUBLIC WATERS; ROSEAU COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus island located in public water that is described in paragraph (d) to a local unit of government for less than market value.

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land described in paragraph (d) may be sold by quit claim deed and the conveyance must provide that the land described in paragraph (d) be used for the public and reverts to the state if the local unit of government fails to provide for public use or abandons the public use of the land. The conveyance is subject to a flowage easement held by the United States of America.

(d) The land that may be conveyed is located in Roseau County and is described as: an unsurveyed island located in the approximate center of the South Half of the Southeast Quarter of Section 29, Township 163 North, Range 36 West, Roseau County, Minnesota; said island contains 6.7 acres, more or less (parcel identification number 563199100).

(e) The island is located in Warroad River and was created after statehood when dredge spoils were deposited on a sandbar in the Warroad River. The Department of Natural Resources has determined that the land is not needed for natural resource purposes, the conveyance would further the public interest, and the state's land management interests would best be served if the land was conveyed to a local unit of government for a public park and other public use.

Sec. 147. **PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited lands described in paragraph (c).

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in St. Louis County and are described as:

(1) the South Half of the North Half of the South Half of the Southwest Quarter of the Northwest Quarter, except the East 470 feet and except the part taken for a road, Township 50 North, Range 15 West, Section 29 (parcel identification number 395-0010-08713);

(2) the East 271 feet of the West 371 feet of the North 669.94 feet of the Northwest Quarter of the Northwest Quarter of Section 34, Township 61 North, Range 15 West of the Fourth Principal Meridian. Together with the West 100 feet of the North 669.94 feet of the Northwest Quarter of the Northwest Quarter of Section 34, Township 61 North, Range 15 West of the Fourth Principal Meridian, which lies South of the North 300 feet thereof (part of parcel identification number 410-0024-00550);

(3) the West 371 feet of the Northwest Quarter of the Northwest Quarter of Section 34, Township 61 North, Range 15 West of the Fourth Principal Meridian, which lies South of the North 669.94 feet thereof (part of parcel identification number 410-0024-00550); and

(4) the Northeast Quarter, except the Southwest Quarter, and the North Half of the Northwest Quarter, Township 52 North, Range 19 West, Section 24 (part of parcel identification number 470-0010-03830).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 148. **ST. LOUIS COUNTY; LAND LEASE.**

Subdivision 1. **St. Louis County; lease.** Notwithstanding Minnesota Statutes, sections 16A.695 and 282.04, St. Louis County may lease property legally described as part of Government Lot 5 except the lake portion of Embarrass Mine, Township 58, Range 15 West, Section 5, for use as a water intake and water treatment project under Laws 2018, chapter 214, article 1, section 22, subdivision 6, for consideration of more than \$12,000 per year and for a period exceeding ten years.

Subd. 2. **Department of Natural Resources; lease.** Notwithstanding Minnesota Statutes, section 92.50, or other law to the contrary, the commissioner may lease property in Township 58, Range 15, Section 5, for use as a water intake and water treatment project under Laws 2018, chapter 214, article 1, section 22, subdivision 6, for a period exceeding 21 years, including a lease term of 40 years.

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

Sec. 149. **CONVEYANCE OF CERTAIN PARCELS; ST. LOUIS COUNTY.**

(a) Notwithstanding conflicting requirements in section 373.01, St. Louis County may convey, at no charge, small parcels of nonconforming property to the adjoining or surrounding owners subject to the following conditions:

(1) the parcels must be five acres or less in size;

(2) the parcels were acquired prior to December 31, 1960;

(3) the conveyance will be restricted to the adjoining or surrounding property;

(4) the adjoining parcel that the county land is to be conveyed to must abut the county parcel on two or more sides; and

(5) no delinquent property taxes are owed on the adjoining or surrounding property to be eligible for the conveyance.

(b) This section shall be liberally construed to encourage the transfer of ownership of nonconforming real property and promote its return to the tax rolls.

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

Sec. 150. **PRIVATE SALE OF TAX-FORFEITED LAND; BELTRAMI COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Beltrami County may sell by private sale the tax-forfeited lands described in paragraph (c).

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in Beltrami County and are described as:

(1) the East 285 feet of the North 55 feet of the South Half of the Southeast Quarter, Section 13, Township 149 North, Range 32 West of the Fifth Principle Meridian (parcel identification number 16.00170.00);

(2) Lot 6, Block 12, Plat of Redby, Section 19, Township 151 North, Range 33 West (parcel identification number 36.00027.00);

(3) Lot 7, Block 16, Plat of Redby, Section 20, Township 151 North, Range 33 West (parcel identification number 36.00052.00);

(4) Lot 8, Block 16, Plat of Redby, Section 20, Township 151 North, Range 33 West (parcel identification number 36.00053.00);

(5) Lot 9, Block 16, Plat of Redby, Section 20, Township 151 North, Range 33 West (parcel identification number 36.00054.00);

(6) Lots 10, 11, and 12, Block 16, Plat of Redby, Section 20, Township 151 North, Range 33 West (parcel identification number 36.00055.00);

(7) the southerly 200 feet of vacated Block 28, Plat of Redby, less the northerly 75 feet of the westerly 150 feet thereof and less the easterly 170 feet thereof, Section 20, Township 151 North, Range 33 West (parcel identification number 36.00077.00);

(8) Lot 4, Block 29, Plat of Redby, Section 20, Township 151 North, Range 33 West (parcel identification number 36.00081.00); and

(9) Lot 1, Block 62, Plat of Redby, Section 19, Township 151 North, Range 33 West (parcel identification number 36.00148.00).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 151. PRIVATE SALE OF SURPLUS LAND BORDERING PUBLIC WATER; SHERBURNE COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land bordering public water that is described in paragraph (c) to a local unit of government for less than market value.

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Sherburne County and is described as: that part of Government Lot 3, Section 24, Township 33 North, Range 28 West, described as follows:

The East 400 feet of Government Lot 3, Section 24, Township 33 North, Range 28 West, according to the United States Government survey thereof.

(d) The land borders Big Lake. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land were conveyed to a local unit of government.

Sec. 152. **RULEMAKING; WALLEYE AND SAUGER POSSESSION LIMIT.**

(a) By March 1, 2022, the commissioner of natural resources must amend Minnesota Rules, part 6262.0200, subpart 1, item F, to provide that the daily and possession limit for walleye and sauger in all inland waters is six in aggregate and no more than four may be walleye.

(b) The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply, except as provided under Minnesota Statutes, section 14.388.

Sec. 153. **AMENDING FEEDLOT PERMITS.**

The commissioner of the Pollution Control Agency must, when necessary, amend all general and individual permits for feedlots to conform with Minnesota Statutes, section 116.07, subdivision 7, paragraph (h).

EFFECTIVE DATE. This section is effective retroactively from February 1, 2021.

Sec. 154. **TIMBER PERMITS; CANCELLATION AND EXTENSION.**

Subdivision 1. Eligibility. (a) For the purposes of this section, an "eligible permit" is a timber permit issued before July 1, 2020.

(b) In order to be eligible under this section, a permit holder must not be delinquent or have an active willful trespass with the state.

(c) In order to be eligible under subdivisions 2, 4, and 5, a permit holder must submit the written request to the commissioner of natural resources before the expiration of the permit or by July 1, 2021, whichever is earlier.

Subd. 2. Extensions. Upon written request to the commissioner of natural resources by the holder of an eligible permit with more than 30 percent of the total permit volume in any combination of spruce or balsam fir, the commissioner may grant an extension of the permit for two years without penalty or interest.

Subd. 3. Unused balsam fir. The commissioner of natural resources may cancel any provision in a timber sale that requires the security payment for or removal of all or part of the balsam fir when the permit contains more than 50 cords of balsam fir. The commissioner may require the permit holder to fell or pile the balsam fir to meet management objectives.

Subd. 4. **Refunds.** (a) Upon written request to the commissioner of natural resources by the holder of an eligible permit that is inactive and intact with more than 30 percent of the total permit volume in any combination of spruce or balsam fir, the commissioner may cancel the permit and refund the sale security, advance payments, or bid guarantee as applicable for the permit to the permit holder.

(b) Upon written request to the commissioner of natural resources by the holder of an eligible active permit with more than 30 percent of the total permit volume in any combination of spruce or balsam fir and a previously existing cutting block agreement, the commissioner may cancel any intact cutting block designated in the permit that was not bonded or bonded before July 1, 2020, and refund security, as applicable, for the cutting block to the permit holder. Any partially harvested cutting block is ineligible to be canceled under this paragraph. The remaining provisions of the permit remain in effect.

Subd. 5. **Good Neighbor Authority.** The commissioner of natural resources, in consultation with the United States Forest Service, may negotiate and provide holders of eligible permits with more than 30 percent of the total permit volume in any combination of spruce or balsam fir a method to voluntarily return intact cutting blocks designated in Good Neighbor Authority permits. Upon written request by the eligible permit holder, the commissioner may cancel any intact cutting block designated in the permit that was not bonded or bonded before July 1, 2020, and refund applicable security for the cutting block to the permit holder. Any partially harvested cutting block is ineligible to be canceled under this subdivision. The remaining provisions of the permit remain in effect.

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

Sec. 155. WHOLE EFFLUENT TOXICITY RULEMAKING.

(a) By January 31, 2022, the commissioner of the Pollution Control Agency must adopt rules on:

(1) evaluating and applying whole effluent toxicity (WET) as water-quality-based effluent limitations and permit conditions for discharges occurring outside the Lake Superior basin; and

(2) the applicability and standards for acute and chronic mixing zones.

(b) Rules adopted under this section must be substantially identical to Minnesota Rules, parts 7052.0210, subparts 1 and 2, and 7052.0240, so that, to the greatest extent possible, dischargers in all parts of the state are subject to the same mixing zones requirements and acute and chronic WET requirements for establishing permit conditions.

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

Sec. 156. INTERIM PROVISIONS.

(a) From the effective date of this act until the rules under section 155 are adopted, to the extent allowable under the federal Clean Water Act or other federal laws, this section applies to discharges occurring outside the Lake Superior basin.

(b) If a whole effluent toxicity test, as defined under Minnesota Rules, part 7050.0218, subpart 3, item AAA, is performed on the effluent of a point source discharger and results in less than 50 percent mortality of the test organisms or if a demonstration is provided under Minnesota Rules, part 7052.0210, subpart 1, that 0.3 acute toxic units can be met at the edge of an approved acute mixing zone, the effluent must not be considered acutely toxic or lethal to aquatic organisms unless the commissioner of the Pollution Control Agency finds that the test species do not represent sensitive organisms in the affected surface water body or the whole effluent toxicity test was performed on a sample not representative of the effluent quality.

(c) The commissioner of the Pollution Control Agency must establish whole effluent toxicity mixing zones and whole effluent toxicity water-quality-based effluent limitations and permit conditions according to Minnesota Rules, parts 7052.0210, subparts 1 and 2, and 7052.0240.

(d) The antibacksliding provisions of Minnesota Rules, part 7001.1080, subpart 9, do not apply to new or revised permit conditions established under paragraph (c).

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

Sec. 157. ANALYSIS OF WISCONSIN'S GREEN TIER PROGRAM.

The commissioner of the Pollution Control Agency must conduct an analysis of the Green Tier Program operated in Wisconsin under Wisconsin Statutes, section 299.83, which recognizes and rewards environmental performance that voluntarily exceeds legal requirements related to health, safety, and the environment resulting in continuous improvement in Wisconsin's environment, economy, and quality of life. By February 1, 2022, the commissioner must report the results of the analysis to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources. The report must include:

(1) an overview of how the program operates in Wisconsin;

(2) an assessment of benefits and challenges that would likely accompany the adoption of a similar program in Minnesota;

(3) a comparison of the program with the Minnesota XL permit project operated under Minnesota Statutes, sections 114C.10 to 114C.19;

(4) an assessment of what policy changes, legal changes, and funding would be required to successfully implement a similar program in Minnesota; and

(5) any other related matters deemed relevant by the commissioner.

Sec. 158. STATE IMPLEMENTATION PLAN REVISIONS.

(a) The commissioner of the Pollution Control Agency must seek approval from the federal Environmental Protection Agency for revisions to the state's federal Clean Air Act state implementation plan so that under the revised plan, the Pollution Control Agency is prohibited from applying a national or state ambient air quality standard in a permit issued solely to authorize operations to continue at an existing facility with unmodified emissions levels. Nothing in this

section shall be construed to require the commissioner to apply for a revision that would prohibit the agency from applying a national or state ambient air quality standard in a permit that authorizes an increase in emissions due to construction of a new facility or in a permit that authorizes changes to existing facilities that result in a significant net emissions increase of a regulated NSR pollutant, as defined in Code of Federal Regulations, title 40, section 52.21(b)(50).

(b) The commissioner of the Pollution Control Agency must report quarterly to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources policy on the status of efforts to implement paragraph (a) until the revisions required by paragraph (a) have been either approved or denied.

Sec. 159. FACILITATE ORIENTED STRAND BOARD MANUFACTURING FACILITY; ITASCA COUNTY.

(a) Notwithstanding any law to the contrary, a business corporation that proposes an economic development project to build an oriented strand board manufacturing facility in Itasca County, and that receives approval of financial incentives to be provided for that project from both the Department of Employment and Economic Development and the Department of Iron Range Resources and Rehabilitation anytime during 2021, may apply for and receive construction stormwater, temporary dewatering, and land use construction permits required to begin grading, grubbing, and clearing the project site prior to completion of the environmental review processes necessary to commence construction of the facility.

(b) Prior to commencing any grading, grubbing, and clearing work at the project site pursuant to this section, the commissioner of employment and economic development shall require and receive a bond or other security or other financial assurance satisfactory to the commissioner to provide for the restoration of all disturbed land to its previous condition if the environmental review process does not lead to successful permitting of the project.

Sec. 160. CONDITIONS UPON TERMINATING CERTAIN MINERAL LEASES IN 2021.

If the commissioner of natural resources terminates state mineral leases associated with a mine permit for an operation to mine, provide direct reduction of ore, and make steel in calendar year 2021, the commissioners of natural resources and the Pollution Control Agency must wait at least two years after the termination before initiating action to terminate environmental permits associated with the mining or processing of iron ore from the lands, unless earlier termination is necessary to ensure environmental protection or if otherwise governed by federal law. Nothing in this section prohibits a permittee from proposing to amend or otherwise exercise any existing rights to transfer or cancel permits under existing law. Nothing in this section precludes the commissioner of natural resources from terminating or transferring any state mineral leases issued in association with the properties listed above, provided the termination or transfer complies with all other requirements of Minnesota Statutes, chapter 93.

Sec. 161. REPEALER.

(a) Minnesota Statutes 2020, sections 85.0505, subdivision 3; 85.0507; 85.054, subdivision 19; and 97C.515, subdivisions 4 and 5, are repealed.

(b) Laws 2013, chapter 121, section 53, is repealed.

(c) Minnesota Rules, part 6232.0350, is repealed.

ARTICLE 3

2021 ENVIRONMENT AND NATURAL RESOURCES TRUST FUND APPROPRIATIONS

Section 1. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the environment and natural resources trust fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2020" and "2021" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2020, or June 30, 2021, respectively. "The first year" is fiscal year 2020. "The second year" is fiscal year 2021. "The biennium" is fiscal years 2020 and 2021.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2020</u>	<u>2021</u>

Sec. 2. MINNESOTA RESOURCES

Subdivision 1. Total

<u>Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>61,387,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions. Appropriations in the second year are available for four years beginning July 1, 2020, unless otherwise stated in the appropriation. Any unencumbered balance remaining in the first year does not cancel and is available for the second year or until the end of the appropriation.

Subd. 2. Definition

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

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

-0-

7,245,000

**(a) Geologic Atlases for Water Resource
Management**

\$2,000,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota, Minnesota Geological Survey, to continue producing county geologic atlases to inform management of surface water and groundwater resources. This appropriation is to complete Part A, which focuses on the properties and distribution of earth materials to define aquifer boundaries and the connection of aquifers to the land surface and surface water resources.

**(b) Expanding Minnesota Ecological Monitoring
Network**

\$800,000 the second year is from the trust fund to the commissioner of natural resources to improve conservation and management of Minnesota's native forests, wetlands, and grasslands by expanding the partially established long-term Ecological Monitoring Network that will provide critical knowledge of how ecosystem dynamics and conditions change through time.

(c) County Groundwater Atlas

\$1,125,000 the second year is from the trust fund to the commissioner of natural resources to continue producing county geologic atlases to inform management of surface water and groundwater resources for drinking water and other purposes. This appropriation is for Part B, to characterize the potential water yields of aquifers and the aquifers' sensitivity to contamination.

**(d) Foundational Hydrology Data for Wetland
Protection and Restoration**

\$400,000 the second year is from the trust fund to the commissioner of natural resources

to improve wetland protection, management, and restoration in Minnesota by completing the partially established long-term Wetland Hydrology Monitoring Network that will provide critical knowledge of wetland hydrology dynamics. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

(e) Voyageurs Wolf Project - Phase II

\$575,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to study summertime wolf predation on deer, moose, and other species in the Voyageurs region to inform management of wildlife. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

(f) Expanding Restoration and Promoting Awareness of Native Mussels

\$489,000 the second year is from the trust fund to the Minnesota Zoological Garden to promote mussel conservation by rearing juvenile mussels for reintroduction, researching methods to improve growth and survival in captivity, and encouraging public action to benefit water quality. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

(g) Bobcat and Fisher Habitat Use and Interactions

\$400,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural Resources Research Institute in Duluth to identify potential solutions to reverse the fisher population decline through better understanding of habitat, diet, and activity patterns of bobcats and fishers.

(h) Healthy Prairies III: Restoring Minnesota Prairie Plant Diversity

\$500,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to improve Minnesota prairie resiliency by increasing locally sourced seed availability and diversity, evaluating use of beneficial microbes in prairie restorations, and assessing adaptation and adaptive capacity of prairie plant populations.

(i) Freshwater Sponges and AIS: Engaging Citizen Scientists

\$400,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota, Crookston, to use citizen scientists to study the geographic distribution, taxonomic diversity, and antifouling potential of freshwater sponges against aquatic invasive species.

(j) Do Beavers Buffer Against Droughts and Floods?

\$168,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Voyageurs National Park to analyze existing data sets to determine the role of beaver populations and beaver ponds in buffering the region against droughts and floods.

(k) Enhancing Bat Recovery by Optimizing Artificial Roost Structures

\$190,000 the second year is from the trust fund to the commissioner of natural resources to improve the survival of bats by identifying characteristics of successful artificial bat roost structures and optimizing the structures for bat use and reproduction. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

(l) Conserving Black Terns and Forster's Terns in Minnesota

\$198,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural

Resources Research Institute in Duluth to assess the distribution and breeding status of black tern and Forster's tern and to make conservation and restoration recommendations to improve the suitability of habitat for these two bird species in Minnesota.

Subd. 4. Water Resources

-0-

2,662,000

(a) Managing Highly Saline Waste from Municipal Water Treatment

\$250,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to develop a cost- and energy-efficient method of managing the concentrated saline waste from a municipal water treatment plant to increase the feasibility of using reverse osmosis for centralized water softening and sulfate removal. This appropriation is subject to Minnesota Statutes, section 116P.10.

(b) Technology for Energy-Generating On-site Industrial Wastewater Treatment

\$450,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to improve water quality and generate cost savings by developing off the shelf technology that treats industrial wastewater on-site and turns pollutants into hydrogen and methane for energy. This appropriation is subject to Minnesota Statutes, section 116P.10.

(c) Developing Strategies to Manage PFAS in Land-Applied Biosolids

\$1,034,000 the second year is from the trust fund to the commissioner of the Pollution Control Agency to help municipal wastewater plants, landfills, and compost facilities protect human health and the environment by developing strategies to manage per- and polyfluoroalkyl substances (PFAS) in land-applied biosolids.

(d) Quantifying New Urban Precipitation and Water Reality

\$500,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to better guide storm water management by evaluating the groundwater and surface water interactions contributing to high water tables and damage to home basements and underground infrastructure in urban areas.

(e) Innovative Solution for Protecting Minnesota from PFAS Contamination

\$250,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Dem-Con Companies to demonstrate a new technology for protecting the state's drinking water and natural resources by eliminating per- and polyfluoroalkyl substances (PFAS) from point source discharges. This appropriation is subject to Minnesota Statutes, section 116P.10, related to royalties, copyrights, patents, and sale of products and assets.

(f) Expanding Protection of Minnesota Water through Industrial Conservation

\$178,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for the Minnesota technical assistance program in partnership with the Minnesota Rural Water Association to provide technical assistance to businesses to decrease industrial and commercial water use in communities at risk for inadequate groundwater supply or quality.

Subd. 5. Technical Assistance, Outreach, and Environmental Education

-0-

2,121,000

(a) Statewide Environmental Education via Public Television Outdoor Series

\$300,000 the second year is from the trust fund to the commissioner of natural resources

for an agreement with Pioneer Public Television to produce approximately 25 new episodes of a statewide outdoor public television series designed to inspire Minnesotans to connect with the outdoors and restore and protect the environment.

(b) Mentoring Next Generation of Conservation Professionals

\$500,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Minnesota Valley National Wildlife Refuge Trust, Inc., to provide paid internships and apprenticeships for diverse young people to learn about careers in the conservation field from United States Fish and Wildlife Service professionals while working at the Minnesota Valley National Wildlife Refuge and Wetland Management District.

(c) Jay C. Hormel Nature Center Supplemental Teaching Staff

\$225,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Austin to expand the Jay C. Hormel Nature Center environmental education program beyond the city of Austin to students in southeastern Minnesota for three years.

(d) 375 Underserved Youth Learn Minnesota Ecosystems by Canoe

\$375,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the YMCA of the Greater Twin Cities to connect approximately 375 underserved and diverse teens from urban areas and first-ring suburbs to environmental sciences in the natural world through canoeing and learning expeditions with experienced outdoor education counselors. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

**(e) YES! Students Take on Water Quality Challenge
- Phase II**

\$199,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Prairie Woods Environmental Learning Center to mobilize local watershed stewardship efforts in approximately 20 communities through student-driven action projects.

(f) Engaging Minnesotans with Phenology: Radio, Podcasts, Citizen Science

\$198,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Northern Community Radio, Inc., in partnership with the Board of Regents of the University of Minnesota to build the next generation of conservationists using phenology, radio broadcasts, podcasts, and an online, interactive map interface to inspire teachers, students, and the public to get outside and experience nature.

(g) Driving Conservation Behavior for Native Mussels and Water Quality

\$191,000 the second year is from the trust fund to the Minnesota Zoological Garden to develop research-supported strategies to engage the public in specific conservation behaviors to improve water quality and native mussel health across the state.

(h) Workshops and Outreach to Protect Raptors from Lead Poisoning

\$133,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota, Raptor Center, in cooperation with the Department of Natural Resources and other conservation partners, to provide hunters with outreach and workshops on alternatives to lead hunting ammunition, including copper ammunition as an alternative, and to promote voluntary selection of nontoxic ammunition to protect raptors and other wildlife in Minnesota from

accidental lead poisoning caused by ingestion of ammunition fragments.

Subd. 6. Aquatic and Terrestrial Invasive Species

-0-

10,425,000

(a) Minnesota Invasive Terrestrial Plants and Pests Center (MITPPC) - Phase V

\$5,000,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to support the Minnesota Invasive Terrestrial Plants and Pests Center to fund approximately 15 new, high-priority research projects that will lead to better management of invasive plants, pathogens, and pests on Minnesota's natural and agricultural lands. This appropriation is subject to Minnesota Statutes, section 116P.10. This appropriation is available until June 30, 2026, by which time the project must be completed and final products delivered.

(b) Protect Community Forests by Managing Ash for Emerald Ash Borer

\$3,500,000 the second year is from the trust fund to the commissioner of natural resources to reduce emerald ash borer by providing surveys, assessments, trainings, assistance, and grants for communities to manage emerald ash borer, plant a diversity of trees, and engage citizens in community forestry activities. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

(c) Biological Control of White-Nose Syndrome in Bats - Phase III

\$440,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to continue assessing and developing a biocontrol agent for white-nose syndrome in bats.

(d) Applying New Tools and Techniques Against Invasive Carp

\$478,000 the second year is from the trust fund to the commissioner of natural resources to apply new monitoring, outreach, and removal techniques and to continue work with commercial anglers to protect Minnesota waters from invasive carp.

(e) Emerald Ash Borer and Black Ash: Maintaining Forests and Benefits

\$700,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to use ongoing experiments to determine statewide long-term emerald ash borer impacts on water, vegetation, and wildlife; to determine optimal replacement species and practices for forest diversification; and to develop criteria for prioritizing mitigation activities. This appropriation is available until June 30, 2026, by which time the project must be completed and final products delivered.

(f) Testing Effectiveness of Aquatic Invasive Species Removal Methods

\$110,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural Resources Research Institute in Duluth to test how well boat-cleaning methods work, to provide the Department of Natural Resources with a risk assessment, and to provide recommendations for improving boat-launch cleaning stations to prevent the spread of aquatic invasive species.

(g) Invasive *Didymosphenia* Threatens North Shore Streams

\$197,000 the second year is from the trust fund to the Science Museum of Minnesota to evaluate the recent spread, origin, cause, and economic and ecological threat of didymo formation in North Shore streams and Lake Superior to inform management and outreach.

Subd. 7. Air Quality and Renewable Energy**-0-****573,000****(a) Storing Renewable Energy in Flow Battery for Grid Use**

\$250,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota, on behalf of the Morris campus, to analyze the potential of adding a flow battery and solar energy generation to the University of Minnesota Morris's existing renewable-energy-intensive microgrid.

(b) Eco-Friendly Plastics from Cloquet Pulp-Mill Lignin

\$193,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to reduce environmental pollution from plastics by creating eco-friendly replacements using lignin from the pulp mill in Cloquet, Minnesota. This appropriation is subject to Minnesota Statutes, section 116P.10.

(c) Diverting Unsold Food from Landfills and Reducing Greenhouse Gases

\$130,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Second Harvest Heartland to prevent food from going to landfills and reduce greenhouse gas emissions by helping businesses donate unsold prepared food to food shelves.

Subd. 8. Methods to Protect or Restore Land, Water, and Habitat**-0-****2,393,000****(a) Lignin-Coated Fertilizers for Phosphate Control**

\$250,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural Resources Research Institute in Duluth to test a new, natural, slow-release fertilizer coating made from processed wood to decrease phosphorus runoff from farmland while also storing carbon in soils. This

appropriation is subject to Minnesota Statutes, section 116P.10.

(b) Implementing Hemp Crop Rotation to Improve Water Quality

\$700,000 the second year is from the trust fund to the Minnesota State Colleges and Universities System for Central Lakes College to evaluate how hemp crops reduce nitrogen contamination of surface water and groundwater in conventional crop rotations and demonstrate the environmental and economic benefits of hemp production. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

(c) Developing Cover-Crop Systems for Sugar Beet Production

\$300,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to develop agronomic guidelines to support growers adopting cover-crop practices in sugar beet production in west-central and northwest Minnesota.

(d) Native Eastern Larch Beetle Decimating Minnesota's Tamarack Forests

\$398,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to understand conditions triggering eastern larch beetle outbreaks and develop management techniques to protect tamarack forests from this native insect. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

(e) Habitat Associations of Mississippi Bottomland Forest Marsh Birds

\$275,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the National Audubon Society, Minnesota office, to evaluate habitat

associations of bottomland forest birds in response to restoration actions to better target restoration efforts for wildlife. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

(f) Peatland Restoration in the Lost River State Forest

\$135,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Roseau River Watershed District to collect physical attribute data from drained peatlands, incorporate the data into a decision matrix, and generate a report detailing peatland restoration potential throughout the Lost River State Forest.

(g) Prescribed Burning for Brushland-Dependent Species - Phase II

\$147,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to compare the effects of spring, summer, and fall burns on birds and vegetation and to provide guidelines for maintaining healthy brushland habitat for a diversity of wildlife and plant species.

(h) Increase Golden Shiner Production to Protect Aquatic Communities

\$188,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for the Minnesota Sea Grant in Duluth to identify and demonstrate best methods for in-state production of golden shiners to address angler demand while reducing the risk of introducing and spreading invasive species and to communicate findings through reports, manuals, and workshops. Production of shiners in this project must not take place in wetlands.

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

-0-

27,901,000

(a) DNR Scientific and Natural Areas

\$2,000,000 the second year is from the trust fund to the commissioner of natural resources for the scientific and natural area (SNA) program to restore, improve, and enhance wildlife habitat on SNAs; increase public involvement and outreach; and strategically acquire high-quality lands that meet criteria for SNAs under Minnesota Statutes, section 86A.05, from willing sellers.

(b) Private Native Prairie Conservation through Native Prairie Bank

\$2,000,000 the second year is from the trust fund to the commissioner of natural resources to provide technical stewardship assistance to private landowners, restore and enhance native prairie protected by easements in the native prairie bank, and acquire easements for the native prairie bank in accordance with Minnesota Statutes, section 84.96, including preparing initial baseline property assessments. Up to \$60,000 of this appropriation may be deposited in the natural resources conservation easement stewardship account, created in Minnesota Statutes, section 84.69, proportional to the number of easement acres acquired.

(c) Minnesota State Parks and State Trails Inholdings

\$2,500,000 the second year is from the trust fund to the commissioner of natural resources to acquire high-priority inholdings from willing sellers within the legislatively authorized boundaries of state parks, recreation areas, and trails to protect Minnesota's natural heritage, enhance outdoor recreation, and promote tourism.

(d) Grants for Local Parks, Trails, and Natural Areas

\$2,400,000 the second year is from the trust fund to the commissioner of natural resources to solicit, rank, and fund competitive matching grants for local parks, trail connections, and natural and scenic areas under Minnesota Statutes, section 85.019. This appropriation is for local nature-based recreation, connections to regional and state natural areas, and recreation facilities and may not be used for athletic facilities such as sport fields, courts, and playgrounds.

(e) Mississippi River Aquatic Habitat Restoration and Mussel Reintroduction

\$1,800,000 the second year is from the trust fund. Of this amount, \$1,549,000 is to the commissioner of natural resources for an agreement with the Minneapolis Park and Recreation Board and \$251,000 is to the commissioner of natural resources to restore lost habitat and reintroduce mussels in the Mississippi River above St. Anthony Falls. This work includes creating habitat and species restoration plans, implementing the restoration plans, and monitoring effectiveness of the restoration for multiple years after implementation. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(f) Minnesota Hunter Walking Trails: Public Land Recreational Access

\$300,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Ruffed Grouse Society to improve Minnesota's hunter walking trail system by restoring or upgrading trailheads and trails, developing new walking trails, and compiling enhanced maps for use by managers and the public.

(g) Turning Back to Rivers: Environmental and Recreational Protection

\$1,000,000 the second year is from the trust fund to the commissioner of natural resources

for an agreement with The Trust for Public Land to help local communities acquire priority land along the Mississippi, St. Croix, and Minnesota Rivers and their tributaries to protect natural resources, provide buffers for flooding, and improve access for recreation.

(h) Metropolitan Regional Parks System Land Acquisition - Phase VI

\$1,000,000 the first year is from the trust fund to the Metropolitan Council for grants to acquire land within the approved park boundaries of the metropolitan regional park system. This appropriation must be matched by at least 40 percent of nonstate money.

(i) Minnesota State Trails Development

\$994,000 the second year is from the trust fund to the commissioner of natural resources to expand high-priority recreational opportunities on Minnesota's state trails by rehabilitating, improving, and enhancing existing state trails. The high-priority trail bridges to be rehabilitated or replaced under this appropriation include, but are not limited to, those on the Taconite, Great River Ridge, and C. J. Ramstad/Northshore State Trails.

(j) Elm Creek Restoration - Phase IV

\$500,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Champlin to conduct habitat and stream restoration of approximately 0.7 miles of Elm Creek shoreline above Mill Pond Lake and through the Elm Creek Protection Area.

(k) Superior Hiking Trail as Environmental Showcase

\$450,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Superior Hiking Trail Association to rebuild damaged and dangerous segments and create a new trail segment of the Superior Hiking Trail to minimize environmental impacts, make the

trail safer for users, and make the trail more resilient for future use and conditions.

(l) Upper St. Anthony Falls Enhancements

\$2,800,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Friends of the Lock and Dam in partnership with the city of Minneapolis to design and install green infrastructure, public access, and habitat restorations on riverfront land at Upper St. Anthony Falls for water protection, recreation, and environmental education purposes. Of this amount, up to \$600,000 is for planning, design, and engagement. No funds from this appropriation may be spent until Congress directs the U.S. Army Corps of Engineers to convey an interest in the Upper St. Anthony Falls property to the city of Minneapolis for use as a visitor center. After this congressional act is signed into law, up to \$100,000 of the planning, design, and engagement funds may be spent. The remaining planning, design, and engagement funds may be spent after a binding agreement has been secured to acquire the land or access and use rights to the land for at least 25 years. Any remaining balance of the appropriation may be spent on installing enhancements after the Upper St. Anthony Falls land has been acquired by the city of Minneapolis.

(m) Whiskey Creek and Mississippi River Water Quality, Habitat, and Recreation

\$500,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Mississippi Headwaters Board to acquire and transfer approximately 13 acres of land to the city of Baxter for future construction of water quality, habitat, and recreational improvements to protect the Mississippi River.

(n) Perham to Pelican Rapids Regional Trail (West Segment)

\$2,600,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Otter Tail County to construct the west segment of the 32-mile Perham to Pelican Rapids Regional Trail that will connect the city of Pelican Rapids to Maplewood State Park.

(o) Crow Wing County Community Natural Area Acquisition

\$400,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Crow Wing County to acquire approximately 65 acres of land adjacent to the historic fire tower property to allow for diverse recreational opportunities while protecting wildlife habitat and preventing forest fragmentation. Any revenue generated from selling products or assets developed or acquired with this appropriation must be repaid to the trust fund unless a plan is approved for reinvestment of income in the project as provided under Minnesota Statutes, section 116P.10.

(p) Rocori Trail - Phase III

\$1,200,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Rocori Trail Construction Board to design and construct Phase III of the Rocori Trail along the old Burlington Northern Santa Fe rail corridor between the cities of Cold Spring and Rockville.

(q) Mesabi Trail: New Trail and Additional Funding

\$1,000,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the St. Louis and Lake Counties Regional Railroad Authority for constructing the Mesabi Trail beginning at the intersection of County Road 20 and Minnesota State Highway 135 and terminating at 1st Avenue North and 1st Street North in the city of Biwabik in St. Louis County. This appropriation may not

be spent until all Mesabi Trail projects funded with trust fund appropriations before fiscal year 2020, with the exception of the project funded under Laws 2017, chapter 96, section 2, subdivision 9, paragraph (g), are completed.

(r) Ranier Safe Harbor and Transient Dock on Rainy Lake

\$762,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Ranier to construct a dock that accommodates boats 26 feet or longer with the goal of increasing public access for boat recreation on Rainy Lake. Any revenue generated from selling products or assets developed or acquired with this appropriation must be repaid to the trust fund unless a plan is approved for reinvestment of income in the project as provided under Minnesota Statutes, section 116P.10.

(s) Crane Lake Voyageurs National Park Campground and Visitor Center

\$3,100,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the town of Crane Lake to design and construct a new campground and to plan and preliminarily prepare a site for constructing a new Voyageurs National Park visitor center on land acquired for these purposes in Crane Lake. Any revenue generated from selling products or assets developed or acquired with this appropriation must be repaid to the trust fund unless a plan is approved for reinvestment of income in the project as provided under Minnesota Statutes, section 116P.10.

(t) Chippewa County Acquisition, Recreation, and Education

\$160,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Chippewa County to

acquire wetland and floodplain forest and abandoned gravel pits along the Minnesota River to provide water filtration, education, and recreational opportunities.

(u) Sportsmen's Training and Developmental Learning Center

\$85,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Minnesota Forest Zone Trappers Association to complete a site evaluation and master plan for the Sportsmen's Training and Developmental Learning Center near Hibbing. Any revenue generated from selling products or assets developed or acquired with this appropriation must be repaid to the trust fund unless a plan is approved for reinvestment of income in the project as provided under Minnesota Statutes, section 116P.10.

(v) Birch Lake Recreation Area

\$350,000 the second year is from the trust fund to the commissioner of natural resources for a grant to the city of Babbitt to expand the Birch Lake Recreation Area by adding a new campground to include new campsites, restrooms, and other facilities. This appropriation is available until June 30, 2024.

Subd. 10. Additional Projects

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7,932,000

(a) Mora Lake High Water Mitigation

\$200,000 the second year is from the trust fund to the commissioner of natural resources for a grant to the city of Mora for measures to mitigate high water in Mora Lake, including installing intake and outlet structures and replacing the associated sanitary sewer and road. This appropriation is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642. This appropriation does not require a nonstate match.

(b) Wastewater Pond Optimization

\$750,000 the second year is from the trust fund to the commissioner of the Minnesota Pollution Control Agency, in partnership with the Minnesota Rural Water Association and the University of Minnesota's technical assistance program, to implement a program to optimize existing pond wastewater treatment systems to increase nutrient removal and improve efficiency without requiring costly upgrades.

(c) Applied Research in State Mineral and Water Resources

\$750,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for academic and applied research through the MnDRIVE program at the Natural Resources Research Institute to develop and demonstrate technologies that enhance the long-term health and management of Minnesota's mineral and water resources. Of this amount, \$300,000 is to support demonstration of three sulfate reduction technologies for improved water quality, and \$450,000 is for continued characterization of Minnesota iron resources and for developing next-generation technologies and iron products. This research must be conducted in consultation with the Mineral Coordinating Committee established under Minnesota Statutes, section 93.0015.

(d) Chloride Pollution Reduction

\$500,000 the second year is from the trust fund to the commissioner of the Pollution Control Agency for activities, training, and grants that reduce chloride pollution. Of this amount, \$250,000 is for grants for upgrading, optimizing, or replacing water softener units. Priority for grants must be given to facilities needing improvements to comply with chloride water quality standards.

(e) Wastewater Grants for Small Communities

(1) \$1,500,000 the second year is from the trust fund to the Public Facilities Authority

for grants to home rule and statutory cities and towns with a population under 5,000 for projects in the water infrastructure funding program under Minnesota Statutes, section 446A.072, and the point source implementation program under Minnesota Statutes, section 446A.073; and

(2) \$500,000 the second year is from the trust fund to the commissioner of the Pollution Control Agency for a grant to West Central Initiative, a nonprofit corporation, to provide grants to cities and towns with a population under 5,000 for water infrastructure projects required to comply with state or federal water quality standards. A grant under this paragraph shall not exceed \$100,000. A city or town shall be eligible for a grant under this paragraph if the city or town has undertaken or plans to undertake a project for which the resulting estimated annual cost per household in the project service area will exceed twice the annual Twin Cities metropolitan area weighted average retail charge per household, as determined in the most recent Survey of Municipal Residential Wastewater Rates prepared by Metropolitan Council Environmental Services.

(f) Rural Septic System Assistance Grants

\$500,000 the second year is from the trust fund to the commissioner of agriculture to provide grants to rural landowners to replace failing septic systems that inadequately protect groundwater. Grants shall be administered through the agriculture best management practices loan program. Rural landowners, as defined in Minnesota Statutes, section 17.117, subdivision 4, with income below 300 percent of the federal poverty guidelines for the applicable family size, shall be eligible for a grant under this section. A grant awarded under this section shall not exceed the lesser of \$5,000 or 35 percent of the cost of replacing the failed or failing septic system. The issuance of a loan under Minnesota Statutes, section 17.117, for the

purpose of replacing a failed septic system shall not preclude a rural landowner from obtaining a grant under this section or vice versa. Nothing in this section shall be construed to authorize the commissioner to issue a grant that conflicts with the requirements and limitations of the Minnesota Constitution, article XI, section 14.

(g) Father Hennepin State Park Water Protection

\$1,000,000 the second year is from the trust fund to the commissioner of natural resources for wastewater treatment pond improvements at Father Hennepin State Park.

(h) Water Volume, Quality, and Storage Program

\$788,000 the second year is from the trust fund to the Board of Water and Soil Resources for the water volume, quality, and storage program under Minnesota Statutes, section 103F.05. This appropriation is available until June 30, 2025.

(i) Blue Earth County Storm Water Management

\$14,000 the second year is from the trust fund to the commissioner of natural resources for a grant to Blue Earth County for a study of flood control and storm water management options for South Bend Township.

(j) Madelia Floodplain Modeling

\$105,000 the second year is from the trust fund to the commissioner of natural resources for a grant to the city of Madelia for surveying, modeling, and designing floodplain improvements along the Watonwan River. The city must submit a copy of the study to the commissioner of natural resources and to the Federal Emergency Management Agency for possible incorporation into the Watonwan County digital flood insurance rate maps.

(k) Waterville River Gauge and Flood Study

\$513,000 the second year is from the trust fund to the commissioner of natural resources for a grant to the city of Waterville. Of this amount:

(1) \$13,000 is to purchase and install a flood warning gauge on the Cannon River. The city must work with the commissioner to integrate the gauge with the state's enhanced flood forecast warning system; and

(2) \$500,000 is for a flood study of the Cannon River dam system. The study must include data collection and calibration, structure surveying, HEC-HMS model development and calibration, HEC-RAS model generation, and modeling alternative mitigation options.

(l) Storm Water Retention in Urban Areas

\$564,000 the second year is from the trust fund to the commissioner of the Pollution Control Agency to evaluate the impact of storm water retention and infiltration in urban areas on groundwater and surface water, including the potential for contamination from pollutants and the effects on stream water flow, lake levels, and groundwater recharge. The commissioner must develop recommendations for when and where storm water retention and infiltration should be encouraged and discouraged. The commissioner must submit a report with the recommendations to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources by January 15, 2022.

(m) Water Storage and Quality Plan

\$248,000 the second year is from the trust fund to the Board of Water and Soil Resources to develop a plan to increase water storage in strategic locations across the state. The plan must:

(1) include recommendations for enhancing flood protection, providing flood control, and improving water quality through research, implementation, and outreach;

(2) identify peak water storage structure opportunities in critical areas of the state;

(3) include an assessment of peak water storage structures and their appropriateness for specific landscape settings;

(4) include best management practices for enhancing water storage that take into account specific water storage structures and landscape; and

(5) be submitted to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources by January 15, 2022.

Subd. 11. Contract Agreement Reimbursement

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135,000

\$135,000 the second year is from the trust fund to the commissioner of natural resources, at the direction of the Legislative-Citizen Commission on Minnesota Resources, for expenses incurred for preparing and administering contracts for the agreements specified in this section. The commissioner must provide documentation to the Legislative-Citizen Commission on Minnesota Resources on the expenditure of these funds.

Subd. 12. Availability of Appropriations

Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the work plan approved by the Legislative-Citizen Commission on Minnesota Resources. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not

directly related to and necessary for a specific appropriation. Costs that are directly related to and necessary for an appropriation, including financial services, human resources, information services, rent, and utilities, are eligible only if the costs can be clearly justified and individually documented specific to the appropriation's purpose and would not be generated by the recipient but for receipt of the appropriation. No broad allocations for costs in either dollars or percentages are allowed. Unless otherwise provided, the amounts in this section are available until June 30, 2024, when projects must be completed and final products delivered. For acquisition of real property, the appropriations in this section are available for an additional fiscal year if a binding contract for acquisition of the real property is entered into before the expiration date of the appropriation. If a project receives a federal grant, the time period of the appropriation is extended to equal the federal grant period.

Subd. 13. Data Availability Requirements

Data collected by the projects funded under this section must conform to guidelines and standards adopted by MN.IT Services. Spatial data must also conform to additional guidelines and standards designed to support data coordination and distribution that have been published by the Minnesota Geospatial Information Office. Descriptions of spatial data must be prepared as specified in the state's geographic metadata guideline and must be submitted to the Minnesota Geospatial Information Office. All data must be accessible and free to the public unless made private under the Data Practices Act, Minnesota Statutes, chapter 13. To the extent practicable, summary data and results of projects funded under this section should be readily accessible on the Internet and identified as having received funding from the environment and natural resources trust fund.

Subd. 14. Project Requirements

(a) As a condition of accepting an appropriation under this section, an agency or entity receiving an appropriation or a party to an agreement from an appropriation must comply with paragraphs (b) to (l) and Minnesota Statutes, chapter 116P, and must submit a work plan and annual or semiannual progress reports in the form determined by the Legislative-Citizen Commission on Minnesota Resources for any project funded in whole or in part with funds from the appropriation. Modifications to the approved work plan and budget expenditures must be made through the amendment process established by the Legislative-Citizen Commission on Minnesota Resources.

(b) A recipient of money appropriated in this section that conducts a restoration using funds appropriated in this section must use native plant species according to the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines and include an appropriate diversity of native species selected to provide habitat for pollinators throughout the growing season as required under Minnesota Statutes, section 84.973.

(c) For all restorations conducted with money appropriated under this section, a recipient must prepare an ecological restoration and management plan that, to the degree practicable, is consistent with the highest-quality conservation and ecological goals for the restoration site. Consideration should be given to soil, geology, topography, and other relevant factors that would provide the best chance for long-term success and durability of the restoration project. The plan must include the proposed timetable for implementing the restoration, including site preparation, establishment of diverse plant species, maintenance, and additional enhancement to establish the restoration;

identify long-term maintenance and management needs of the restoration and how the maintenance, management, and enhancement will be financed; and take advantage of the best-available science and include innovative techniques to achieve the best restoration.

(d) An entity receiving an appropriation in this section for restoration activities must provide an initial restoration evaluation at the completion of the appropriation and an evaluation three years after the completion of the expenditure. Restorations must be evaluated relative to the stated goals and standards in the restoration plan, current science, and, when applicable, the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines. The evaluation must determine whether the restorations are meeting planned goals, identify any problems with implementing the restorations, and, if necessary, give recommendations on improving restorations. The evaluation must be focused on improving future restorations.

(e) All restoration and enhancement projects funded with money appropriated in this section must be on land permanently protected by a conservation easement or public ownership.

(f) A recipient of money from an appropriation under this section must give consideration to contracting with Conservation Corps Minnesota for contract restoration and enhancement services.

(g) All conservation easements acquired with money appropriated under this section must:

(1) be permanent;

(2) specify the parties to an easement in the easement;

(3) specify all of the provisions of an agreement that are permanent;

(4) be sent to the Legislative-Citizen Commission on Minnesota Resources in an electronic format at least ten business days before closing;

(5) include a long-term monitoring and enforcement plan and funding for monitoring and enforcing the easement agreement; and

(6) include requirements in the easement document to protect the quantity and quality of groundwater and surface water through specific activities such as keeping water on the landscape, reducing nutrient and contaminant loading, and not permitting artificial hydrological modifications.

(h) For any acquisition of lands or interest in lands, a recipient of money appropriated under this section must not agree to pay more than 100 percent of the appraised value for a parcel of land using this money to complete the purchase, in part or in whole, except that up to ten percent above the appraised value may be allowed to complete the purchase, in part or in whole, using this money if permission is received in advance of the purchase from the Legislative-Citizen Commission on Minnesota Resources.

(i) For any acquisition of land or interest in land, a recipient of money appropriated under this section must give priority to high-quality natural resources or conservation lands that provide natural buffers to water resources.

(j) For new lands acquired with money appropriated under this section, a recipient must prepare an ecological restoration and management plan in compliance with paragraph (c), including sufficient funding for implementation unless the work plan addresses why a portion of the money is not necessary to achieve a high-quality restoration.

(k) To ensure public accountability for using public funds, a recipient of money appropriated under this section must, within 60 days of the transaction, provide to the Legislative-Citizen Commission on Minnesota Resources documentation of the selection process used to identify parcels acquired and provide documentation of all related transaction costs, including but not limited to appraisals, legal fees, recording fees, commissions, other similar costs, and donations. This information must be provided for all parties involved in the transaction. The recipient must also report to the Legislative-Citizen Commission on Minnesota Resources any difference between the acquisition amount paid to the seller and the state-certified or state-reviewed appraisal, if a state-certified or state-reviewed appraisal was conducted.

(l) A recipient of an appropriation from the trust fund under this section must acknowledge financial support from the environment and natural resources trust fund in project publications, signage, and other public communications and outreach related to work completed using the appropriation. Acknowledgment may occur, as appropriate, through use of the trust fund logo or inclusion of language attributing support from the trust fund. Each direct recipient of money appropriated in this section, as well as each recipient of a grant awarded pursuant to this section, must satisfy all reporting and other requirements incumbent upon constitutionally dedicated funding recipients as provided in Minnesota Statutes, section 3.303, subdivision 10, and chapter 116P.

Subd. 15. Payment Conditions and Capital-Equipment Expenditures

(a) All agreements, grants, or contracts referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section

16A.41, expenditures made on or after July 1, 2020, or the date the work plan is approved, whichever is later, are eligible for reimbursement unless otherwise provided in this section. Periodic payments must be made upon receiving documentation that the deliverable items articulated in the approved work plan have been achieved, including partial achievements as evidenced by approved progress reports. Reasonable amounts may be advanced to projects to accommodate cash-flow needs or match federal money. The advances must be approved as part of the work plan. No expenditures for capital equipment are allowed unless expressly authorized in the project work plan.

(b) Single-source contracts as specified in the approved work plan are allowed.

Subd. 16. Purchasing Recycled and Recyclable Materials

A political subdivision, public or private corporation, or other entity that receives an appropriation under this section must use the appropriation in compliance with Minnesota Statutes, section 16C.0725, regarding purchasing recycled, repairable, and durable materials and Minnesota Statutes, section 16C.073, regarding purchasing and using paper stock and printing.

Subd. 17. Energy Conservation and Sustainable Building Guidelines

A recipient to whom an appropriation is made under this section for a capital improvement project must ensure that the project complies with the applicable energy conservation and sustainable building guidelines and standards contained in law, including Minnesota Statutes, sections 16B.325, 216C.19, and 216C.20, and rules adopted under those sections. The recipient may use the energy planning, advocacy, and State Energy Office units of the Department of Commerce to obtain information and

technical assistance on energy conservation and alternative-energy development relating to planning and constructing the capital improvement project.

Subd. 18. Accessibility

Structural and nonstructural facilities must meet the design standards in the Americans with Disabilities Act (ADA) accessibility guidelines.

Subd. 19. Carryforward; Extension

(a) The availability of the appropriations for the following projects is extended to June 30, 2022:

(1) Laws 2017, chapter 96, section 2, subdivision 8, paragraph (k), Conservation Reserve Enhancement Program (CREP) Outreach and Implementation; and

(2) Laws 2018, chapter 214, article 4, section 2, subdivision 6, paragraph (b), Palmer Amaranth Detection and Eradication Continuation.

(b) The availability of the appropriations for the following projects is extended to June 30, 2023:

(1) Laws 2018, chapter 214, article 4, section 2, subdivision 10, Emerging Issues Account;

(2) Laws 2019, First Special Session chapter 4, article 2, section 2, subdivision 8, paragraph (f), Lawns to Legumes; and

(3) Laws 2017, chapter 96, section 2, subdivision 9, paragraph (h), Tower Trailhead Boat Landing and Habitat Improvement - Phase II.

(c) The availability of the appropriation under Laws 2018, chapter 214, article 4, section 2, subdivision 4, paragraph (l), Lake Agnes Treatment, is extended to June 30, 2024.

Subd. 20. Transfers

The appropriation in Laws 2019, First Special Session chapter 4, article 2, section 2, subdivision 8, paragraph (c), Sauk River Dam Removal and Rock Rapids Replacement, in the amount of \$2,768,000, no longer needed for its original purpose, is transferred to the Board of Water and Soil Resources for the water volume, quality, and storage program under Minnesota Statutes, section 103F.05. This appropriation is available until June 30, 2025.

Sec. 3. [103F.05] WATER VOLUME, QUALITY, AND STORAGE.

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

(b) "Board" means the Board of Water and Soil Resources.

(c) "Local units of government" has the meaning given under section 103B.305, subdivision 5, and includes tribal governments.

Subd. 2. Establishment. The board must establish a program to protect, conserve, preserve, and enhance the state's water quality and related natural resources benefits by providing financial assistance or grants to local units of government to control water volume and rates of flow, to reduce water quality impairment caused by flooding, and to construct infrastructure and improvements to facilitate these goals.

Subd. 3. Financial assistance or grants. (a) The board may provide financial assistance or grants to local units of government to cover the costs of water volume control projects, water storage projects, and other water quality practices consistent with a plan approved according to chapter 103B, 103C, or 103D. The board may acquire conservation easements under sections 103F.501 to 103F.531 as necessary to implement a project or practice under this section.

(b) The board must enter into agreements with local units of government receiving financial assistance or grants under this section. The agreements must specify the terms of state and local cooperation, including the financing arrangement for constructing any structures and assuring maintenance of the structures after completion.

Subd. 4. Eligible costs. Eligible costs for financial assistance or grants include:

(1) surveying, modeling, and design of floodplain improvements;

(2) design of local flood control and storm water management improvements;

(3) purchase and installation of flood warning and stream flow monitoring equipment;

(4) costs to assess and design water control and water volume rates for the major river basins in Minnesota;

(5) assessments of local infrastructure, and technical specifications for storm water and wastewater infrastructure eligible for state bonding;

(6) costs for property acquisition, equipment acquisition, and site improvements that are not eligible for state bonding; and

(7) costs of soil health and related water quality practices that would assist with reducing water runoff, flood prevention, and water storage.

Subd. 5. **Matching contribution and maximum awards.** (a) The board must require a matching contribution when providing financial assistance under this section and may adjust matching requirements if federal funds are available for the project.

(b) The board must establish maximum award amounts when providing financial assistance or grants under this section.

Subd. 6. **Technical assistance.** (a) The board may employ or contract with an engineer or hydrologist to work on the technical implementation of the program established under this section.

(b) When implementing the program, the board must:

(1) assist local units of government in achieving the goals of the program;

(2) review and analyze projects and project sites; and

(3) evaluate the effectiveness of completed projects constructed under the program.

(c) The board must cooperate with the commissioner of natural resources, the commissioner of the Pollution Control Agency, the United States Department of Agriculture Natural Resources Conservation Service, and other agencies as needed to analyze hydrological and engineering information on proposed sites.

Subd. 7. **Requirements.** (a) A local unit of government applying for financial assistance or grants under this section must provide a copy of a resolution or other documentation of the local unit of government's support for the project. The documentation must include provisions for local funding and management, the proposed method of obtaining necessary land rights for the proposed project, and an assignment of responsibility for maintaining any structures or practices upon completion.

(b) A local unit of government, with the assistance of the board, must evaluate the public benefits that are reasonably expected upon completing the proposed project, and must specifically identify the way in which the proposed project will further enhance the protection, conservation, preservation, and enhancement of the state's water quality. The evaluation must be submitted to the board before the final design.

Subd. 8. **Interstate cooperation.** The board may enter into or approve working agreements with neighboring states or their political subdivisions to accomplish projects consistent with the program established under this section.

Subd. 9. **Federal aid availability.** The board must regularly analyze the availability of federal funds and programs to supplement or complement state and local efforts consistent with the purposes of this section.

Sec. 4. Laws 2016, chapter 186, section 2, subdivision 9, as amended by Laws 2018, chapter 214, article 4, section 6, is amended to read:

Subd. 9. **Land Acquisition, Habitat, and Recreation** -0- 8,793,000

(a) Scientific and Natural Area Restoration

\$1,386,000 the second year is from the trust fund to the commissioner of natural resources to restore and improve approximately 750 acres of scientific and natural areas. A list of proposed restorations must be provided as part of the required work plan. This appropriation is available until June 30, 2019, by which time the project must be completed and final products delivered.

(b) Minnesota Point Pine Forest Scientific and Natural Area Acquisition

\$500,000 the second year is from the trust fund to the commissioner of natural resources in cooperation with the Duluth Airport Authority to acquire approximately ten acres as an addition to the designated Minnesota Point Pine Forest Scientific and Natural Area located along the shores of Lake Superior in Duluth. Any balance remaining in the appropriation not needed for the acquisition is available to the commissioner for a grant to the Duluth Airport Authority to use to protect the Minnesota Point Pine Forest Scientific and Natural Area by relocating an airport runway. The appropriation is available until June 30, 2022.

(c) Conservation Easements in Avon Hills - Phase III

\$1,300,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Saint John's University

in cooperation with Minnesota Land Trust to secure permanent conservation easements on approximately 500 acres of high-quality habitat in Stearns County, prepare conservation management plans, and provide public outreach. A list of proposed easement acquisitions must be provided as part of the required work plan. An entity that acquires a conservation easement with appropriations from the trust fund must have a long-term stewardship plan for the easement and a fund established for monitoring and enforcing the agreement. Funding for the long-term monitoring and enforcement fund must come from nonstate sources for easements acquired with this appropriation. The state may enforce requirements in the conservation easements on land acquired with this appropriation and the conservation easement document must state this authority and explicitly include requirements for water quality and quantity protection. This appropriation is available until June 30, 2019, by which time the project must be completed and final products delivered.

(d) Lincoln Pipestone Rural Water System Acquisition for Wellhead Protection

\$1,500,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Lincoln Pipestone Rural Water to acquire and restore lands designated under an approved wellhead protection plan. Lands acquired with this appropriation must be from willing sellers and be identified by the Department of Health as targeted vulnerable lands for wellhead protection. Lands must be restored to permanent vegetative cover, but may be used for recreation and renewable energy if adequate protection of the drinking water aquifer is provided. A list of proposed acquisitions must be provided as part of the required work plan. Plant and seed materials must follow the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines. Income derived

from the lands acquired with funds appropriated under this paragraph is exempt from Minnesota Statutes, section 116P.10, if used for additional wellhead protection as provided under this paragraph until adequate wellhead protection has been achieved, as determined by the commissioner of health. Any income earned after that must be returned to the environment and natural resources trust fund. This appropriation is available until June 30, 2019, by which time the project must be completed and final products delivered.

(e) Mesabi Trail Segment from Highway 135 to Town of Embarrass

\$1,200,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the St. Louis and Lake Counties Regional Railroad Authority for engineering and construction of segments of the Mesabi Trail, totaling approximately six miles between Highway 135 and the town of Embarrass. This appropriation is available until June 30, 2019, by which time the project must be completed and final products delivered.

(f) Tower Historic Harbor Trail Connections

\$679,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Tower to construct recreational trails along the harbor in Tower and to connect to the Mesabi Trail. This appropriation is available until June 30, 2019, by which time the project must be completed and final products delivered.

(g) Otter Tail River Recreational Trail Acquisition

\$600,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Fergus Falls to acquire land along the Otter Tail River for a recreational trail and park. This appropriation is contingent on at least a 40 percent match of nonstate money. Prior to

the acquisition, a phase 1 environmental assessment must be completed and the city must not accept any liability for previous contamination of lands acquired with this appropriation.

Sec. 5. Laws 2017, chapter 96, section 2, subdivision 9, as amended by Laws 2019, First Special Session chapter 4, article 2, section 4, is amended to read:

Subd. 9. Land Acquisition, Habitat, and Recreation	999,000	13,533,000	-0-
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(a) Metropolitan Regional Parks System Land Acquisition

\$1,500,000 the first year is from the trust fund to the Metropolitan Council for grants to acquire approximately 70 acres of land within the approved park boundaries of the metropolitan regional park system. This appropriation may not be used to purchase habitable residential structures. A list of proposed fee title acquisitions must be provided as part of the required work plan. This appropriation must be matched by at least 40 percent of nonstate money that must be committed by December 31, 2017. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

(b) Scientific and Natural Areas Acquisition and Restoration, Citizen Science, and Engagement

\$2,500,000 the first year is from the trust fund to the commissioner of natural resources to acquire land with high-quality native plant communities and rare features to be established as scientific and natural areas as provided in Minnesota Statutes, section 86A.05, subdivision 5, restore and improve scientific and natural areas, and provide technical assistance and outreach, including site steward events. At least one-third of the appropriation must be spent on restoration activities. A list of proposed acquisitions and restorations must be provided as part of the required work plan. Land acquired with this appropriation must be sufficiently improved

to meet at least minimum management standards, as determined by the commissioner of natural resources. When feasible, consideration must be given to accommodate trails on lands acquired. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

(c) Minnesota State Parks and State Trails Land Acquisition

\$1,500,000 the first year is from the trust fund to the commissioner of natural resources to acquire approximately 373 acres from willing sellers for authorized state trails and critical parcels within the statutory boundaries of state parks. State park land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards, as determined by the commissioner of natural resources. A list of proposed acquisitions must be provided as part of the required work plan. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

(d) Minnesota State Trails Acquisition, Development, and Enhancement

\$999,000 in fiscal year 2017 and \$39,000 the first year are from the trust fund to the commissioner of natural resources for state trail acquisition, development, and enhancement in southern Minnesota. A proposed list of trail projects on authorized state trails must be provided as part of the required work plan. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

(e) Native Prairie Stewardship and Prairie Bank Easement Acquisition

\$2,675,000 the first year is from the trust fund to the commissioner of natural resources

to acquire native prairie bank easements in accordance with Minnesota Statutes, section 84.96, on approximately 250 acres, prepare baseline property assessments, restore and enhance native prairie sites, and provide technical assistance to landowners. Of this amount, up to \$132,000 may be deposited in a conservation easement stewardship account. Deposits into the conservation easement stewardship account must be made upon closing on conservation easements or at a time otherwise approved in the work plan. A list of proposed easement acquisitions must be provided as part of the required work plan. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

(f) Leech Lake Acquisition

\$1,500,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Leech Lake Band of Ojibwe to acquire approximately 45 acres, including 0.67 miles of shoreline of high-quality aquatic and wildlife habitat at the historic meeting place between Henry Schoolcraft and the Anishinabe people. The land must be open to public use including hunting and fishing. The band must provide a commitment that land will not be put in a federal trust through the Bureau of Indian Affairs.

(g) Mesabi Trail Development

\$2,269,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the St. Louis and Lake Counties Regional Railroad Authority for engineering and constructing segments of the Mesabi Trail. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

(h) Tower Trailhead Boat Landing and Habitat Improvement - Phase II

\$600,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Tower to construct a trailhead, trail connection to the Mesabi Trail, and boat landing and to restore vegetative habitat on city-owned property. Plant and seed materials must follow the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

(i) Land Acquisition for Voyageurs National Park Crane Lake Visitors Center

\$950,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the town of Crane Lake, in partnership with Voyageurs National Park and the Department of Natural Resources, to acquire approximately 30 acres to be used for a visitor center and campground. Income generated by the campground may be used to support the facility.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2017.

Sec. 6. Laws 2018, chapter 214, article 4, section 2, subdivision 6, is amended to read:

Subd. 6. Aquatic and Terrestrial Invasive Species	-0-	5,760,000
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(a) Minnesota Invasive Terrestrial Plants and Pests Center - Phase 4

\$3,500,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for high-priority research at the Invasive Terrestrial Plants and Pests Center to protect Minnesota's natural and agricultural resources from terrestrial invasive plants, pathogens, and pests as identified through the center's strategic prioritization process. This appropriation is available until June 30, 2023, by which time the project must be completed and final products delivered.

(b) Palmer Amaranth Detection and Eradication Continuation

\$431,000 the second year is from the trust fund to the commissioner of agriculture to continue to monitor, ground survey, and control Palmer amaranth and other prohibited eradicate species of noxious weeds primarily in ~~conservation plantings~~ natural areas and to develop and implement aerial-survey methods to prevent infestation and protect prairies, other natural areas, and agricultural crops.

(c) Evaluate Control Methods for Invasive Hybrid Cattails

\$131,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Voyageurs National Park to evaluate the effectiveness of mechanical harvesting and managing muskrat populations to remove exotic hybrid cattails and restore fish and wildlife habitat in Minnesota wetlands. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(d) Developing RNA Interference to Control Zebra Mussels

\$500,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the United States Geological Survey to develop a genetic control tool that exploits the natural process of RNA silencing to specifically target and effectively control zebra mussels without affecting other species or causing other nontarget effects. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(e) Install and Evaluate an Invasive Carp Deterrent for Mississippi River Locks and Dams

\$998,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota in cooperation with the United States Army Corps of Engineers and the United States Fish and Wildlife Service to install, evaluate, and optimize a system in Mississippi River locks and dams to deter passage of invasive carp without negatively impacting native fish and to evaluate the ability of predator fish in the pools above the locks and dams to consume young carp. The project must conduct a cost comparison of equipment purchase versus lease options and choose the most effective option. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(f) Determining Risk of Toxic Alga in Minnesota Lakes

\$200,000 the second year is from the trust fund to the Science Museum of Minnesota for the St. Croix Watershed Research Station to determine the historical distribution, abundance, and toxicity of the invasive blue-green alga, *Cylindrospermopsis raciborskii*, in about 20 lakes across Minnesota and inform managers and the public about the alga's spread and health risks. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

ARTICLE 4

2022 ENVIRONMENT AND NATURAL RESOURCES TRUST FUND APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

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

APPROPRIATIONS
Available for the Year
Ending June 30
2022 2023

Sec. 2. MINNESOTA RESOURCES

Subdivision 1. <u>Total Appropriation</u>	\$	<u>70,881,000</u>	\$	<u>-0-</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions. Appropriations in the first year are available for three years beginning July 1, 2021, unless otherwise stated in the appropriation. Any unencumbered balance remaining in the first year does not cancel and is available for the second year or until the end of the appropriation.

Subd. 2. Definition

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

Subd. 3. Foundational Natural Resource Data and Information

		<u>10,459,000</u>		<u>-0-</u>
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(a) What's Bugging Minnesota's Insect-Eating Birds?

\$199,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural Resources Research Institute to examine the relationship between insect abundance, timing of insect availability, and breeding success for multiple bird species across land-use intensities to develop comprehensive guidelines to conserve bird and insect diversity.

(b) Protecting Minnesota's Beneficial Macroalgae: All Stoneworts Aren't Starry

\$811,000 the first year is from the trust fund to the commissioner of natural resources to conduct a statewide inventory to provide baseline data and build in-state knowledge

of Minnesota's native stoneworts, a diverse group of aquatic plants that support clear lakes and healthy fish habitat.

(c) County Groundwater Atlas

\$1,875,000 the first year is from the trust fund to the commissioner of natural resources to continue producing county groundwater atlases to inform management of surface water and groundwater resources for drinking and other purposes. This appropriation is for Part B, to characterize the potential water yields of aquifers and aquifers' sensitivity to contamination.

(d) Improving Resiliency and Conservation Outcomes for Minnesota Turtles

\$391,000 the first year is from the trust fund to the Minnesota Zoological Garden to improve the conservation of Minnesota's imperiled turtles through animal husbandry, field conservation, and educational programming. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

(e) Minnesota Biological Survey

\$1,500,000 the first year is from the trust fund to the commissioner of natural resources to complete the statewide baseline biological survey by finalizing data, analyses, and publications and by conducting targeted field surveys to fill missing gaps of information needed to support conservation of Minnesota's biodiversity. Any revenues generated through the publication of books or other resources created through this appropriation may be reinvested as described in the work plan approved by the Legislative-Citizen Commission on Minnesota Resources according to Minnesota Statutes, section 116P.10.

(f) Groundwater Contamination Mapping Project - Phase II

\$800,000 the first year is from the trust fund to the commissioner of the Pollution Control Agency to improve protection of groundwater resources for drinking water by expanding the web-based interactive groundwater contamination mapping system to include all other state hazardous and solid waste cleanup programs and by upgrading the system to collect monitoring data.

(g) Geologic Atlases for Water Resource Management

\$3,092,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, Minnesota Geological Survey, to continue producing county geologic atlases to inform management of surface water and groundwater resources. This appropriation is to complete Part A, which focuses on the properties and distribution of earth materials to define aquifer boundaries and the connection of aquifers to the land surface and surface water resources.

(h) Redwood County Reinvest in Minnesota Easement Evaluation and Public Outreach

\$197,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Redwood County for the Redwood Soil and Water Conservation District to inventory vegetation, evaluate wetland conditions, and create a countywide stewardship plan for lands protected with permanent conservation easements. This appropriation may also be spent to conduct outreach to volunteers and landowners on effective prairie and wetland habitat management.

(i) Collaborative State and Tribal Wild Rice Monitoring Program

\$644,000 the first year is from the trust fund to the commissioner of natural resources to work with tribal partners to create a collaborative and comprehensive monitoring

program to conserve wild-rice waters, develop remote sensing tools for statewide estimates of wild rice coverage, and collect consistent field data on wild rice health and abundance.

(j) Morrison County Performance Drainage and Hydrology Management II

\$197,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Morrison Soil and Water Conservation District to complete the Morrison County culvert inventory started in 2016 to help solve landowner conflicts, protect wetlands, improve water quality, and design additional water storage throughout the county.

(k) Exploring Minnesota's Wetlands: Our Resource for Future Medicine

\$210,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, Crookston, to work with White Earth Tribal and Community College to catalog bog microbe diversity in Minnesota's ecoregions, test for potential antibiotic-producing microorganisms, and establish methods to enhance any antibiotic cultures discovered.

(l) A Biodiversity Checkup for Minnesota's Big Woods

\$109,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to inform conservation strategies by comparing the historic and contemporary flora of Minnesota's Big Woods to determine if all species have survived in the small remaining remnants of that ecosystem.

(m) Microbiome in Raptors: A New Tool for Conservation

\$129,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Raptor Center to improve wildlife care and environmental stewardship

by evaluating the impact of antibiotics administered during captivity on raptor gut microbiome, rehabilitation success, and the potential spread of antimicrobial resistance in the natural environment.

(n) Bioacoustics for Broad-Scale Species Monitoring and Conservation

\$305,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to improve wildlife conservation efforts by using passive acoustic monitoring devices to determine statewide distribution and reproduction of red-headed woodpeckers and developing a protocol for future use of this technology to monitor population trends and responses to habitat management. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

Subd. 4. Water Resources

4,771,000

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(a) Trout Stream Habitat Restoration Success

\$319,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural Resources Research Institute to evaluate the effectiveness and durability of previous trout stream habitat restoration projects to improve the success and cost effectiveness of future projects. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

(b) Novel Nutrient Recovery Process from Wastewater Treatment Plants

\$200,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to conduct lab- and pilot-scale tests of a new process to promote nutrient removal and recovery at rural municipal and industrial wastewater treatment plants for water protection and renewable energy production.

(c) Monitoring Emerging Viruses in Minnesota's Urban Water Cycles

\$416,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to develop rapid testing, quantification, and human exposure risk assessment models for enveloped viruses such as coronaviruses in urban wastewater and drinking water treatment processes.

(d) Microgeographic Impact of Antibiotics Released from Identified Hotspots

\$508,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to inform protection of environmental, animal, and human health from proliferation of antibiotic resistance by quantifying and mapping the extent of antibiotic spread in waters and soils from locations identified as release hot spots.

(e) Sustainable Irrigation Management: Expanding a Web Application

\$1,139,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to promote responsible use of Minnesota's groundwater resources by expanding an existing irrigation management assistance tool into a mobile-compatible web application for the top agricultural-producing counties in the state. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

(f) Assessing Membrane Bioreactor Wastewater Treatment Efficacy

\$419,000 the first year is from the trust fund to the Board of Trustees of the Minnesota State Colleges and Universities system for St. Cloud State University to conduct a comprehensive assessment of membrane bioreactor treatment of wastewater to inform

managers of options for updating or replacing aging wastewater infrastructure.

(g) Evaluating Coronavirus and Other Microbiological Contamination of Drinking Water Sources from Wastewater

\$594,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to survey public and private wells to identify sources of and evaluate solutions to microbiological contamination of drinking water sources by wastewater, including from the virus that causes COVID-19.

(h) St. James Pit Water-Level Control Study

\$259,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Aurora to install sampling wells and conduct a study to determine appropriate mitigation of the abandoned St. James pit mine to protect surface and drinking water and prevent harm to homes and residents.

(i) Long-Term Nitrate Mitigation by Maintaining Profitable Kernza Production

\$485,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Stearns County Soil and Water Conservation District to evaluate the effectiveness of aging Kernza stands on water quality and to continue to develop a sustainable supply chain with a focus on post-harvest processing of Kernza for water protection and local economies.

(j) Antibiotic Resistance and Wastewater Treatment: Problems and Solutions

\$432,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the University of St. Thomas to quantify the ability of full-scale wastewater treatment plants to eliminate antibiotic resistance genes entering or created in the water treatment process before these

genes are released into the natural environment.

Subd. 5. Environmental Education

2,687,000

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(a) Increasing Outdoor Learning for Young Minnesotans

\$383,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Wolf Ridge Environmental Learning Center to provide scholarships for equitable access to hands-on learning experiences in the outdoors related to outdoor recreation, air and energy, water, habitat, and fish and wildlife. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

(b) Pollinator Education in the Science Classroom

\$366,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to educate approximately 5,000 students about pollinator conservation by providing professional development for science teachers to integrate pollinator education curriculum and materials into their classrooms and by evaluating the program to improve its effectiveness.

(c) Minnesota Freshwater Quest: Environmental Education for Youth

\$699,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Wilderness Inquiry to provide place-based STEM environmental education to approximately 15,000 diverse and underserved Minnesota youth through exploration of local ecosystems and waterways in the Minnesota Freshwater Quest program.

(d) Minnesota Master Naturalist: Nature for New Minnesotans

\$293,000 the first year is from the trust fund to the Board of Regents of the University of

Minnesota in partnership with English-language-learning organizations to adapt and incorporate materials developed for Minnesota Master Naturalists into English-language-learning programs to introduce immigrants and English-language learners to Minnesota's great outdoors.

(e) The Voyageurs Classroom Initiative

\$348,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Voyageurs Conservancy to launch a new initiative to connect Minnesota youth, young adults, and their families to Voyageurs National Park by learning about the park's waters, wildlife, and forests and by engaging in the park's preservation.

(f) Restoring Land and Reviving Heritage: Conservation Through Indigenous Culture

\$420,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Belwin Conservancy in partnership with Anishinabe Academy to conduct environmental education programming that incorporates ecology and indigenous land traditions and to restore an ecologically significant area of land using modern scientific standards and traditional ecological knowledge.

(g) Expanding Access to Environmental Education for Underserved Communities

\$178,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Raptor Center to build environmental literacy and engagement by delivering an environmental education program featuring live raptors and standards-based curriculum to approximately 300 classrooms in underserved communities throughout Minnesota.

Subd. 6. Aquatic and Terrestrial Invasive Species6,148,000-0-**(a) Starch Allocation Patterns of Invasive Starry Stonewort Harvested from Lake Koronis**

\$101,000 the first year is from the trust fund to the Board of Trustees of the Minnesota State Colleges and Universities System for Minnesota State University, Mankato, to evaluate the starch allocation patterns of the invasive starry stonewort to identify weaknesses in the plant's growth that could be targeted for management.

(b) Long-Term Efficacy of Invasive Removal in Floodplain Forests

\$25,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Macalester College to begin a long-term scientific study at the Ordway Field Station to provide information to land managers on protecting Minnesota's floodplain forests from combined threats of overabundant deer, invasive shrubs, and earthworms. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered. A report on the results of the long-term study must be submitted at the end of the appropriation and an update must be submitted five years after the appropriation ends or at the study's conclusion, whichever is first.

(c) Oak Wilt Suppression at the Northern Edge - Phase II

\$423,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Morrison Soil and Water Conservation District to continue to eradicate the northernmost occurrences of oak wilt in the state through mechanical means on select private properties to prevent oak wilt's spread to healthy state forests.

(d) Biocontrol of Invasive Species in Bee Lawns and Parklands

\$425,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to establish a biocontrol program to manage the invasive Japanese beetle in a way that reduces insecticide use in bee lawns and pollinator restorations and the associated economic and environmental costs to wildlife and humans.

(e) Building Knowledge and Capacity for AIS Solutions

\$3,750,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Minnesota Aquatic Invasive Species Research Center to conduct high-priority projects aimed at solving Minnesota's aquatic invasive species problems using rigorous science and a collaborative process. Additionally, the appropriation may be spent to deliver research findings to end users through strategic communication and outreach. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

(f) Evaluating Minnesota's Last Best Chance to Stop Carp

\$424,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, in cooperation with the United States Army Corps of Engineers and the Department of Natural Resources, to evaluate invasive carp passage and the costs, processes, and potential for a state-of-the-art deterrent system installed at Mississippi River Lock and Dam Number 5 to impede passage of invasive carp at this location to protect the upper river.

(g) Stop Starry Invasion with Community Invasive Species Containment

\$1,000,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Minnesota Lakes and Rivers Advocates to work with civic leaders

to purchase, install, and operate waterless cleaning stations for watercraft; conduct aquatic invasive species education; and implement education upgrades at public accesses to prevent invasive starry stonewort spread beyond the 16 lakes already infested. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

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

6,205,000

-0-

(a) Enhanced Thermo-Active Foundations for Space Heating in Minnesota

\$312,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, Duluth, to design and optimize cost-competitive thermally enhanced heat exchanger systems for use in building foundations to improve energy efficiency and conservation of natural resources in Minnesota's cold climate.

(b) Storing Renewable Energy in Flow Battery for Grid Use

\$2,408,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, Morris, to implement a rural, community-scale project that demonstrates how a large flow battery connected to solar and wind generation improves grid stability and enhances use of renewable energy.

(c) Agrivoltaics to Improve the Environment and Farm Resiliency

\$646,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, West Central Research and Outreach Center, Morris, to model and evaluate alternative solar energy system designs to maximize energy production while providing other benefits to cattle and farmers.

(d) Behavioral Response of Bald Eagles to Acoustic Stimuli

\$261,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, St. Anthony Falls Laboratory, to protect wildlife by designing and implementing an acoustic deterrence protocol to discourage bald eagles from entering hazardous air space near wind energy installations.

(e) Create Jobs Statewide by Diverting Materials from Landfills

\$2,244,000 the first year is from the trust fund to the commissioner of natural resources for agreements with Better Futures Minnesota and the Natural Resources Research Institute to partner with cities, counties, and businesses to create and implement a collection, restoration, reuse, and repurpose program that diverts used household goods and building materials from entering the waste stream and thereby reduces greenhouse gas emissions. Net income generated by Better Futures Minnesota as part of this appropriation may be reinvested in the project if a plan for reinvestment is approved in the work plan.

(f) Strengthening Minnesota's Reuse Economy to Conserve Natural Resources

\$334,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with ReUSE Minnesota to provide outreach and technical assistance to communities and small businesses to increase reuse, rental, and repair of consumer goods as an alternative to using new materials; to reduce solid-waste disposal impacts; and to create more local reuse jobs. A fiscal management and staffing plan must be approved in the work plan before any trust fund dollars are spent.

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

6,429,000

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(a) Camp Ripley Sentinel Landscape Forest Restoration and Enhancements

\$731,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Crow Wing Soil and Water Conservation District to partner with the Nature Conservancy and Great River Greening to develop forest stewardship plans, restore habitat, and conduct prescribed burns to advance forest restoration and enhancement on public and private lands within an approximate ten-mile radius around Camp Ripley. Notwithstanding subdivision 13, paragraph (e), this appropriation may be spent on forest management plans, fires, and restoration on lands with a long-term contract commitment for forest conservation. The restoration must follow the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines.

(b) Restoring Mussels in Streams and Lakes - Continuation

\$619,000 the first year is from the trust fund to the commissioner of natural resources to restore native freshwater mussel assemblages and the ecosystem services they provide in the Mississippi, Cedar, and Cannon Rivers and to inform the public on mussels and mussel conservation.

(c) Pollinator Central II: Habitat Improvement With Community Monitoring

\$631,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Great River Greening to restore and enhance pollinator habitat in the metropolitan area to benefit pollinators and people and to build knowledge of the impact through community-based monitoring.

(d) Preserving Minnesota's Only Ball Cactus Population

\$103,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Minnesota Landscape Arboretum to move the only known remaining ball cactus population in the state

from private to protected land and to propagate and bank ball cactus seeds for education and preservation.

(e) Prescribed-Fire Management for Roadside Prairies - Phase II

\$217,000 the first year is from the trust fund to the commissioner of transportation to continue to protect biodiversity and enhance pollinator habitat on roadsides by helping to create a self-sufficient prescribed-fire program at the Department of Transportation.

(f) Restoring Upland Forests for Birds

\$193,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the American Bird Conservancy to restore deciduous forest in partnership with Aitkin, Beltrami, and Cass Counties using science-based best management practices to rejuvenate noncommercial stands for focal wildlife species.

(g) Minnesota Green Schoolyards

\$250,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with The Trust for Public Land to assess, promote, and demonstrate how schoolyards can be adapted to improve water, air, and habitat quality and to foster next-generation environmental stewards while improving health, education, and community outcomes.

(h) Plumbing the Muddy Depths of Superior Hiking Trail

\$187,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Superior Hiking Trail Association to install and implement water management practices to prevent erosion and improve access to the Superior Hiking Trail.

(i) Reducing Plastic Pollution with Biodegradable Erosion Control Products

\$200,000 the first year is from the trust fund to the Agricultural Utilization Research Institute in partnership with the Departments of Transportation, Agriculture, and Natural Resources to demonstrate use of regionally grown industrial hemp to create biodegradable alternatives to plastic-based erosion and sediment control products used in transportation construction projects.

(j) Remote Sensing and Super-Resolution Imaging of Microplastics

\$309,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, St. Anthony Falls Laboratory, to develop and test remote sensing techniques for cost-effective monitoring of microplastics in lakes, rivers, and streams as well as in wastewater treatment plants. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

(k) Woodcrest Trail Expansion

\$16,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Foundation for Health Care Continuum, doing business as Country Manor Campus, LLC, to construct a trail for public recreational use on land owned by the senior living facility in central Minnesota.

(l) Urban Pollinator and Native American Cultural Site Restoration

\$213,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Friends of the Mississippi River to restore three urban natural areas, including an iconic Native American cultural site, to native prairie and forest with a focus on important pollinator and culturally significant native plants.

(m) Demonstrating Real-World Economic and Soil Benefits of Cover Crops and Alternative Tillage

\$288,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Redwood County for the Redwood Soil and Water Conservation District to increase farmer adoption of conservation practices by demonstrating soil improvements and cost savings of cover crops and alternative tillage compared to conventional practices on working farms. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

(n) Creating Cost-Effective Forage and Management Actions for Pollinators

\$198,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to evaluate pollinator forage across time and in response to burning and mowing and to design an open-access web-based tool to share these data for land managers across Minnesota to inform restoration seed mix selection.

(o) Shoreline Stabilization, Fishing, and ADA Improvements at Silverwood Park

\$200,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Three Rivers Park District to provide water quality improvements through shoreline stabilization, shoreline fishing improvements, and shoreline ADA access on the island in Silver Lake within Silverwood Park.

(p) Lawns to Legumes Program - Phase II

\$993,000 the first year is from the trust fund to the Board of Water and Soil Resources to provide grants, cost-sharing, and technical assistance to plant residential lawns, community parks, and school landscapes with native vegetation and pollinator-friendly forbs and legumes to protect a diversity of pollinators. Notwithstanding subdivision 13, paragraph (e), this appropriation may be

spent on pollinator plantings on lands with a long-term commitment from the landowner.

(q) Reintroducing Bison to Spring Lake Park Reserve

\$560,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Dakota County, in partnership with the Minnesota Bison Conservation Herd, to establish the holding facilities and infrastructure needed to reintroduce American plains bison (*Bison bison*) to improve the resiliency and biodiversity of the prairie at Spring Lake Park Reserve.

(r) Elm Creek Habitat Restoration Final Phase

\$521,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Champlin to conduct habitat and stream restoration in Elm Creek upstream of Mill Ponds.

Subd. 9. Land Acquisition for Habitat and Recreation

32,062,000

-0-

(a) Perham to Pelican Rapids Regional Trail (McDonald Segment)

\$2,245,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Otter Tail County to construct the McDonald Segment of the Perham to Pelican Rapids Regional Trail to connect the cities of Perham and Pelican Rapids to Maplewood State Park.

(b) Mesabi Trail CSAH 88 to Ely

\$1,650,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the St. Louis and Lake Counties Regional Railroad Authority to acquire, engineer, and construct a segment of the Mesabi Trail beginning at the intersection of County State-Aid Highway 88 toward Ely.

(c) Southwest Minnesota Single-Track Trail

\$190,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Jackson County to create a single-track mountain bike trail and expand an associated parking lot in Belmont County Park to address a lack of opportunity for this kind of outdoor recreation in southwest Minnesota.

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

\$2,250,000 the first year is from the trust fund to the commissioner of natural resources to solicit and rank applications for and fund competitive matching grants for local parks, trail connections, and natural and scenic areas under Minnesota Statutes, section 85.019. Priority must be given to funding projects in the metropolitan area or in other areas of southern Minnesota. For purposes of this paragraph, southern Minnesota is defined as the area of the state south of and including St. Cloud. This appropriation is for local nature-based recreation, connections to regional and state natural areas, and recreation facilities and may not be used for athletic facilities such as sport fields, courts, and playgrounds.

(e) Metropolitan Regional Parks System Land Acquisition - Phase VII

\$2,250,000 the first year is from the trust fund to the Metropolitan Council for grants to acquire land within the approved park boundaries of the metropolitan regional park system. This appropriation must be matched by an equal amount from a combination of Metropolitan Council and local agency funds.

(f) Sauk Rapids Lions Park Riverfront Improvements

\$463,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Sauk Rapids to design and construct a second phase of upgrades to Lions and Southside Parks

including trails, lighting, riverbank restoration, and a canoe and kayak launch to enhance access to the Mississippi River.

(g) City of Brainerd - Mississippi Landing Trailhead

\$2,850,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Brainerd to design and construct Mississippi Landing Trailhead Park to help connect residents and visitors to the Mississippi River through recreation, education, and restoration.

(h) Native Prairie Stewardship and Prairie Bank Easement Acquisition

\$1,341,000 the first year is from the trust fund to the commissioner of natural resources to provide technical stewardship assistance to private landowners, restore and enhance native prairie protected by easements in the native prairie bank, and acquire easements for the native prairie bank in accordance with Minnesota Statutes, section 84.96, including preparing initial baseline property assessments. Up to \$60,000 of this appropriation may be deposited in the natural resources conservation easement stewardship account created in Minnesota Statutes, section 84.69, proportional to the number of easement acres acquired.

(i) Moose Lake - Trunk Highway 73 Trail

\$330,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Moose Lake to design and construct a nonmotorized recreational trail in an off-street pedestrian corridor along Highway 73 to connect to several existing regional trails in the Moose Lake area.

(j) SNA Acquisition, Restoration, Citizen-Science, and Outreach

\$3,336,000 the first year is from the trust fund to the commissioner of natural resources for the scientific and natural areas (SNA)

program to restore, improve, and enhance wildlife habitat on SNAs; increase public involvement and outreach; and strategically acquire lands that meet criteria for SNAs under Minnesota Statutes, section 86A.05, from willing sellers.

(k) Precision Acquisition for Restoration, Groundwater Recharge, and Habitat

\$467,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Shell Rock River Watershed District to acquire and restore to wetland a key parcel of land to reduce downstream flooding while providing water storage, groundwater recharge, nutrient reduction, and pollinator and wildlife habitat.

(l) Lake Brophy Single-Track Trail Expansion

\$100,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Douglas County in partnership with the Big Ole Bike Club to design and build new expert single-track segments and an asphalt pump track for the existing trail system at Lake Brophy Park to improve outdoor recreation experiences in west-central Minnesota.

(m) Veterans on the Lake

\$553,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Lake County for Veterans on the Lake to conduct accessibility upgrades to Veterans on the Lake's existing trails, roadway, and buildings to improve access to the wilderness and outdoor recreation for disabled American veterans.

(n) Crane Lake Voyageurs National Park Visitor Center - Continuation

\$2,700,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Crane Lake to design and construct an approximate 4,500 to 7,000 square-foot visitor center building

to serve as an access point to Voyageurs National Park. A fiscal agent or fiscal management plan must be approved in the work plan before any trust fund money is spent. A copy of a resolution or other documentation of the city's commitment to fund operations of the visitor center must be included in the work plan submitted to the Legislative-Citizen Commission on Minnesota Resources.

(o) Brookston Campground, Boat Launch, and Outdoor Recreational Facility Planning

\$425,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Brookston to design a campground, boat launch, and outdoor recreation area on the banks of the St. Louis River in northeastern Minnesota. A fiscal agent must be approved in the work plan before any trust fund dollars are spent.

(p) Moose and Seven Beaver Multiuse Trails Upgrade

\$900,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Hoyt Lakes, in partnership with the Ranger Snowmobile and ATV Club, to design and construct upgrades and extensions to the Moose and Seven Beaver multiuse trails to enhance access for recreation use and connect to regional trails.

(q) Above the Falls Regional Park Acquisition

\$950,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Minneapolis Parks and Recreation Board to develop a restoration plan and acquire approximately 3.25 acres of industrial land for public access and habitat connectivity along the Mississippi River as part of Above the Falls Regional Park.

(r) Silver Lake Trail Improvement Project

\$1,071,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Virginia to reconstruct and renovate the walking trail around Silver Lake to allow safe multimodal transportation between schools, parks, community recreation facilities, and other community activity centers in downtown Virginia.

(s) Minnesota State Trails Development

\$4,266,000 the first year is from the trust fund to the commissioner of natural resources to expand recreational opportunities on Minnesota state trails by rehabilitating and enhancing existing state trails and replacing or repairing existing state trail bridges. Priority must be given to funding projects in the metropolitan area or in other areas of southern Minnesota. For purposes of this paragraph, southern Minnesota is defined as the area of the state south of and including St. Cloud.

(t) Highbanks Ravine Bat Hibernaculum Project

\$825,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of St. Cloud to reroute and upgrade an existing storm water system in the Highbanks Ravine area to improve an existing bat hibernaculum, reduce erosion, and create additional green space for wildlife habitat.

(u) State Parks and State Trails Inholdings

\$2,560,000 the first year is from the trust fund to the commissioner of natural resources to acquire high-priority inholdings from willing sellers within the legislatively authorized boundaries of state parks, recreation areas, and trails to protect Minnesota's natural heritage, enhance outdoor recreation, and improve the efficiency of public land management.

(v) Accessible Fishing Piers and Shore Fishing Areas

\$340,000 the first year is from the trust fund to the commissioner of natural resources to provide accessible fishing piers and develop shore fishing sites to serve new angling communities, underserved populations, and anglers with disabilities.

Subd. 10. <u>Administrative and Emerging Issues</u>	<u>2,120,000</u>	<u>-0-</u>
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(a) Contract Agreement Reimbursement

\$135,000 the first year is from the trust fund to the commissioner of natural resources, at the direction of the Legislative-Citizen Commission on Minnesota Resources, for expenses incurred in preparing and administering contracts for the agreements specified in this section. The commissioner must provide documentation to the Legislative-Citizen Commission on Minnesota Resources on the expenditure of these funds.

(b) Legislative-Citizen Commission on Minnesota Resources (LCCMR) Administration

\$1,750,000 the first year is from the trust fund to the Legislative-Citizen Commission on Minnesota Resources for administration in fiscal years 2022 and 2023 as provided in Minnesota Statutes, section 116P.09, subdivision 5. This appropriation is available until June 30, 2023. Notwithstanding Minnesota Statutes, section 116P.11, paragraph (b), Minnesota Statutes, section 16A.281, applies to this appropriation.

(c) Emerging Issues Account

\$233,000 the first year is from the trust fund to an emerging issues account authorized in Minnesota Statutes, section 116P.08, subdivision 4, paragraph (d).

(d) Legislative Coordinating Commission (LCC) Administration

\$2,000 the first year is from the trust fund to the Legislative Coordinating Commission

for the website required in Minnesota Statutes, section 3.303, subdivision 10.

Subd. 11. Availability of Appropriations

Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the work plan approved by the Legislative-Citizen Commission on Minnesota Resources. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Costs that are directly related to and necessary for an appropriation, including financial services, human resources, information services, rent, and utilities, are eligible only if the costs can be clearly justified and individually documented specific to the appropriation's purpose and would not be generated by the recipient but for receipt of the appropriation. No broad allocations for costs in either dollars or percentages are allowed. Unless otherwise provided, the amounts in this section are available until June 30, 2024, when projects must be completed and final products delivered. For acquisition of real property, the appropriations in this section are available for an additional fiscal year if a binding contract for acquisition of the real property is entered into before the expiration date of the appropriation. If a project receives a federal grant, the period of the appropriation is extended to equal the federal grant period.

Subd. 12. Data Availability Requirements

Data collected by the projects funded under this section must conform to guidelines and standards adopted by Minnesota IT Services. Spatial data must also conform to additional guidelines and standards designed to support data coordination and distribution that have been published by the Minnesota Geospatial Information Office. Descriptions of spatial

data must be prepared as specified in the state's geographic metadata guideline and must be submitted to the Minnesota Geospatial Information Office. All data must be accessible and free to the public unless made private under the Data Practices Act, Minnesota Statutes, chapter 13. To the extent practicable, summary data and results of projects funded under this section should be readily accessible on the Internet and identified as having received funding from the environment and natural resources trust fund.

Subd. 13. Project Requirements

(a) As a condition of accepting an appropriation under this section, an agency or entity receiving an appropriation or a party to an agreement from an appropriation must comply with paragraphs (b) to (l) and Minnesota Statutes, chapter 116P, and must submit a work plan and annual or semiannual progress reports in the form determined by the Legislative-Citizen Commission on Minnesota Resources for any project funded in whole or in part with funds from the appropriation. Modifications to the approved work plan and budget expenditures must be made through the amendment process established by the Legislative-Citizen Commission on Minnesota Resources.

(b) A recipient of money appropriated in this section that conducts a restoration using funds appropriated in this section must use native plant species according to the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines and include an appropriate diversity of native species selected to provide habitat for pollinators throughout the growing season as required under Minnesota Statutes, section 84.973.

(c) For all restorations conducted with money appropriated under this section, a recipient must prepare an ecological restoration and

management plan that, to the degree practicable, is consistent with the highest-quality conservation and ecological goals for the restoration site. Consideration should be given to soil, geology, topography, and other relevant factors that would provide the best chance for long-term success and durability of the restoration project. The plan must include the proposed timetable for implementing the restoration, including site preparation, establishment of diverse plant species, maintenance, and additional enhancement to establish the restoration; identify long-term maintenance and management needs of the restoration and how the maintenance, management, and enhancement will be financed; and take advantage of the best-available science and include innovative techniques to achieve the best restoration.

(d) An entity receiving an appropriation in this section for restoration activities must provide an initial restoration evaluation at the completion of the appropriation and an evaluation three years after the completion of the expenditure. Restorations must be evaluated relative to the stated goals and standards in the restoration plan, current science, and, when applicable, the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines. The evaluation must determine whether the restorations are meeting planned goals, identify any problems with implementing the restorations, and, if necessary, give recommendations on improving restorations. The evaluation must be focused on improving future restorations.

(e) All restoration and enhancement projects funded with money appropriated in this section must be on land permanently protected by a conservation easement or public ownership.

(f) A recipient of money from an appropriation under this section must give

consideration to contracting with Conservation Corps Minnesota for contract restoration and enhancement services.

(g) All conservation easements acquired with money appropriated under this section must:

(1) be permanent;

(2) specify the parties to an easement in the easement;

(3) specify all provisions of an agreement that are permanent;

(4) be sent to the Legislative-Citizen Commission on Minnesota Resources in an electronic format at least ten business days before closing;

(5) include a long-term monitoring and enforcement plan and funding for monitoring and enforcing the easement agreement; and

(6) include requirements in the easement document to protect the quantity and quality of groundwater and surface water through specific activities such as keeping water on the landscape, reducing nutrient and contaminant loading, and not permitting artificial hydrological modifications.

(h) For any acquisition of lands or interest in lands, a recipient of money appropriated under this section must not agree to pay more than 100 percent of the appraised value for a parcel of land using this money to complete the purchase, in part or in whole, except that up to ten percent above the appraised value may be allowed to complete the purchase, in part or in whole, using this money if permission is received in advance of the purchase from the Legislative-Citizen Commission on Minnesota Resources.

(i) For any acquisition of land or interest in land, a recipient of money appropriated under this section must give priority to high-quality

natural resources or conservation lands that provide natural buffers to water resources.

(j) For new lands acquired with money appropriated under this section, a recipient must prepare an ecological restoration and management plan in compliance with paragraph (c), including sufficient funding for implementation unless the work plan addresses why a portion of the money is not necessary to achieve a high-quality restoration.

(k) To ensure public accountability for using public funds, a recipient of money appropriated under this section must, within 60 days of the transaction, provide to the Legislative-Citizen Commission on Minnesota Resources documentation of the selection process used to identify parcels acquired and provide documentation of all related transaction costs, including but not limited to appraisals, legal fees, recording fees, commissions, other similar costs, and donations. This information must be provided for all parties involved in the transaction. The recipient must also report to the Legislative-Citizen Commission on Minnesota Resources any difference between the acquisition amount paid to the seller and the state-certified or state-reviewed appraisal, if a state-certified or state-reviewed appraisal was conducted.

(l) A recipient of an appropriation from the trust fund under this section must acknowledge financial support from the environment and natural resources trust fund in project publications, signage, and other public communications and outreach related to work completed using the appropriation. Acknowledgment may occur, as appropriate, through use of the trust fund logo or inclusion of language attributing support from the trust fund. Each direct recipient of money appropriated in this section, as well as each recipient of a grant awarded pursuant to this section, must satisfy all reporting and other

requirements incumbent upon constitutionally dedicated funding recipients as provided in Minnesota Statutes, section 3.303, subdivision 10, and chapter 116P.

Subd. 14. Payment Conditions and Capital-Equipment Expenditures

(a) All agreements, grants, or contracts referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section 16A.41, expenditures made on or after July 1, 2021, or the date the work plan is approved, whichever is later, are eligible for reimbursement unless otherwise provided in this section. Periodic payments must be made upon receiving documentation that the deliverable items articulated in the approved work plan have been achieved, including partial achievements as evidenced by approved progress reports. Reasonable amounts may be advanced to projects to accommodate cash-flow needs or match federal money. The advances must be approved as part of the work plan. No expenditures for capital equipment are allowed unless expressly authorized in the project work plan.

(b) Single-source contracts as specified in the approved work plan are allowed.

Subd. 15. Purchasing Recycled and Recyclable Materials

A political subdivision, public or private corporation, or other entity that receives an appropriation under this section must use the appropriation in compliance with Minnesota Statutes, section 16C.0725, regarding purchasing recycled, repairable, and durable materials and Minnesota Statutes, section 16C.073, regarding purchasing and using paper stock and printing.

Subd. 16. Energy Conservation and Sustainable Building Guidelines

A recipient to whom an appropriation is made under this section for a capital improvement project must ensure that the project complies with the applicable energy conservation and sustainable building guidelines and standards contained in law, including Minnesota Statutes, sections 16B.325, 216C.19, and 216C.20, and rules adopted under those sections. The recipient may use the energy planning, advocacy, and State Energy Office units of the Department of Commerce to obtain information and technical assistance on energy conservation and alternative-energy development relating to planning and constructing the capital improvement project.

Subd. 17. Accessibility

Structural and nonstructural facilities must meet the design standards in the Americans with Disabilities Act (ADA) accessibility guidelines.

Subd. 18. Carryforward; Extension

(a) Notwithstanding Minnesota Statutes, section 16A.28, or any other law to the contrary, the availability of any appropriation or grant of money from the environment and natural resources trust fund that would otherwise cancel, lapse, or expire on June 30, 2021, is extended to June 30, 2022, if the recipient or grantee does both of the following:

(1) by April 30, 2021, notifies the Legislative-Citizen Commission on Minnesota Resources in the manner specified by the commission that the recipient or grantee intends to avail itself of the extension available under this section; and

(2) modifies the applicable work plan where required by Minnesota Statutes, section 116P.05, subdivision 2, in accordance with

the work plan amendment procedures adopted under that section.

(b) The commission must notify the commissioner of management and budget and the commissioner of natural resources of any extension granted under this section.

EFFECTIVE DATE. Subdivision 18 is effective the day following final enactment.

Sec. 3. [116P.21] CHILD PROTECTION BACKGROUND CHECKS.

As part of the work plan required by section 116P.05, subdivision 2, a recipient of an appropriation from the trust fund that is a children's service provider, as defined in section 299C.61, subdivision 5, must certify to the commission that it performs criminal background checks on all employees, contractors, and volunteers that have or may have access to a child to whom the recipient provides children's services.

EFFECTIVE DATE. This section is effective July 1, 2022, and applies to a recipient of money appropriated on or after that date."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for environment and natural resources and tourism; modifying fees and programs; creating accounts; authorizing sales and conveyances of certain state land; modifying forestry provisions; modifying game and fish laws; modifying water law; modifying natural resource and environment provisions; requiring reports; making technical corrections; amending Minnesota Statutes 2020, sections 17.4982, subdivisions 6, 8, 9, 12, by adding subdivisions; 17.4985, subdivisions 2, 3, 5; 17.4986, subdivisions 2, 4; 17.4991, subdivision 3; 17.4992, subdivision 2; 17.4993, subdivision 1; 84.027, subdivisions 13a, 18, by adding a subdivision; 84.415, by adding a subdivision; 84.63; 84.631; 84.82, subdivisions 1a, 7a; 84.92, subdivision 8; 84.943, subdivisions 3, 5; 84.944, subdivision 1; 84.946, subdivision 4; 84D.02, subdivision 3; 84D.11, subdivision 1a; 85.052, subdivisions 1, 2, 6; 85.053, subdivision 2, by adding a subdivision; 85.054, subdivision 1; 85.43; 89.021, by adding a subdivision; 89.17; 89A.11; 92.50, by adding a subdivision; 92.502; 94.3495, subdivision 3; 97A.015, subdivision 29; 97A.075, subdivisions 1, 7; 97A.126, by adding a subdivision; 97A.137, subdivision 5; 97A.401, subdivision 1, by adding a subdivision; 97A.421, subdivision 1, by adding a subdivision; 97A.475, subdivisions 2, 3, 3a, 4; 97A.505, subdivision 3b; 97B.022, by adding a subdivision; 97B.036; 97B.055, subdivision 2; 97B.071; 97B.086; 97B.311; 97B.415; 97B.645, subdivision 9; 97B.715, subdivision 1; 97B.801; 97B.811, subdivision 4a; 97C.005, subdivision 3; 97C.081, subdivisions 3, 3a; 97C.211, subdivision 2a; 97C.342, subdivision 2; 97C.515, subdivision 2; 97C.805, subdivision 2; 97C.836; 103A.212; 103C.315, subdivision 4; 103G.201; 103G.223; 103G.271, subdivisions 4a, 7, by adding subdivisions; 103G.287, subdivisions 4, 5; 103G.289; 103G.401; 115.03, subdivision 1; 115.455; 115.77, subdivision 1; 115.84, subdivisions 2, 3; 115A.03, subdivisions 25, 25d, 27, 28, 34, 35, 36, by adding subdivisions; 115A.565, subdivision 1; 115B.40, subdivision 1; 116.03, subdivision 2b; 116.06, subdivision 22; 116.07, subdivisions 2, 4d, 7, by adding a subdivision; 116.155, by adding a subdivision; 116D.04, subdivision 2a; 116G.07, by adding a subdivision; 116G.15, by adding a subdivision; 127A.353, subdivision 4; 282.08; 290C.04; Laws 2016, chapter 154, sections 16; 48;

Laws 2016, chapter 186, section 2, subdivision 9, as amended; Laws 2017, chapter 96, section 2, subdivision 9, as amended; Laws 2018, chapter 214, article 4, section 2, subdivision 6; Laws 2019, First Special Session chapter 4, article 1, section 2, subdivision 9; article 3, section 109, as amended; proposing coding for new law in Minnesota Statutes, chapters 11A; 84; 92; 103F; 103G; 115A; 115B; 116; 116P; repealing Minnesota Statutes 2020, sections 85.0505, subdivision 3; 85.0507; 85.054, subdivision 19; 97C.515, subdivisions 4, 5; Laws 2013, chapter 121, section 53; Minnesota Rules, part 6232.0350."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

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

S.F. No. 972: A bill for an act relating to commerce; appropriating money for the Department of Commerce; modifying the evaluation process for mandated health benefit proposals; requiring the commissioner of commerce to apply for continuation of the state innovation waiver; requiring reports; amending Minnesota Statutes 2020, sections 62J.03, subdivision 4; 62J.26, subdivisions 1, 2, 3, 4, 5; Laws 2017, chapter 13, article 1, section 15, as amended.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

COMMERCE AND CONSUMER PROTECTION AND ENERGY AND UTILITIES FINANCE

Section 1. **APPROPRIATIONS.**

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

(b) If an appropriation in this article is enacted more than once in the 2021 regular or special legislative sessions, the appropriation must be given effect only once.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2022</u>	<u>2023</u>

Sec. 2. **DEPARTMENT OF COMMERCE**

Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>31,007,000</u>	<u>\$</u>	<u>28,841,000</u>
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<u>Appropriations by Fund</u>		
	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>27,130,000</u>	<u>26,020,000</u>
<u>Workers'</u>		
<u>Compensation</u>	<u>761,000</u>	<u>761,000</u>
<u>Special Revenue</u>	<u>2,060,000</u>	<u>2,060,000</u>
<u>Petroleum Tank</u>	<u>1,056,000</u>	<u>-0-</u>

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

<u>Subd. 2. Telecommunications</u>	<u>3,107,000</u>	<u>3,107,000</u>
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<u>Appropriations by Fund</u>		
<u>General</u>	<u>1,047,000</u>	<u>1,047,000</u>
<u>Special Revenue</u>	<u>2,060,000</u>	<u>2,060,000</u>

\$2,060,000 each year is from the telecommunications access Minnesota fund account in the special revenue fund for the following transfers. This appropriation is added to the department's base:

(1) \$1,620,000 each year is to the commissioner of human services to supplement the ongoing operational expenses of the Commission of Deaf, DeafBlind, and Hard-of-Hearing Minnesotans. This appropriation is available until June 30, 2023, and any unexpended amount on that date must be returned to the telecommunications access Minnesota fund;

(2) \$290,000 each year is to the chief information officer for the purpose of coordinating technology accessibility and usability;

(3) \$100,000 each year is to the Legislative Coordinating Commission for captioning of legislative coverage. This transfer is subject to Minnesota Statutes, section 16A.281; and

(4) \$50,000 each year is to the Office of MN.IT Services for a consolidated access fund to provide grants or services to other

state agencies related to accessibility of their web-based services.

Subd. 3. Energy Resources

4,380,000

4,380,000

(a) \$150,000 each year is to remediate vermiculate insulation from households that are eligible for weatherization assistance under Minnesota's weatherization assistance program state plan under Minnesota Statutes, section 216C.264. Remediation must be done in conjunction with federal weatherization assistance program services.

(b) \$832,000 each year is for energy regulation and planning unit staff.

Subd. 4. Petroleum Tank Release Compensation Board

1,056,000

-0-

This appropriation is from the petroleum tank fund to account for base adjustments provided in Minnesota Statutes, section 115C.13.

Subd. 5. Financial Institutions

1,390,000

1,390,000

\$400,000 each year is for a grant to Prepare and Prosper to develop, market, evaluate, and distribute a financial services inclusion program that (1) assists low-income and financially underserved populations to build savings and strengthen credit, and (2) provides services to assist low-income and financially underserved populations to become more financially stable and secure. Money remaining after the first year is available for the second year.

Subd. 6. Administrative Services

9,122,000

8,498,000

(a) \$384,000 each year is for additional compliance efforts with unclaimed property. The commissioner may issue contracts for these services.

(b) \$5,000 each year is for Real Estate Appraisal Advisory Board compensation pursuant to Minnesota Statutes, section 82B.073, subdivision 2a.

(c) \$350,000 each year is for system modernization and cybersecurity upgrades for the unclaimed property program.

(d) \$564,000 each year is for additional operations of the unclaimed property program.

(e) \$832,000 in fiscal year 2022 and \$208,000 in fiscal year 2023 are for IT system modernization. The base amount in fiscal year 2024 and beyond is \$0.

Subd. 7. Enforcement 5,268,000 5,268,000

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>5,067,000</u>	<u>5,067,000</u>
<u>Workers' Compensation</u>	<u>201,000</u>	<u>201,000</u>

(a) \$279,000 each year is for health care enforcement.

(b) \$201,000 each year is from the workers' compensation fund.

Subd. 8. Insurance 6,424,000 6,093,000

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>5,563,000</u>	<u>5,533,000</u>
<u>Workers' Compensation</u>	<u>560,000</u>	<u>560,000</u>

(a) \$642,000 each year is for health insurance rate review staffing.

(b) \$412,000 each year is for actuarial work to prepare for implementation of principle-based reserves.

(c) \$30,000 in fiscal year 2022 is to pay for two years of membership dues for Minnesota to the National Conference of Insurance Legislators.

(d) \$425,000 each year is for licensing activities under Minnesota Statutes, chapter 62W. Of this amount, \$246,000 each year must be used only for staff costs associated

with two enforcement investigators to enforce Minnesota Statutes, chapter 62W.

(e) \$560,000 each year is from the workers' compensation fund.

Subd. 9. Mandated Health Benefit Proposals Evaluation

105,000

105,000

\$105,000 each year is to evaluate legislation for new mandated health benefits under Minnesota Statutes, section 62J.26, as amended by article 3.

Subd. 10. Continuation of State Innovation Waiver

155,000

-0-

\$155,000 in fiscal year 2022 is to prepare and submit an application for continuance of the state innovation waiver pursuant to article 4, section 2.

Sec. 3. DEPARTMENT OF EDUCATION

Subdivision 1. Transfer

\$300,000 in fiscal year 2022 is transferred from the consumer education account in the special revenue fund to the general fund.

Subd. 2. Appropriation

\$

150,000

\$

150,000

(a) \$150,000 in fiscal year 2022 and \$150,000 in fiscal year 2023 are for grants to the Minnesota Council on Economic Education. This is a onetime appropriation.

(b) The funds under paragraph (a) must be used by the council to:

(1) provide professional development to Minnesota's kindergarten through grade 12 teachers implementing state graduation standards in learning areas related to economic education;

(2) support the direct-to-student ancillary economic and personal finance programs that Minnesota teachers supervise and coach; and

(3) provide support to geographically diverse affiliated higher education-based centers for economic education, including those based at Minnesota State University Mankato, Minnesota State University Moorhead, St. Cloud State University, St. Catherine University, and the University of St. Thomas, as their work relates to activities in clauses (1) and (2).

(c) By February 15 of each year following the receipt of a grant, the Minnesota Council on Economic Education must report to the commissioner of education on the number and type of in-person and online teacher professional development opportunities provided by the Minnesota Council on Economic Education or its affiliated state centers. The report must include a description of the content, length, and location of the programs; the number of preservice and licensed teachers receiving professional development through each of these opportunities; and a summary of evaluations of professional opportunities for teachers.

(d) On August 15, 2021, the Department of Education must pay the full amount of the grant for fiscal year 2022 to the Minnesota Council on Economic Education. On August 15, 2022, the Department of Education must pay the full amount of the grant for fiscal year 2023 to the Minnesota Council on Economic Education. The Minnesota Council on Economic Education must submit its fiscal reporting in the form and manner specified by the commissioner. The commissioner may request additional information as necessary.

Sec. 4. MINNESOTA MANAGEMENT AND BUDGET

<u>\$</u>	<u>49,000</u>	<u>\$</u>	<u>49,000</u>
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\$49,000 each year is for consultation with the commissioner of commerce to evaluate legislation for new mandated health benefits under Minnesota Statutes, section 62J.26, as amended by article 3.

Sec. 5. DEPARTMENT OF HEALTH \$ 37,000 \$ 37,000

\$37,000 each year is for consultation with the commissioner of commerce to evaluate legislation for new mandated health benefits under Minnesota Statutes, section 62J.26, as amended by article 3.

Sec. 6. PUBLIC UTILITIES COMMISSION \$ 7,793,000 \$ 7,793,000

(a) \$21,000 each year is to process utility applications to install equipment crossing a railroad right-of-way.

(b) \$300,000 each year is to enhance the commission's decision-making capability.

Sec. 7. TRANSFER.

The commissioner of management and budget shall transfer \$150,000,000 in fiscal year 2023 from the general fund to the premium security plan account in Minnesota Statutes, section 62E.25, subdivision 1. This is a onetime transfer.

Sec. 8. CANCELLATION; FISCAL YEAR 2021.

\$1,220,000 of the fiscal year 2021 general fund appropriation under Laws 2019, First Special Session chapter 7, article 1, section 6, subdivision 3, is canceled.

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

ARTICLE 2

RENEWABLE DEVELOPMENT ACCOUNT APPROPRIATIONS

Section 1. RENEWABLE DEVELOPMENT FINANCE.

(a) The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the renewable development account in the special revenue fund established in Minnesota Statutes, section 116C.779, subdivision 1, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023.

(b) If an appropriation in this article is enacted more than once in the 2021 regular or special legislative session, the appropriation must be given effect only once.

APPROPRIATIONS

	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2022</u>	<u>2023</u>
Sec. 2. <u>DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT</u>	\$ 2,500,000	\$ -0-

(a) Clean Energy Career Training Pilot Project. \$2,500,000 the first year is for a grant to Northgate Development, LLC, for a pilot project to provide training pathways into careers in the clean energy sector for students and young adults in underserved communities. Training must be provided at a location that is accessible by public transportation and must prioritize the inclusion of communities of color, indigenous people, and individuals with low incomes.

(b) The pilot project must provide skills training relevant to the design, construction, operation, or maintenance of:

(1) systems producing renewable solar or wind energy;

(2) systems resulting in improvements in energy efficiency as defined in Minnesota Statutes, section 216B.241, subdivision 1;

(3) systems of energy storage for renewable energy systems, including battery technology;

(4) infrastructure for charging all-electric or electric hybrid vehicles; or

(5) grid technologies that manage load and provide services to the distribution grid that reduce usage or shift demand to off-peak periods.

(c) Training must be designed to create pathways to a postsecondary degree or industry certification related to the fields in paragraph (b) and then to stable career employment at a living wage.

Subd. 4. Wood Pellet Production Incentive

Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), \$3,750,000 each year is for wood pellet manufacturing incentives under Minnesota Statutes, section 216B.2428. Any unobligated amount of this appropriation remaining on June 30, 2023, is canceled to the renewable development account.

Sec. 4. **UNIVERSITY OF MINNESOTA** \$ 10,000,000 \$ -0-

Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), \$10,000,000 the first year is to the Board of Regents of the University of Minnesota, West Central Research and Outreach Center, for the purpose of leading research, development, and advancement of energy storage systems that utilize hydrogen and ammonia production from renewables and other sources of clean energy. This is a onetime appropriation and any amount unexpended by June 30, 2025, must be returned to the renewable development account under Minnesota Statutes, section 116C.779, subdivision 1.

Sec. 5. **DEPARTMENT OF ADMINISTRATION** \$ 5,000,000 \$ -0-

Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), \$5,000,000 the first year is for deposit in the state building energy conservation improvement account established in Minnesota Statutes, section 16B.86, for the purpose of providing loans to state agencies for energy conservation projects under Minnesota Statutes, section 16B.87.

Sec. 6. CANCELLATION; FISCAL YEAR 2021.

The fiscal year 2021 appropriation under Laws 2019, First Special Session chapter 7, article 1, section 6, subdivision 7, paragraph (d), is canceled.

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

ARTICLE 3**MANDATED HEALTH BENEFIT PROPOSALS EVALUATION**

Section 1. Minnesota Statutes 2020, section 62J.03, subdivision 4, is amended to read:

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of health, unless another commissioner is specified.

Sec. 2. Minnesota Statutes 2020, section 62J.26, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of this section, the following terms have the meanings given unless the context otherwise requires:

(1) "commissioner" means the commissioner of commerce;

(2) "enrollee" has the meaning given in section 62Q.01, subdivision 2b;

~~(2)~~ (3) "health plan" means a health plan as defined in section 62A.011, subdivision 3, but includes coverage listed in clauses (7) and (10) of that definition;

~~(3)~~ (4) "mandated health benefit proposal" or "proposal" means a proposal that would statutorily require a health plan company to do the following:

(i) provide coverage or increase the amount of coverage for the treatment of a particular disease, condition, or other health care need;

(ii) provide coverage or increase the amount of coverage of a particular type of health care treatment or service or of equipment, supplies, or drugs used in connection with a health care treatment or service; ~~or~~

(iii) provide coverage for care delivered by a specific type of provider;~~;~~

(iv) require a particular benefit design or impose conditions on cost-sharing for:

(A) the treatment of a particular disease, condition, or other health care need;

(B) a particular type of health care treatment or service; or

(C) the provision of medical equipment, supplies, or a prescription drug used in connection with treating a particular disease, condition, or other health care need; or

(v) impose limits or conditions on a contract between a health plan company and a health care provider.

"Mandated health benefit proposal" does not include health benefit proposals amending the scope of practice of a licensed health care professional.

Sec. 3. Minnesota Statutes 2020, section 62J.26, subdivision 2, is amended to read:

Subd. 2. **Evaluation process and content.** (a) The commissioner, in consultation with the commissioners of health and management and budget, must evaluate all mandated health benefit proposals as provided under subdivision 3.

(b) The purpose of the evaluation is to provide the legislature with a complete and timely analysis of all ramifications of any mandated health benefit proposal. The evaluation must include, in addition to other relevant information, the following to the extent applicable:

(1) scientific and medical information on the ~~proposed health benefit~~ mandated health benefit proposal, on the potential for harm or benefit to the patient, and on the comparative benefit or harm from alternative forms of treatment, and must include the results of at least one professionally accepted and controlled trial comparing the medical consequences of the proposed therapy, alternative therapy, and no therapy;

(2) public health, economic, and fiscal impacts of the ~~proposed mandate~~ mandated health benefit proposal on persons receiving health services in Minnesota, on the relative cost-effectiveness of the ~~benefit proposal~~, and on the health care system in general;

(3) the extent to which the treatment, service, equipment, or drug is generally utilized by a significant portion of the population;

(4) the extent to which insurance coverage for the ~~proposed mandated benefit~~ mandated health benefit proposal is already generally available;

(5) the extent to which the mandated health benefit proposal, by payer category, would apply to the benefits offered to the payer's enrollees;

~~(5)~~ (6) the extent to which the mandated coverage mandated health benefit proposal will increase or decrease the cost of the treatment, service, equipment, or drug; and

(7) the extent to which the mandated health benefit proposal may increase enrollee premiums; and

(8) if the proposal applies to a qualified health plan as defined in section 62A.011, subdivision 7, the cost to the state to defray the cost of the mandated health benefit proposal using commercial market reimbursement rates in accordance with Code of Federal Regulations, title 45, section 155.70.

~~(6)~~ (c) The commissioner ~~may~~ shall consider actuarial analysis done by health ~~insurers~~ plan companies and any other proponent or opponent of the mandated health benefit proposal in determining the cost of the ~~proposed mandated benefit proposal~~.

~~(e)~~ (d) The commissioner must summarize the nature and quality of available information on these issues, and, if possible, must provide preliminary information to the public. The commissioner may conduct research on these issues or may determine that existing research is sufficient to meet the informational needs of the legislature. The commissioner may seek the assistance and advice of researchers, community leaders, or other persons or organizations with relevant expertise.

Sec. 4. Minnesota Statutes 2020, section 62J.26, subdivision 3, is amended to read:

Subd. 3. **Requests Requirements for evaluation.** (a) ~~Whenever a legislative measure containing a mandated health benefit proposal is introduced as a bill or offered as an amendment to a bill, or is likely to be introduced as a bill or offered as an amendment, a~~ No later than August 1 of the year preceding the legislative session in which a legislator is planning on introducing a bill containing a mandated health benefit proposal, or is planning on offering an amendment to a bill that adds a mandated health benefit, the prospective author must notify the chair of one of the standing legislative committees that have jurisdiction over the subject matter of the proposal. Once notification is received, the chair of any standing legislative committee that has jurisdiction over the subject matter of the proposal may request that ~~must notify the commissioner complete that~~ an evaluation of the a mandated health benefit proposal under this section, to is required to be completed in accordance with this section in order to inform any committee of floor the legislature before any action is taken on the proposal by either house of the legislature.

(b) The commissioner must conduct an evaluation described in subdivision 2 of each mandated health benefit proposal for which an evaluation is ~~requested~~ required under paragraph (a), ~~unless the commissioner determines under paragraph (c) or subdivision 4 that priorities and resources do not permit its evaluation.~~

(c) ~~If requests for the evaluation of multiple proposals are received~~ required, the commissioner must consult with the chairs of the standing legislative committees having jurisdiction over the subject matter of the mandated health benefit proposals to prioritize the ~~requests~~ evaluations and establish a reporting date for each proposal to be evaluated. ~~The commissioner is not required to direct an unreasonable quantity of the commissioner's resources to these evaluations.~~

Sec. 5. Minnesota Statutes 2020, section 62J.26, subdivision 4, is amended to read:

Subd. 4. **Sources of funding.** (a) The commissioner ~~need~~ shall not use any funds for purposes of this section other than as provided in this subdivision or as specified in an appropriation.

(b) The commissioner may seek and accept funding from sources other than the state to pay for evaluations under this section to supplement or replace state appropriations. Any money received under this paragraph must be deposited in the state treasury, credited to a separate account for this purpose in the special revenue fund, and is appropriated to the commissioner for purposes of this section.

(c) ~~If a request for an evaluation is required under this section has been made,~~ the commissioner may use for purposes of the evaluation:

(1) any funds appropriated to the commissioner specifically for purposes of this section; or

(2) funds available under paragraph (b), if use of the funds for evaluation of that mandated health benefit proposal is consistent with any restrictions imposed by the source of the funds.

(d) The commissioner must ensure that the source of the funding has no influence on the process or outcome of the evaluation.

Sec. 6. Minnesota Statutes 2020, section 62J.26, subdivision 5, is amended to read:

Subd. 5. **Report to legislature.** The commissioner must submit a written report on the evaluation to the legislature author of the proposal and to the chairs and ranking minority members of the legislative committees with jurisdiction over health insurance policy and finance no later than 180 days after the request. The report must be submitted in compliance with sections 3.195 and 3.197 commissioner receives notification from a chair as required under subdivision 3.

ARTICLE 4

MINNESOTA PREMIUM SECURITY PLAN

Section 1. Laws 2017, chapter 13, article 1, section 15, as amended by Laws 2017, First Special Session chapter 6, article 5, section 10, and Laws 2019, First Special Session chapter 9, article 8, section 19, is amended to read:

Sec. 15. MINNESOTA PREMIUM SECURITY PLAN FUNDING.

(a) The Minnesota Comprehensive Health Association shall fund the operational and administrative costs and reinsurance payments of the Minnesota security plan and association using the following amounts deposited in the premium security plan account in Minnesota Statutes, section 62E.25, subdivision 1, in the following order:

- (1) any federal funding available;
- (2) funds deposited under article 1, sections 12 and 13;
- (3) any state funds from the health care access fund; and
- (4) any state funds from the general fund.

(b) The association shall transfer from the premium security plan account any remaining state funds not used for the Minnesota premium security plan by June 30, ~~2023~~ 2025, to the commissioner of commerce. Any amount transferred to the commissioner of commerce shall be deposited in the health care access fund in Minnesota Statutes, section 16A.724.

(c) The Minnesota Comprehensive Health Association may not spend more than \$271,000,000 for benefit year 2018 and not more than \$271,000,000 for benefit year 2019 for the operational and administrative costs of, and reinsurance payments under, the Minnesota premium security plan.

Sec. 2. CONTINUATION OF STATE INNOVATION WAIVER.

Subdivision 1. **Submission of waiver continuation application.** The commissioner of commerce shall apply to the secretary of health and human services under United States Code, title 42, section 18052, for a continuation of the state innovation waiver previously granted to continue the Minnesota premium security plan for benefit years beginning January 1, 2023, and future years, to maximize federal funding. The waiver continuation application must clearly state that operation of the Minnesota premium security plan after the 2022 benefit year is contingent on approval of the waiver continuation request.

Subd. 2. **Consultation.** In preparing the waiver continuation application, the commissioner shall consult with the commissioner of human services, the commissioner of health, and the MNsure board.

Subd. 3. **Application timelines; notification.** The commissioner shall submit the waiver continuation application to the secretary of health and human services on or before June 15, 2021. The commissioner shall notify the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services and insurance, and the board of directors of the Minnesota Comprehensive Health Association, of any federal actions regarding the waiver continuation application.

Subd. 4. **Minnesota premium security plan administration.** (a) The Minnesota Comprehensive Health Association must administer the Minnesota premium security plan through the 2022 benefit year.

(b) The Minnesota Comprehensive Health Association must administer the Minnesota premium security plan through the 2023 benefit year, provided that the waiver continuation application described in this section is granted.

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

ARTICLE 5

ENERGY POLICY

Section 1. Minnesota Statutes 2020, section 16B.86, is amended to read:

16B.86 ~~PRODUCTIVITY~~ STATE BUILDING ENERGY CONSERVATION IMPROVEMENT REVOLVING LOAN ACCOUNT.

Subdivision 1. **Definitions.** (a) For purposes of this section and section 16B.87, the following terms have the meanings given them.

(b) "Energy conservation" has the meaning given in section 216B.241, subdivision 1, paragraph (d).

(c) "Energy conservation improvement" has the meaning given in section 216B.241, subdivision 1, paragraph (e).

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

(e) "Project" means the energy conservation improvements financed by a loan made under this section.

(f) "State building" means an existing building owned by the state of Minnesota.

Subd. 2. **Account established.** The ~~productivity~~ state building energy conservation improvement revolving loan account is established as a ~~special~~ separate account in the state treasury. The commissioner shall manage the account and shall credit to the account investment income, repayments

of principal and interest, and any other earnings arising from assets of the account. Money in the account is appropriated to the commissioner of administration to make loans to ~~finance agency projects that will result in either reduced operating costs or increased revenues, or both, for a state agency.~~ state agencies to implement energy conservation and energy efficiency improvements in state buildings under section 16B.87.

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

Sec. 2. Minnesota Statutes 2020, section 16B.87, is amended to read:

16B.87 AWARD AND REPAYMENT OF ~~PRODUCTIVITY~~ STATE BUILDING ENERGY IMPROVEMENT CONSERVATION LOANS.

Subdivision 1. **Committee.** The ~~Productivity~~ State Building Energy Conservation Improvement Loan Committee consists of the commissioners of administration, management and budget, and ~~revenue~~ commerce. The commissioner of administration serves as chair of the committee. The members serve without compensation or reimbursement for expenses.

Subd. 2. **Award and terms of loans.** (a) An agency shall apply for a loan on a form ~~provided developed~~ developed by the commissioner of administration; ~~that requires an applicant to submit the following information:~~

(1) a description of the proposed project, including existing equipment, structural elements, operating characteristics, and other conditions affecting energy use that the energy conservation improvements financed by the loan modify or replace;

(2) the total estimated project cost and the loan amount sought;

(3) a detailed project budget;

(4) projections of the proposed project's expected energy and monetary savings;

(5) information demonstrating the agency's ability to repay the loan; and

(6) any additional information requested by the commissioner.

(b) The committee shall review applications for loans and shall award a loan based upon criteria adopted by the committee. ~~The committee shall determine the amount, interest, and other terms of the loan. The time for repayment of a loan may not exceed five years. Priority in granting awards shall be given to projects for state buildings located within the retail electric service area of the public utility that is subject to section 116C.779.~~

Subd. 3. **Repayment.** An agency receiving a loan under this section shall repay the loan according to the terms of the loan agreement. The principal and interest must be paid to the commissioner of administration, who shall deposit it in the productivity state building energy conservation improvement revolving loan fund account. Payments of loan principal and interest must begin no later than one year after the project is completed.

Sec. 3. Minnesota Statutes 2020, section 116C.779, subdivision 1, is amended to read:

Subdivision 1. **Renewable development account.** (a) The renewable development account is established as a separate account in the special revenue fund in the state treasury. Appropriations and transfers to the account shall be credited to the account. Earnings, such as interest, dividends, and any other earnings arising from assets of the account, shall be credited to the account. Funds remaining in the account at the end of a fiscal year are not canceled to the general fund but remain in the account until expended. The account shall be administered by the commissioner of management and budget as provided under this section.

(b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating plant must transfer all funds in the renewable development account previously established under this subdivision and managed by the public utility to the renewable development account established in paragraph (a). Funds awarded to grantees in previous grant cycles that have not yet been expended and unencumbered funds required to be paid in calendar year 2017 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject to transfer under this paragraph.

(c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating plant must transfer to the renewable development account \$500,000 each year for each dry cask containing spent fuel that is located at the Prairie Island power plant for each year the plant is in operation, and \$7,500,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any part of a year.

(d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing each January 15 thereafter, the public utility that owns the Monticello nuclear generating plant must transfer to the renewable development account \$350,000 each year for each dry cask containing spent fuel that is located at the Monticello nuclear power plant for each year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for any part of a year.

(e) Each year, the public utility shall withhold from the funds transferred to the renewable development account under paragraphs (c) and (d) the amount necessary to pay its obligations under paragraphs (f) ~~and~~ (g), and (m), and sections 116C.7792 and 216C.41, for that calendar year.

(f) If the commission approves a new or amended power purchase agreement, the termination of a power purchase agreement, or the purchase and closure of a facility under section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity, the public utility subject to this section shall enter into a contract with the city in which the poultry litter plant is located to provide grants to the city for the purposes of economic development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid by the public utility from funds withheld from the transfer to the renewable development account, as provided in paragraphs (b) and (e).

(g) If the commission approves a new or amended power purchase agreement, or the termination of a power purchase agreement under section 216B.2424, subdivision 9, with an entity owned or controlled, directly or indirectly, by two municipal utilities located north of Constitutional Route No. 8, that was previously used to meet the biomass mandate in section 216B.2424, the public utility

that owns a nuclear generating plant shall enter into a grant contract with such entity to provide \$6,800,000 per year for five years, commencing 30 days after the commission approves the new or amended power purchase agreement, or the termination of the power purchase agreement, and on each June 1 thereafter through 2021, to assist the transition required by the new, amended, or terminated power purchase agreement. The grant shall be paid by the public utility from funds withheld from the transfer to the renewable development account as provided in paragraphs (b) and (e).

(h) The collective amount paid under the grant contracts awarded under paragraphs (f) and (g) is limited to the amount deposited into the renewable development account, and its predecessor, the renewable development account, established under this section, that was not required to be deposited into the account under Laws 1994, chapter 641, article 1, section 10.

(i) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year in which the commission finds, by the preponderance of the evidence, that the public utility did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a permanent or interim storage site out of the state. This determination shall be made at least every two years.

(j) Funds in the account may be expended only for any of the following purposes:

(1) to stimulate research and development of renewable electric energy technologies;

(2) to encourage grid modernization, including, but not limited to, projects that implement electricity storage, load control, and smart meter technology; and

(3) to stimulate other innovative energy projects that reduce demand and increase system efficiency and flexibility.

Expenditures from the fund must benefit Minnesota ratepayers receiving electric service from the utility that owns a nuclear-powered electric generating plant in this state or the Prairie Island Indian community or its members.

The utility that owns a nuclear generating plant is eligible to apply for grants under this subdivision.

(k) For the purposes of paragraph (j), the following terms have the meanings given:

(1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph (c), clauses (1), (2), (4), and (5); and

(2) "grid modernization" means:

(i) enhancing the reliability of the electrical grid;

(ii) improving the security of the electrical grid against cyberthreats and physical threats; and

(iii) increasing energy conservation opportunities by facilitating communication between the utility and its customers through the use of two-way meters, control technologies, energy storage and microgrids, technologies to enable demand response, and other innovative technologies.

(l) A renewable development account advisory group that includes, among others, representatives of the public utility and its ratepayers, and includes at least one representative of the Prairie Island Indian community appointed by that community's tribal council, shall develop recommendations on account expenditures. Except as otherwise provided herein, members of the advisory group shall be chosen by the public utility. The public utility may design a request for proposal in conjunction with the advisory group. The advisory group must design a request for proposal and evaluate projects submitted in response to a request for proposals. The advisory group must utilize an independent third-party expert to evaluate proposals submitted in response to a request for proposal, including all proposals made by the public utility. A request for proposal for research and development under paragraph (j), clause (1), may be limited to or include a request to higher education institutions located in Minnesota for multiple projects authorized under paragraph (j), clause (1). The request for multiple projects may include a provision that exempts the projects from the third-party expert review and instead provides for project evaluation and selection by a merit peer review grant system. In the process of determining request for proposal scope and subject and in evaluating responses to request for proposals, the advisory group must strongly consider, where reasonable, potential benefit to Minnesota citizens and businesses and the utility's ratepayers.

(m) The cost of acquiring the services of the independent third-party expert described in paragraph (l) and any other costs incurred in administering the advisory group and its actions as required by this section, not to exceed \$150,000, shall be paid from funds withheld by the public utility under paragraph (e).

~~(m)~~ (n) The advisory group shall submit funding recommendations to the public utility, which has full and sole authority to determine which expenditures shall be submitted ~~by the advisory group~~ to the legislature commission. The commission may approve proposed expenditures, may disapprove proposed expenditures that it finds not to be in compliance with this subdivision or otherwise not in the public interest, and may, if agreed to by the public utility, modify proposed expenditures. The commission shall, by order, submit its funding recommendations to the legislature as provided under paragraph ~~(n)~~ (o).

~~(n)~~ (o) The commission shall present its recommended appropriations from the account to the senate and house of representatives committees with jurisdiction over energy policy and finance annually by February 15. Expenditures from the account must be appropriated by law. In enacting appropriations from the account, the legislature:

(1) may approve or disapprove, but may not modify, the amount of an appropriation for a project recommended by the commission; and

(2) may not appropriate money for a project the commission has not recommended funding.

~~(o)~~ (q) A request for proposal for renewable energy generation projects must, when feasible and reasonable, give preference to projects that are most cost-effective for a particular energy source.

~~(p)~~ (r) ~~The advisory group~~ public utility must annually, by February 15, report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy policy on

projects funded by the account for the prior year and all previous years. The report must, to the extent possible and reasonable, itemize the actual and projected financial benefit to the public utility's ratepayers of each project.

~~(s)~~ (s) By February 1, 2018, and each February 1 thereafter, the commissioner of management and budget shall submit a written report regarding the availability of funds in and obligations of the account to the chairs and ranking minority members of the senate and house committees with jurisdiction over energy policy and finance, the public utility, and the advisory group.

~~(t)~~ (t) A project receiving funds from the account must produce a written final report that includes sufficient detail for technical readers and a clearly written summary for nontechnical readers. The report must include an evaluation of the project's financial, environmental, and other benefits to the state and the public utility's ratepayers.

~~(u)~~ (u) Final reports, any mid-project status reports, and renewable development account financial reports must be posted online on a public website designated by the commissioner of commerce.

~~(v)~~ (v) All final reports must acknowledge that the project was made possible in whole or part by the Minnesota renewable development account, noting that the account is financed by the public utility's ratepayers.

~~(w)~~ (w) Of the amount in the renewable development account, priority must be given to making the payments required under section 216C.417.

Sec. 4. Minnesota Statutes 2020, section 116C.7792, is amended to read:

116C.7792 SOLAR ENERGY PRODUCTION INCENTIVE PROGRAM.

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

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

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

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

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

(2) \$10,000,000 in 2022;

(3) \$5,000,000 in 2023; and

(4) \$5,000,000 in 2024.

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

(f) Any unspent amount remaining on January 1, ~~2023~~ 2025, must be transferred to the renewable development account.

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

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

Sec. 5. Minnesota Statutes 2020, section 216B.1691, subdivision 2f, is amended to read:

Subd. 2f. **Solar energy standard.** (a) In addition to the requirements of subdivisions 2a and 2b, each public utility shall generate or procure sufficient electricity generated by solar energy to serve its retail electricity customers in Minnesota so that by the end of 2020, at least 1.5 percent of the utility's total retail electric sales to retail customers in Minnesota is generated by solar energy.

(b) For a public utility with more than 200,000 retail electric customers, at least ten percent of the 1.5 percent goal must be met by solar energy generated by or procured from solar photovoltaic devices with a nameplate capacity of 40 kilowatts or less.

(c) A public utility with between 50,000 and 200,000 retail electric customers:

(1) must meet at least ten percent of the 1.5 percent goal with solar energy generated by or procured from solar photovoltaic devices with a nameplate capacity of 40 kilowatts or less; and

(2) may apply toward the ten percent goal in clause (1) individual customer subscriptions of 40 kilowatts or less to a community solar garden program operated by the public utility that has been approved by the commission.

(d) The solar energy standard established in this subdivision is subject to all the provisions of this section governing a utility's standard obligation under subdivision 2a.

(e) It is an energy goal of the state of Minnesota that, by 2030, ten percent of the retail electric sales in Minnesota be generated by solar energy.

(f) For the purposes of calculating the total retail electric sales of a public utility under this subdivision, there shall be excluded retail electric sales to customers that are:

(1) an iron mining extraction and processing facility, including a scam mining facility as defined in Minnesota Rules, part 6130.0100, subpart 16; or

(2) a paper mill, wood products manufacturer, sawmill, or oriented strand board manufacturer.

Those customers may not have included in the rates charged to them by the public utility any costs of satisfying the solar standard specified by this subdivision.

(g) A public utility may not use energy used to satisfy the solar energy standard under this subdivision to satisfy its standard obligation under subdivision 2a. A public utility may not use energy used to satisfy the standard obligation under subdivision 2a to satisfy the solar standard under this subdivision.

(h) Notwithstanding any law to the contrary, a solar renewable energy credit associated with a solar photovoltaic device installed and generating electricity in Minnesota after August 1, 2013, but before 2020 may be used to meet the solar energy standard established under this subdivision.

(i) ~~Beginning July 1, 2014, and each~~ By July 1 ~~through 2020, each~~, 2021, a public utility ~~shall~~ must file a final report with the commission reporting its detailing the utility's progress ~~in~~ toward achieving the solar energy standard established under this subdivision.

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

Sec. 6. Minnesota Statutes 2020, section 216B.241, is amended by adding a subdivision to read:

Subd. 11. Minnesota efficient technology accelerator. (a) A nonprofit organization with extensive experience implementing energy efficiency programs in Minnesota and conducting efficient technology research in the state may file a proposal with the commissioner of commerce for a program to accelerate deployment and reduce the cost of emerging and innovative efficient technologies and approaches and lead to lower energy costs for Minnesota consumers. Activities of the accelerator shall include strategic initiatives with technology manufacturers to improve the efficiency and performance of their products, as well as with equipment installers and other key actors in the technology supply chain. Benefits of activities expected from the accelerator include cost effective energy savings for Minnesota utilities, bill savings for Minnesota utility consumers, enhanced employment opportunities in the state, and avoidance of greenhouse gas emissions.

(b) Prior to developing and filing a proposal, the nonprofit must submit to the commissioner of commerce a notice of intent to file a proposal under this subdivision describing the eligibility and qualifications of the nonprofit to file a proposal under this subdivision. The commissioner shall review the notice of intent and issue a determination of eligibility within 30 days if the commissioner finds that the nonprofit meets the qualifications required.

(c) Upon receiving the determination by the commissioner under paragraph (b), the nonprofit organization must engage with interested stakeholders on at least the following attributes required of a program proposal under this subdivision:

(1) a proposed budget and operational guidelines for the accelerator;

(2) a proposed energy savings attribution, evaluation, and allocation methodology that includes a method for calculating net benefits from activities under the program. Energy savings and net benefits from activities under the program must be allocated to participating utilities and be considered when determining cost-effectiveness of achieved energy savings and related incentives;

(3) a process to ensure that the technologies that are selected for the program benefit electric and natural gas utility customers in proportion to the funds each utility sector contributes to the program and address residential, commercial, and industrial building energy use; and

(4) a process for identifying and tracking performance metrics for each technology selected against which progress can be measured, including one or more methods for evaluating cost-effectiveness.

(d) No earlier than January 1, 2023, the nonprofit may file a program proposal under this subdivision. The filing must describe how the proposal addresses each of the required attributes listed in paragraph (c), clauses (1) to (4), and how the proposal addresses the recommendations and concerns identified in the stakeholder engagement process required under paragraph (c).

(e) Within ten days of receiving the proposal, the commissioner shall provide public notice of the proposal and solicit feedback from interested parties for a period of not less than ten business days.

(f) Within 90 days of the filing of the proposal, the commissioner shall approve, modify, or reject a proposal under this subdivision. In making a determination, the commissioner must consider public comments, the expected costs and benefits of the program from the perspectives of ratepayers, the participating utilities, and society, and the expected costs and benefits relative to other energy conservation programming authorized under this section.

(g) A program under this section may not be implemented prior to January 1, 2024. The initial program term may be up to five years. At the request of the nonprofit, the commissioner may renew a program approved under paragraph (d) for up to five years at a time. The nonprofit shall submit to the commissioner a request to renew the program no later than 180 days prior to the end of the term of the program approved or renewed under this subdivision. When making a request to renew and determination on renewal, the nonprofit and commissioner shall follow the process established under this subdivision, except that a qualified nonprofit is not required to seek eligibility under paragraph (b).

(h) Upon approval, each public utility with over 30,000 customers shall participate in the program and contribute to the approved budget of the program in proportion to its gross operating revenue from sales of gas or electric service in the state, excluding revenues from large customer facilities exempted under subdivision 1a. No participating utility may be required to contribute more than the following percentages of the utility's spending approved by the commission in the plan filed under subdivision 2: (1) two percent in the program's initial two years; (2) 3.5 percent in the program's third and fourth years; and (3) five percent thereafter. Other utilities may elect to participate in the accelerator program. Costs incurred by a public utility under this subdivision are recoverable under subdivision 2b as an assessment to the energy and conservation account. Amounts provided to the account under this subdivision are not subject to the cap on assessments in section 216B.62. The commissioner may make expenditures from the account for the purposes of this subdivision, including

amounts necessary to cover administrative costs incurred by the department under this subdivision. Costs for research projects under this subdivision that the commissioner determines may be duplicative to projects that would be eligible for funding under subdivision 1e, paragraph (a), may be deducted from the assessment under subdivision 1e for utilities participating in the accelerator.

(i) The commissioner shall not approve more than one program for implementation at a time under paragraphs (d) to (e) or (f). No more than one program approved under this subdivision may be implemented or in operation at any given time.

(j) At least once during the term of a program that is approved or renewed, the commissioner shall contract for an independent review of the program to determine if it meets the objectives and requirements of this section and any criteria established by the department as a condition of approval. The review may not be conducted by an entity or person that acted as a stakeholder or interested party, or otherwise participated in the program preparation, filing, or review process. Upon completion, the reviewer shall prepare a report detailing findings and recommendations, and the commissioner must transmit a copy of the report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over energy policy. Funds required to conduct the review and prepare the report shall be deducted from the total contribution amount under paragraph (h).

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

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

Subd. 2d. **Plan to minimize impacts to workers due to facility retirement.** As a part of a resource plan filing, a utility that has scheduled the retirement of an electric generating facility located in Minnesota must include in the filing a narrative identifying and describing the utility's plan and efforts made to date to work with the utility's workers represented by an exclusive representative to:

- (1) minimize financial losses to workers;
- (2) provide a transition timeline to ensure certainty for workers;
- (3) protect pension benefits;
- (4) extend or replace health insurance, life insurance, and other benefits;
- (5) identify and maximize opportunities within the utility for dislocated workers, including providing incentives for the utility to retain as many workers as possible;
- (6) provide training and skill development for workers who must or choose to leave the utility;
- (7) create targeted transition plans for workers at all locations impacted by the facility retirement;
and
- (8) quantify any additional costs the utility would incur and specifying what costs, if any, the utility would request be recovered in its rates as a result of efforts made under this subdivision to minimize impacts to workers.

Sec. 8. Minnesota Statutes 2020, section 216B.2424, is amended by adding a subdivision to read:

Subd. 5b. **Definitions.** (a) For the purposes of subdivision 5c, the following terms have the meanings given.

(b) "Agreement period" means the period beginning on January 1, 2023, and ending on December 31, 2024.

(c) "Ash" means all species of the genus *Fraxinus*.

(d) "Cogeneration facility" means the St. Paul district heating and cooling system cogeneration facility that uses waste wood as the facility's primary fuel source, provides thermal energy to St. Paul, and sells electricity to a public utility through a power purchase agreement approved by the Public Utilities Commission.

(e) "Department" means the Department of Agriculture.

(f) "Emerald ash borer" means the insect known as emerald ash borer, *Agrius planipennis* Fairmaire, in any stage of development.

(g) "Renewable energy technology" has the meaning given to "eligible energy technology" in section 216B.1691, subdivision 1.

(h) "St. Paul district heating and cooling system" means a system of boilers, distribution pipes, and other equipment that provides energy for heating and cooling in St. Paul, and includes the cogeneration facility.

(i) "Waste wood from ash trees" means ash logs and lumber, ash tree waste, and ash chips and mulch.

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

Sec. 9. Minnesota Statutes 2020, section 216B.2424, is amended by adding a subdivision to read:

Subd. 5c. **New power purchase agreement.** (a) No later than August 1, 2021, a public utility subject to subdivision 5 and the cogeneration facility may file a proposal with the commission to enter into a power purchase agreement that governs the public utility's purchase of electricity generated by the cogeneration facility. The power purchase agreement may extend no later than December 21, 2024, and must not be extended beyond that date except as provided in paragraph (f).

(b) The commission is prohibited from approving a new power purchase agreement filed under this subdivision that does not meet all of the following conditions:

(1) the cogeneration facility agrees that any waste wood from ash trees removed from Minnesota counties that have been designated as quarantined areas in Section IV of the Minnesota State Formal Quarantine for Emerald Ash Borer, issued by the commissioner of agriculture under section 18G.06,

effective November 14, 2019, as amended, for utilization as biomass fuel by the cogeneration facility must be accompanied by evidence:

(i) demonstrating that the transport of biomass fuel from processed waste wood from ash trees to the cogeneration facility complies with the department's regulatory requirements under the Minnesota State Formal Quarantine for Emerald Ash Borer, which may consist of:

(A) a certificate authorized or prepared by the commissioner of agriculture or an employee of the Animal and Plant Health Inspection Service of the United States Department of Agriculture verifying compliance; or

(B) shipping documents demonstrating compliance; or

(ii) certifying that the waste wood from ash trees has been chipped to one inch or less in two dimensions, and was chipped within the county from which the ash trees were originally removed;

(2) the price per megawatt hour of electricity paid by the public utility demonstrates significant savings compared to the existing power purchase agreement, with a price that does not exceed \$98 per megawatt hour;

(3) the proposal includes a proposal to the commission for one or more electrification projects that result in the St. Paul district heating and cooling system being powered by electricity generated from renewable energy technologies. The plan must evaluate electrification at three or more levels from ten to 100 percent, including 100 percent of the energy used by the St. Paul district heating and cooling system to be accomplished by December 31, 2027. The proposal may also evaluate alternative dates for implementation. For each level of electrification analyzed, the proposal must contain:

(i) a description of the alternative electrification technologies evaluated and whose implementation is proposed as part of the electrification project;

(ii) an estimate of the cost of the electrification project to the public utility, the impact on the monthly energy bills of the public utility's Minnesota customers, and the impact on the monthly energy bills of St. Paul district heating and cooling system customers;

(iii) an estimate of the reduction in greenhouse gas emissions resulting from the electrification project, including greenhouse gas emissions associated with the transportation of waste wood;

(iv) estimated impacts on the operations of the St. Paul district heating and cooling system; and

(v) a timeline for the electrification project; and

(4) the power purchase agreement provides a net benefit to the utility customers or the state.

(c) The commission may approve, modify, or reject a proposed electrification project that meets the requirements of this subdivision if it finds the electrification project is in the public interest. When determining whether an electrification project is in the public interest, the commission may consider the effects of the electrification project on air emissions from the St. Paul district heating and cooling system and how the emissions impact the environment and residents of affected neighborhoods.

(d) During the agreement period, the cogeneration facility must attempt to obtain funding sources to reduce the cost of generating electricity and enable the facility to continue to operate beyond the agreement period to address the removal of ash trees, as described in paragraph (b), clause (1), without any subsidy or contribution through any power purchase agreement after December 31, 2024. The cogeneration facility must submit periodic reports to the commission regarding the efforts made under this paragraph.

(e) Upon approval of the new power purchase agreement, the commission must require periodic reporting regarding progress toward development of a proposal for an electrification project.

(f) Except as provided in paragraph (a), the commission is prohibited from approving a power purchase agreement after the agreement period unless it approves an electrification project. Nothing in this section shall require any utility to enter into a power purchase agreement with the cogeneration facility after December 31, 2024.

(g) Upon approval of an electrification project, the commission must require periodic reporting regarding the progress toward implementation of the electrification project.

(h) If the commission approves the proposal submitted under paragraph (b), clause (3), the commission may allow the public utility to recover prudently incurred costs net of revenues resulting from the electrification project through an automatic cost recovery mechanism that allows for cost recovery outside of a general rate case. The cost recovery mechanism approved by the commission must:

(1) allow a reasonable return on the capital invested in the electrification project by the public utility, as determined by the commission; and

(2) recover costs only from the public utility's Minnesota electric service customers.

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

Sec. 10. [216B.2427] NATURAL GAS UTILITY INNOVATION PLANS.

Subdivision 1. **Definitions.** (a) For the purposes of this section and the lifecycle carbon accounting framework and cost-benefit test for innovative resources issued by the commission, the terms defined in this subdivision have the meanings given.

(b) "Innovative resource" means biogas, renewable natural gas, power-to-hydrogen, power-to-ammonia, carbon capture and utilization, strategic electrification, district energy, and energy efficiency.

(c) "Biogas" means gas created by the anaerobic digestion of biomass, gasification of biomass, or other effective conversion processes.

(d) "Carbon capture and utilization" means the capture of greenhouse gases that would otherwise be released into the atmosphere and the use of those gases to create industrial or commercial products for sale.

(e) "Carbon-free resource" means an electricity generation facility that, when operating, does not contribute to statewide greenhouse gas emissions, as defined in section 216H.01, subdivision 2.

(f) "District energy" means a network of hot- and cold-water pipes used to provide thermal energy to multiple buildings.

(g) "Energy efficiency" has the meaning given in section 216B.241, subdivision 1, paragraph (f), but does not include energy conservation investments that the commissioner determines could reasonably be included in the natural gas utility's conservation improvement program.

(h) "Lifecycle greenhouse gas emissions" means the emissions of an energy resource associated with the production, processing, transmission, and consumption of energy associated with the resource.

(i) "Natural gas utility" means a public utility as defined in section 216B.02, subdivision 4, that provides natural gas sales or transportation services to customers in Minnesota.

(j) "Power-to-ammonia" means the creation of ammonia from hydrogen created via power-to-hydrogen using a process that has lower lifecycle greenhouse gas intensity than conventional geologic natural gas.

(k) "Power-to-hydrogen" means the use of electricity generated by a carbon-free resource to create hydrogen.

(l) "Renewable natural gas" means biogas that has been processed to be interchangeable with conventional natural gas and has lower lifecycle greenhouse gas intensity than conventional geologic natural gas.

(m) "Strategic electrification" means the installation of electric end-use equipment where natural gas is a primary or back-up fuel source provided that installation (1) will result in a net reduction in statewide greenhouse gas emissions as defined in section 216H.01, subdivision 2, over the life of the equipment as compared to the most efficient commercially available natural gas alternative, and (2) is installed and operated in a manner that improves the customer's electric utility's load factor. Electric end-use equipment installed pursuant to this section is the exclusive property of the building owner. Strategic electrification does not include investments that the commissioner determines could be reasonably included in the natural gas utility's conservation improvement program pursuant to section 216B.241. Strategic electrification approved pursuant to this section is not eligible for a financial incentive pursuant to section 216B.241, subdivision 2c.

(n) "Total incremental cost" means the sum of:

(1) return of and on capital investments for the production, processing, pipeline interconnection, storage, and distribution of innovative resources included in a utility innovation plan approved pursuant to subdivision 2;

(2) incremental operating costs associated with capital investments in infrastructure for the production, processing, pipeline interconnection, storage, and distribution of innovative resources included in a utility innovation plan approved under subdivision 2;

(3) the incremental cost to procure innovative resources from third parties;

(4) the incremental costs to develop and administer programs included in a utility innovation plan; and

(5) incremental costs for research and development related to innovative resources approved pursuant to subdivision 2, less the sum of:

(i) any value received by the natural gas utility upon the resale of the innovative resources or their byproducts, including any environmental credits included with the resale of renewable gaseous fuels or value received by the natural gas utility when innovative resources are used as vehicle fuel;

(ii) any cost savings achieved through avoidance of conventional natural gas purchases, including but not limited to any avoided commodity purchases or avoided pipeline costs; and

(iii) any other revenues received by the utility that are directly attributable to the utility's implementation of an innovation plan.

Subd. 2. **Innovation plans.** (a) A natural gas utility may file an innovation plan with the commission. The utility's recommended plan must describe or include, as applicable, the following components:

(1) the recommended innovative resource or resources the utility plans to implement to advance the state's goals established in section 216C.05, subdivision 2, clause (3), and section 216H.02, subdivision 1, within the requirements and limitations set forth in this section;

(2) any recommended research and development investments related to innovative resources the utility plans to undertake as part of the plan;

(3) the total lifecycle greenhouse gas emissions that the natural gas utility expects to reduce or avoid pursuant to the plan;

(4) the natural gas utility's estimate of how emissions expected to be avoided or reduced compare to total emissions from natural gas use by its customers in 2020;

(5) any pilot program proposed by the natural gas utility related to the development or provision of innovative resources, including an estimate of the total incremental costs to implement the pilot program;

(6) the cost effectiveness of innovative resources proposed from the perspective of the natural gas utility, society, the utility's nonparticipating customers, and participating customers as compared to other innovative resources that could be deployed to reduce or avoid the same greenhouse gas emissions targeted by the utility's proposed resource;

(7) for any pilot not previously approved as part of the utility's most recent innovation plan, a third-party analysis of the lifecycle greenhouse gas intensity of any innovative resources proposed to be included in the pilot;

(8) for any proposed pilot not previously approved as part of the utility's most recent innovation plan, a third-party analysis of the forecasted lifecycle greenhouse gas emissions reductions achieved or the lifecycle greenhouse gas emissions reduced or avoided if the proposed pilot is implemented;

(9) an explanation of how the utility calculated the lifecycle greenhouse gas emissions avoided or reduced by each pilot including descriptions of how the utility's method deviated, if at all, from the carbon accounting frameworks established by the commission;

(10) whether the recommended plan supports the development and use of alternative agricultural products, waste reduction, reuse, or anaerobic digestion of organic waste, and the recovery of energy from wastewater and, if so, a description of where those benefits will be realized;

(11) a description of third-party systems and processes the utility plans to use to:

(i) track the proposed innovative resources included in the plan so that environmental benefits are used only for this plan and not claimed for any other program; and

(ii) verify the environmental attributes and greenhouse gas intensity of proposed innovative resources included in the plan;

(12) a description of known local job impacts and the steps the utility and its energy suppliers and contractors are taking to maximize the availability of construction employment opportunities for local workers;

(13) a description of how the utility proposes to recover annual total incremental costs and any steps the utility has taken or proposes to take to reduce the expected cost impact on low- and moderate-income residential customers;

(14) any steps the utility has taken or proposes to take to ensure that low- and moderate- income residential customers will benefit from innovative resources included in the plan;

(15) a report on the utility's progress toward implementing the approved proposals contained in its previously approved innovation plan, if applicable; and

(16) a report of the utility's progress toward achieving the cost-effectiveness objectives established upon approval of its previously approved innovation plan, if applicable.

(b) Along with its recommended plan, the natural gas utility must provide forecasted total incremental costs and lifecycle greenhouse gas emissions for:

(1) a set of pilots that the utility estimates would provide approximately half of the greenhouse gas reduction or avoidance benefits of the utility's preferred plan;

(2) a set of pilots that the utility estimates would provide approximately one and a half times the greenhouse gas reduction or avoidance benefits of the utility's preferred plan; and

(3) a set of pilots that the utility estimates would provide approximately twice the greenhouse gas reduction or avoidance benefits of the utility's preferred plan.

(c) In deciding whether to approve, modify, or deny a plan, the commission may not approve an innovation plan unless it finds that:

(1) the size, scope, and scale of the plan and the incremental total cost of the plan will result in net benefits under the cost-benefit framework established by the commission;

(2) the plan will promote the use of renewable energy resources and reduce or avoid greenhouse gas emissions at a cost level consistent with subdivision 3;

(3) the plan will promote local economic development;

(4) the innovative resources included in the plan have a lower lifecycle greenhouse gas intensity than conventional geologic natural gas;

(5) reasonable systems will be used to track and verify the environmental attributes of the innovative resources included in the plan, taking into account any third-party tracking or verification systems available;

(6) the costs and revenues expected to be incurred pursuant to the plan are reasonable in comparison to other innovative resources the utility could deploy to address greenhouse gas emissions and considering other benefits of the innovative resources included in the plan;

(7) the costs and revenues expected to be incurred for any energy efficiency, district energy, or strategic electrification measures included in the plan are reasonable in comparison to the costs of renewable natural gas, biogas, hydrogen produced via power-to-hydrogen, or ammonia produced via power-to-ammonia resources that the utility could deploy to address greenhouse gas emissions;

(8) the total amount of estimated greenhouse gas reduction or avoidance to be achieved is reasonable considering the state's goals established in section 216C.05, subdivision 2, clause (3), and section 216H.02, subdivision 1, customer cost, and the total amount of greenhouse gas reduction or avoidance achieved under the natural gas utility's previously approved plans, if applicable; and

(9) 50 percent or more of estimated costs included for recovery in the plan are for the procurement and distribution of renewable natural gas, biogas, hydrogen produced via power-to-hydrogen, or ammonia produced via power-to-ammonia.

(d) The utility bears the burden to prove the actual total incremental costs to implement the approved innovation plan were reasonable. Prudently incurred costs incurred pursuant to an approved plan and prudently incurred costs for obtaining the third-party analysis required in paragraph (a), clauses (6) and (7), are recoverable either:

(1) under section 216B.16, subdivision 7, clause (2), via the utility's purchased gas adjustment;

(2) in the natural gas utility's next general rate case; or

(3) via annual adjustments provided that, after notice and comment, the commission determines that the costs included for recovery through the rate schedule are prudently incurred. Annual adjustments shall include a rate of return, income taxes on the rate of return, incremental property taxes, incremental depreciation expense, and incremental operation and maintenance expense. The

rate of return shall be at the level approved by the commission in the natural gas utility's last general rate case, unless the commission determines that a different rate of return is in the public interest.

(e) Upon approval of a utility's plan, the commission shall establish plan cost-effectiveness objectives based on the cost-benefit test for innovative resources. The cost-effectiveness objective for each plan should demonstrate incremental progress from the previously approved plan's cost-effectiveness objective.

(f) A natural gas utility with an approved plan must provide annual reports to the commission regarding the work completed pursuant to the plan, including the costs incurred under the plan and lifecycle greenhouse gas reduction or avoidance accomplished under the plan; a description of the processes used to track, verify, and retire the innovative resources and associated environmental attributes; an update on the lifecycle greenhouse gas accounting methodology consistent with current science; an update on the economic impact of the plan including job creation; and the utility's progress toward achieving the cost-effectiveness objectives established by the commission on approval of the plan. As part of the annual status report, the natural gas utility may propose modifications to pilot programs in the plan. In evaluating a utility's annual report, the commission may:

- (1) approve the continuation of a pilot program, with or without modifications;
- (2) require the utility to file a new or modified plan to account for changed circumstances; or
- (3) disapprove the continuation of a pilot program.

(g) Each innovation plan shall be in effect for five years. Once a natural gas utility has an approved innovation plan, it must file a new innovation plan within four years for implementation at the end of the prior five-year plan period.

(h) A utility may file an innovation plan at any time after this section becomes effective.

(i) For purposes of this section, and the commission's lifecycle carbon accounting framework and cost-benefit test for innovative resources, whenever an analysis or estimate of lifecycle greenhouse gas emissions reductions, lifecycle greenhouse gas avoidance, or lifecycle greenhouse gas intensity is required, the analysis will include, but not be limited to, as applicable:

- (1) avoided or reduced emissions attributable to utility operations;
- (2) avoided or reduced emissions from the production, processing, and transmission of fuels prior to receipt by the utility; and
- (3) avoided or reduced emissions at the point of end use, but in no event shall the analysis count any one unit of greenhouse gas emissions avoidance or reduction more than once.

The analysis or estimate may rely on emissions factors, default values, or engineering estimates from a publicly accessible source accepted by a federal or state government agency, where direct measurement is not technically or economically feasible, if such emissions factors, default values, or engineering estimates can be demonstrated to produce a reasonable estimate of greenhouse gas emissions reductions, avoidance, or intensity.

Subd. 3. Limitations on utility customer costs. (a) The first innovation plan submitted to the commission by a natural gas utility may not propose, and the commission may not approve, recovery of annual total incremental costs exceeding the lesser of (1) one and three quarters percent of the natural gas utility's gross operating revenues from service provided in the state at the time of plan filing, or (2) \$20 per nonexempt customer based on the proposed annual total incremental costs for each year of the plan divided by the total number of nonexempt utility customers. Notwithstanding this limitation, the commission may approve additional annual recovery of up to the lesser of (1) an additional quarter of one percent of the natural gas utility's gross operating revenues from service provided in the state at the time of plan filing for recovery, or (2) \$5 per nonexempt customer based on the proposed annual total incremental costs for each year of the plan divided by the total number of nonexempt utility customers of incremental costs for the purchase of renewable natural gas produced from:

(i) food waste diverted from a landfill;

(ii) community wastewater treatment; or

(iii) an organic mixture including at least 15 percent sustainably harvested native prairie grasses or locally appropriate cover crops selected in consultation with the local Soil and Water Conservation District or the United States Department of Agriculture, Natural Resources Conservation Service, by volume.

(b) Subsequent innovation plans submitted to the commission may not propose and the commission may not approve, recovery of annual total incremental costs exceeding the limits set forth in paragraph (a) unless the commission determines that the utility has successfully achieved the cost-effectiveness objectives established upon approval of a utility innovation plan under paragraph (a), in which case the utility may propose, and the commission may approve, recovery of annual total incremental costs of up to the lesser of (1) two and three quarters percent of the natural gas utility's gross operating revenues from service provided in the state at the time of plan filing, or (2) \$35 per nonexempt customer based on the proposed annual total incremental costs for each year of the plan divided by the total number of nonexempt utility customers. Notwithstanding this limitation, the commission may approve additional annual recovery of up to the lesser of (1) an additional three quarters of one percent of the natural gas utility's gross operating revenues from service provided in the state at the time of plan filing for recovery, or (2) \$10 per nonexempt customer based on the proposed annual total incremental costs for each year of the plan divided by the total number of nonexempt utility customers of incremental costs for the purchase of renewable natural gas produced from:

(i) food waste diverted from a landfill;

(ii) community wastewater treatment; or

(iii) an organic mixture including at least 15 percent sustainably harvested native prairie grasses or locally appropriate cover crops selected in consultation with the local Soil and Water Conservation District or the United States Department of Agriculture, Natural Resources Conservation Service, by volume.

(c) Subsequent innovation plans submitted to the commission may not propose, and the commission may not approve, recovery of total incremental costs exceeding the limits set forth in

paragraph (b) unless the commission determines that the utility has successfully achieved the cost-effectiveness objectives established upon approval of a utility innovation plan under paragraph (b), in which case the utility may propose, and the commission may approve, recovery of annual total incremental costs of up to the lesser of (1) four percent of the natural gas utility's gross operating revenues from service provided in the state at the time of plan filing, or (2) \$50 per nonexempt customer based on the proposed annual total incremental costs for each year of the plan divided by the total number of nonexempt utility customers. Notwithstanding this limitation, the commission may approve additional annual recovery of up to the lesser of (1) an additional one and one-half percent of the natural gas utility's gross operating revenues from service provided in the state at the time of plan filing for recovery, or (2) \$20 per nonexempt customer based on the proposed annual total incremental costs for each year of the plan divided by the total number of nonexempt utility customers of incremental costs for the purchase of renewable natural gas produced from:

(i) food waste diverted from a landfill;

(ii) community wastewater treatment; or

(iii) an organic mixture including at least 15 percent sustainably harvested native prairie grasses or locally appropriate cover crops selected in consultation with the local Soil and Water Conservation District or the United States Department of Agriculture, Natural Resources Conservation Service, by volume.

(d) A large customer facility that has been exempted by the commissioner of commerce from a utility's conservation improvement program under section 216B.241, subdivision 1a, paragraph (b), shall be exempt from the utility's innovation plan offerings and shall not bear any costs incurred to implement an approved innovation plan unless the large customer facility files a request with the commissioner to be included in a utility's innovation plan. The commission may prohibit large customer facilities exempted from innovation plan costs from participating in innovation plan pilots. For purposes of this subdivision, "gross operating revenues" do not include revenues from large customer facilities exempted from innovation plan costs.

(e) A natural gas utility filing an innovation plan may also include spending and investments annually up to ten percent of the proposed total incremental costs related to innovative plan pilots, subject to the limitations in paragraphs (a), (b), and (c).

Subd. 4. **Innovative resources procured outside of an innovation plan.** Without filing an innovation plan, a natural gas utility may propose and the commission may approve cost recovery for:

(1) innovative resources acquired to satisfy a commission-approved green tariff program that allows customers to choose to meet a portion of the customers' energy needs through innovative resources; or

(2) utility expenditures for innovative resources procured at a cost that is within five percent of the average of Ventura and Demarc index prices for conventional natural gas at the time of the transaction per unit of fossil natural gas that the innovative resource will displace.

An approved green-tariff program must include provisions to ensure reasonable systems are used to track and verify the environmental attributes of innovative resources included in the program, taking into account any third-party tracking or verification systems available.

Subd. 5. **Thermal energy leadership challenge.** The first innovation plan filed by a natural gas utility with more than 800,000 customers must include a pilot thermal energy leadership challenge for small- and medium-sized businesses. The pilot program must provide small- and medium-sized businesses with thermal energy audits to identify opportunities to reduce or avoid greenhouse gas emissions from natural gas use, and provide incentives for businesses to follow through with audit recommendations. The utility must develop criteria to identify businesses that take meaningful steps to follow through on audit recommendations and recognize qualifying businesses as thermal energy leaders.

Subd. 6. **Innovative resources for very high-heat industrial processes.** The first innovation plan filed by a natural gas utility with more than 800,000 customers must include a pilot program that will provide innovative resources for hard-to-electrify industrial processes. A large customer facility exempt from innovation plan offerings under subdivision 3, paragraph (e), shall not be eligible to participate in this pilot.

Subd. 7. **Electric cold climate air-source heat pumps.** (a) The first innovation plan filed by a natural gas utility with more than 800,000 customers must include a pilot program that facilitates deep energy retrofits and the installation of cold climate electric air-source heat pumps with natural gas backups in existing residential homes that have natural gas heating systems.

(b) For purposes of this subdivision, "deep energy retrofit" means the installation of any measure or combination of measures, including air sealing and addressing thermal bridges, that under normal weather and operating conditions can reasonably be expected to reduce the building's calculated design load to ten or fewer British Thermal Units per hour per square foot of conditioned floor area. Deep energy retrofit does not include the installation of photovoltaic electric generation equipment, but may include the installation of a qualifying solar thermal project, as defined in section 216B.2411.

EFFECTIVE DATE. This section is effective June 1, 2022.

Sec. 11. **[216B.2428] WOOD PELLET PRODUCTION INCENTIVE.**

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

(b) "Forest residue" means unused portions of harvested trees and materials from diseased, distressed, or burned trees that are processed into chips or sawdust in the field near the forested area from which the tree or tree material is supplied.

(c) "Residual materials" means forest and wood mill residue.

(d) "Wood mill residue" means wood residue generated at a manufacturing plant that processes harvested trees into products, including but not limited to lumber and sheathing, that are suitable for processing into chips or sawdust.

(e) "Wood pellets" means a pellet manufactured from forest and wood mill residuals that is burned to produce heat or electricity.

Subd. 2. **Eligible facility.** (a) To be eligible for payments under this section, a facility must:

(1) be located in Minnesota;

(2) dry and process residual materials from Minnesota forests and sawmills into wood pellets;

(3) begin construction no later than December 31, 2022;

(4) produce at least 50,000 metric tons of wood pellets annually; and

(5) certify that all contractors and subcontractors pay employees constructing the facility no less than the prevailing wage rate, as defined in section 177.42.

(b) An eligible facility is prohibited from transferring eligibility for payments under this section to a facility at a different location.

(c) An eligible facility that ceases production for any reason is prohibited from receiving payments under this section until the eligible facility resumes production.

(d) Payments under this section may be made to no more than two eligible facilities. Payments must be made to eligible facilities on a first-come, first-served basis.

Subd. 3. **Forest residue; requirements.** (a) Forest residue harvested from land parcels larger than 160 acres must be certified by the Forest Stewardship Council, Sustainable Forestry Initiative, or American Tree Farm System as being harvested from sustainably managed forests.

(b) Forest residue not certified under paragraph (a) must be harvested under a forest stewardship plan by a logger certified as a qualified logging professional by the Minnesota logger education program, or an equivalent certification by an independent third-party organization that teaches sustainable harvesting practices to loggers.

Subd. 4. **Payment; process.** (a) The commissioner must make payments under this section to an eligible facility as provided in this subdivision.

(b) By the last day of January, April, July, and October, each eligible facility must file a claim for payment for wood pellets produced by the eligible facility during the preceding three calendar months. The claim must be filed with the commissioner on a form developed by the commissioner.

(c) A claim submitted under this section must include documentation and verification by an independent third party that, with respect to an eligible facility's claim filed under this subdivision:

(1) the conditions of subdivision 3 have been met; and

(2) the amount of wood pellets, expressed in metric tons, that the eligible facility claims to have produced during the quarter is accurate.

(d) No later than February 15, May 15, August 15, and November 15, the commissioner must issue payments under this section for the applicable quarter to an eligible facility that filed a quarterly claim approved by the commissioner.

Subd. 5. **Payment amount; limitation.** (a) The commissioner must pay an eligible facility \$25 per metric ton of wood pellets produced, subject to the limitations provided under this subdivision.

(b) An eligible facility must not be paid more than \$3,750,000 in a calendar year under this section, irrespective of the number of metric tons of wood pellets produced in a calendar year.

(c) An eligible facility may receive payments under this section for no more than ten years.

(d) A payment must not be made under this section after June 30, 2033.

Sec. 12. Minnesota Statutes 2020, section 216B.243, subdivision 3b, is amended to read:

Subd. 3b. ~~Nuclear power plant; new construction prohibited; relicensing~~ **Additional storage of spent nuclear fuel.** (a) ~~The commission may not issue a certificate of need for the construction of a new nuclear-powered electric generating plant.~~

(b) Any certificate of need for additional storage of spent nuclear fuel for a facility seeking a license extension shall address the impacts of continued operations over the period for which approval is sought.

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

Sec. 13. **[216C.375] SOLAR FOR SCHOOLS PROGRAM.**

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

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

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

(d) "School" means a school that operates as part of an independent or special school district.

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

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

Subd. 2. **Establishment; purpose.** A solar for schools program is established in the Department of Commerce. The purpose of the program is to provide grants to stimulate the installation of solar energy systems on or adjacent to school buildings by reducing the cost, and to enable schools to use the solar energy system as a teaching tool that can be integrated into the school's curriculum.

Subd. 3. **Establishment of account.** (a) A solar for schools program account is established in the special revenue fund. Money received from the general fund must be transferred to the

commissioner of commerce and credited to the account. Money deposited in the account remains in the account until expended and does not cancel to the general fund.

(b) When a grant is awarded under this section, the commissioner must reserve the grant amount in the account.

Subd. 4. **Expenditures.** (a) Money in the account may be used only:

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

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

(b) Grant awards made with funds in the account must be used only for grants for solar energy systems installed on or adjacent to school buildings receiving retail electric service from a utility that is not subject to section 116C.779, subdivision 1.

Subd. 5. **Eligible system.** (a) A grant may be awarded to a school under this section only if the solar energy system that is the subject of the grant:

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

(2) has a capacity that does not exceed the lesser of 40 kilowatts or 120 percent of the estimated annual electricity consumption of the school building at which the solar energy system is installed.

(b) A school district that receives a rebate or other financial incentive under section 216B.241 for a solar energy system and that demonstrates considerable need for financial assistance, as determined by the commissioner, is eligible for a grant under this section for the same solar energy system.

Subd. 6. **Application process.** (a) The commissioner must issue a request for proposals to utilities, schools, and developers who may wish to apply for a grant under this section on behalf of a school.

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

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

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

(3) a description of any solar thermal devices proposed as part of the solar energy system;

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

(5) a copy of the proposed contract agreement between the school and the public utility or developer that includes provisions addressing responsibility for maintenance of the solar energy system;

(6) the school's plan to make the solar energy system serve as a visible learning tool for students, teachers, and visitors to the school, including how the solar energy system may be integrated into the school's curriculum and provisions for real-time monitoring of the solar energy system performance for display in a prominent location within the school or on-demand in the classroom;

(7) information that demonstrates the school district's level of need for financial assistance available under this section;

(8) information that demonstrates the school's readiness to implement the project, including but not limited to the availability of the site on which the solar energy system is to be installed and the level of the school's engagement with the utility providing electric service to the school building on which the solar energy system is to be installed on issues relevant to the implementation of the project, including metering and other issues;

(9) with respect to the installation and operation of the solar energy system, the willingness and ability of the developer or the public utility to:

(i) pay employees and contractors a prevailing wage rate, as defined in section 177.42, subdivision 6; and

(ii) adhere to the provisions of section 177.43;

(10) how the developer or public utility plans to reduce the school's initial capital expense to purchase and install the solar energy system, and to provide financial benefits to the school from the utilization of federal and state tax credits, utility incentives, and other financial incentives; and

(11) any other information deemed relevant by the commissioner.

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

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

Subd. 7. **Energy conservation review.** At the commissioner's request, a school awarded a grant under this section shall provide the commissioner information regarding energy conservation measures implemented at the school building at which the solar energy system is installed. The commissioner may make recommendations to the school regarding cost-effective conservation measures it can implement and may provide technical assistance and direct the school to available financial assistance programs.

Subd. 8. **Technical assistance.** The commissioner must provide technical assistance to schools to develop and execute projects under this section.

Subd. 9. **Grant payments.** The commissioner must award a grant from the account established under subdivision 3 to a school for the necessary costs associated with the purchase and installation

of a solar energy system. The amount of the grant must be based on the commissioner's assessment of the school's need for financial assistance.

Subd. 10. **Application deadline.** No application may be submitted under this section after December 31, 2025.

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

Sec. 14. **[216C.376] SOLAR FOR SCHOOLS PROGRAM FOR CERTAIN UTILITY SERVICE TERRITORY.**

Subdivision 1. **Establishment; purpose.** The utility subject to section 116C.779 must operate a program to develop, and to supplement with additional funding, financial arrangements that allow schools to benefit from state and federal tax and other financial incentives that schools are ineligible to receive directly in order to enable schools to install and operate solar energy systems that can be used as teaching tools and integrated into the school curriculum.

Subd. 2. **Required plan.** (a) By October 1, 2021, the public utility must file a plan for the solar for schools program with the commissioner. The plan must contain but is not limited to the following elements:

(1) a description of how the public utility uses incentive funds appropriated to the program from the renewable development account to provide additional financial assistance to schools at which a solar energy system is installed;

(2) an estimate of the amount of financial assistance that the public utility provides to a school under clause (1), and the length of time financial assistance is provided;

(3) administrative procedures governing the application and financial benefit award process, and the costs the public utility is projected to incur to administer the program;

(4) the public utility's proposed process for periodic reevaluation and modification of the program; and

(5) any additional information required by the commissioner.

(b) The public utility may not implement the program until the commissioner approves the public utility's plan submitted under this subdivision. The commissioner must approve a plan under this subdivision that the commissioner determines to be in the public interest no later than December 31, 2021. Any proposed modifications to the plan approved under this subdivision must be approved by the commissioner.

Subd. 3. **System eligibility.** A solar energy system is eligible to receive financial benefits under this section if it meets all of the following conditions:

(1) the solar energy system must be located on or adjacent to a school building receiving retail electric service from the public utility and completely located within the public utility's electric service territory, provided that any land situated between the school building and the site where the solar energy system is installed is owned by the school district in which the school building operates; and

(2) the total aggregate nameplate capacity of all distributed generation serving the school building, including any subscriptions to a community solar garden under section 216B.1641, may not exceed the lesser of one megawatt alternating current or 120 percent of the average annual electric energy consumption of the school building.

Subd. 4. **Application process.** (a) A school seeking financial assistance under this section must submit an application to the public utility, including a plan for how the school uses the solar energy system as a visible learning tool for students, teachers, and visitors to the school, and how the solar energy system may be integrated into the school's curriculum.

(b) The public utility must award financial assistance under this section on a first-come, first-served basis.

(c) The public utility must discontinue accepting applications under this section after all funds appropriated under subdivision 5 are allocated to program participants, including funds from canceled projects.

Subd. 5. **Cost recovery; renewable energy credits.** (a) Payments by the public utility to a school receiving financial assistance under this section are fully recoverable by the public utility.

(b) The renewable energy credits associated with the electricity generated by a solar energy system installed under this section are the property of the public utility that is subject to this section for the life of the system, regardless of the solar on school incentive's duration.

Subd. 6. **Limitation.** (a) No more than 75 percent of the financial assistance provided by the public utility to schools under this section may be provided to schools where the proportion of students eligible for free and reduced-price lunch under the National School Lunch Program is less than 50 percent.

(b) No more than ten percent of the total amount of financial assistance provided by the public utility to schools under this section may be provided to schools that are part of the same school district.

Subd. 7. **Technical assistance.** The commissioner may provide technical assistance to schools to develop and execute projects under this section.

Subd. 8. **Application deadline.** No application may be submitted under this section after December 31, 2025.

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

Sec. 15. **PUBLIC UTILITIES COMMISSION LIFECYCLE CARBON ACCOUNTING FRAMEWORK AND COST-BENEFIT TEST FOR INNOVATIVE RESOURCES.**

By June 1, 2022, the Public Utilities Commission shall issue by order frameworks for the calculation of lifecycle carbon intensities of each innovative resource for natural gas utilities as follows:

(1) a general framework for the comparison of power-to-hydrogen, strategic electrification, renewable natural gas, district energy, energy efficiency, biogas, carbon capture, and power-ammonia according to their lifecycle greenhouse gas intensities; and

(2) a cost-benefit analytic framework to be applied to innovative resources and innovation plans filed pursuant to section 216B.2427, that the commission will use to compare the cost-effectiveness of those resources and plans. This analytic framework shall take into account:

(i) the total incremental cost of the plan or resource that would be evaluated under the framework and the lifecycle greenhouse gas emissions avoided or reduced by the innovative resource or plan, using the framework developed under clause (1);

(ii) any important additional economic costs and benefits, programmatic costs and benefits, additional environmental costs and benefits, and other costs or benefits that may be expected under a plan; and

(iii) baseline cost-effectiveness criteria against which an innovation plan should be compared. In establishing the baseline criteria, the commission shall take into account the options available for reducing lifecycle greenhouse gas emissions from natural gas end uses and the goals in section 216C.05, subdivision 2, clause (3), and section 216H.02, subdivision 1. To the maximum reasonable extent, the cost-benefit framework shall be consistent with environmental cost values established pursuant to section 216B.2422, subdivision 3, and other calculation of the social value of greenhouse gas emissions reduction.

The commission may update frameworks established under this section as necessary.

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

Sec. 16. **BIOMASS BUSINESS COMPENSATION.**

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

(b) "Biomass plant" means the biomass plant identified under Minnesota Statutes, section 116C.779, subdivision 1, paragraph (f).

(c) "Early termination" means the early termination of the power purchase agreement authorized under Minnesota Statutes, section 216B.2424, subdivision 9, with the biomass plant.

(d) "Operating income" means a business's revenue minus its operating expenses.

Subd. 2. **Office of Administrative Hearings; claims process.** (a) The chief administrative law judge of the Office of Administrative Hearings must assign an administrative law judge to administer a claims award process to compensate businesses negatively affected by the early termination. The chief administrative law judge may develop a process, prescribe forms, identify documentation affected businesses must submit with claims, and issue awards to eligible businesses consistent with this section. The process must allow, but not require, an authorized representative from each business that applies for compensation to appear in person before the assigned administrative law judge to provide evidence in support of the business's claim.

(b) The chief administrative law judge may contract with and use the services of financial or other consultants to examine financial documentation presented by claimants or otherwise assist in the evaluation and award of claims.

(c) Records submitted to the Office of Administrative Hearings as part of the claims process constitute business data under Minnesota Statutes, section 13.591.

(d) An award made under this section is final and is not subject to judicial review.

(e) An award made under this section does not constitute an admission of liability by the state for any damages or other losses suffered by a business affected by the early termination.

Subd. 3. **Eligibility.** To be eligible for an award of compensation, an affected business must meet the following criteria:

(1) as of May 1, 2017, the affected business was operating under the terms of a valid written contract, or an oral contract that is sufficiently supported by business records, with the company operating the biomass plant or the fertilizer plant integrated with the biomass plant to supply or manage material for, or receive material from, the biomass plant or the fertilizer plant integrated with the biomass plant;

(2) the affected business is located in the state; and

(3) as the result of the early termination, the affected business suffered:

(i) decreased operating income; or

(ii) the loss of value of investments in real or personal property essential to its business operations with the biomass plant.

Subd. 4. **Types of claims.** (a) An eligible business may make claims for a compensation award based on either or both:

(1) decreased operating income; or

(2) the loss of value of investments in real or personal property essential to its business operations with the biomass plant.

(b) To establish and quantify a claim for decreased operating income, an eligible business must:

(1) demonstrate its operating income over the past five years derived from supplying or managing material for, or receiving material from, the biomass plant;

(2) present evidence of any alternative business opportunities it has pursued or could pursue to mitigate the loss of revenue from the termination of its contract with the biomass plant; and

(3) demonstrate the amount that the business's annual operating income, including operating income from any alternative business opportunities, after the termination of the business's contract with the biomass plant is less than the five-year average of the business's annual operating income before the early termination.

(c) To establish and quantify a loss of value of investments in real or personal property claim, an eligible business must provide sufficient evidence of:

(1) the essential nature of the investment made in the property to fulfill the contract with the biomass plant;

(2) the extent to which the eligible business is able to repurpose the property for another productive use after the early termination, including but not limited to the use, sales, salvage, or scrap value of the property for which the loss is claimed; and

(3) the value of the eligible business's nondepreciated investment in the property.

Subd. 5. **Limitations on awards.** (a) A compensation award for a decreased operating income claim must not exceed the amount calculated under subdivision 4, paragraph (b), clause (3), multiplied by two.

(b) The use, sales, salvage, or scrap value of the property for which a loss is claimed must be deducted from a compensation award for a loss of value of investments in real or personal property claim.

(c) A payment received from business interruption insurance policies, settlements, or other forms of compensation related to the termination of the business's contract with the biomass plant must be deducted from any compensation award provided under this section.

Subd. 6. **Priority.** The chief administrative law judge may give priority to claims by eligible businesses that demonstrate a significant effort to pursue alternative business opportunities or to conduct other loss mitigation efforts to reduce its claimed losses related to the termination of its contract with the company operating the biomass plant.

Subd. 7. **Awarding claims.** If the amount provided for compensation in the biomass business compensation account established under section 17 is insufficient to fully award all claims eligible for an award, all awards must be adjusted proportionally based on the value of the claim.

Subd. 8. **Deadlines.** The chief administrative law judge must make the application process for eligible claims available by August 1, 2021. A business seeking an award under this section must file all claims with the chief administrative law judge within 60 days of the date the chief administrative law judge makes the application process for eligible claims available. All preliminary awards on eligible claims must be made within 120 days of the deadline date to file claims. Any requests to reconsider an award denial must be filed with the chief administrative law judge within 60 days of the notice date for preliminary awards. All final awards for eligible claims must be made within 60 days of the deadline date to file reconsideration requests. The commissioner of management and budget must pay all awarded claims within 45 days of the date the commissioner of management and budget receives notice of the final awards from the chief administrative law judge.

Subd. 9. **Expiration.** This section expires June 30, 2023.

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

Sec. 17. **BIOMASS BUSINESS COMPENSATION ACCOUNT.**

Subdivision 1. **Account established.** A biomass business compensation account is established as a separate account in the special revenue fund in the state treasury. Appropriations and transfers to the account must be credited to the account. Earnings, such as interest, and any other earnings arising from the assets of the account are credited to the account. Funds remaining in the account as of December 31, 2023, must be transferred to the renewable development account established under Minnesota Statutes, section 116C.779.

Subd. 2. **Funding for the special account.** Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), on July 1, 2021, \$18,000,000, and on July 1, 2022, \$18,000,000 must be transferred from the renewable development account under Minnesota Statutes, section 116C.779, to the biomass business compensation account established under subdivision 1. These are onetime transfers. The transferred funds are appropriated to pay eligible obligations under the biomass business compensation program established under section 16.

Subd. 3. **Payment of expenses.** The chief administrative law judge must certify to the commissioner of management and budget the total costs incurred to administer the biomass business compensation claims process. The commissioner of management and budget must transfer an amount equal to the certified costs incurred for biomass business compensation claim activities from the renewable development account under Minnesota Statutes, section 116C.779, and deposit it in the administrative hearings account under Minnesota Statutes, section 14.54. Transfers may occur quarterly throughout the fiscal year and must be based on quarterly cost and revenue reports, with final certification and reconciliation after each fiscal year. The total amount transferred under this subdivision must not exceed \$200,000.

Subd. 4. **Expiration.** This section expires June 30, 2023.

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

Sec. 18. **REMAINING "MADE IN MINNESOTA" SOLAR ENERGY PRODUCTION PROGRAM INCENTIVE OBLIGATION.**

(a) On or before June 30, 2021, the commissioner of commerce must (1) determine the total remaining obligation for the "Made in Minnesota" solar energy production incentive program under Minnesota Statutes, section 216C.417, and (2) report the amount determined under clause (1) to the commissioner of management and budget and the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over energy policy.

(b) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), the amount determined by the commissioner of commerce under paragraph (a) is appropriated in equal amounts over four consecutive years beginning in fiscal year 2022 from the renewable development account under Minnesota Statutes, section 116C.779, subdivision 1, paragraph (a), to the commissioner of commerce to make final payments for "Made in Minnesota" obligations.

(c) By October 15, 2021, the commissioner of commerce must pay the total remaining obligation for a "Made in Minnesota" solar energy production incentive approved by the commissioner under Minnesota Statutes 2016, section 216C.415, to an owner whose application was approved by the commissioner.

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

Sec. 19. **REPEALER.**

(a) Laws 2005, chapter 97, article 10, section 3, as amended by Laws 2013, chapter 85, article 7, section 9, is repealed.

(b) Minnesota Statutes 2020, section 216C.417, is repealed.

(c) Minnesota Statutes 2020, section 115C.13, is repealed.

EFFECTIVE DATE. Paragraphs (a) and (c) are effective the day following final enactment. Paragraph (b) is effective October 16, 2021.

ARTICLE 6**TELECOMMUNICATIONS**

Section 1. Minnesota Statutes 2020, section 237.025, subdivision 6, is amended to read:

Subd. 6. **Market regulation and consumer protection.** (a) A local exchange carrier that has received approval from the commission to be regulated under this section in one or more of its exchange service areas shall be subject to regulation in those approved exchange service areas as a telecommunications carrier under section 237.035, and as a competitive local exchange carrier under Minnesota Rules, parts 7811.2210 and 7812.2210, as applicable. A local exchange carrier that has obtained approval for at least 90 percent of the local exchange carrier's access lines may elect to have all of the local exchange carrier's lines regulated under this section. Nothing in this section shall be construed to provide or imply that a local exchange carrier regulated under this section is exempted from Minnesota Statutes and Minnesota Rules applying to competitive local exchange carriers, including, but not limited to:

- (1) sections 237.50 to 237.56;
- (2) sections 237.66, 237.661, 237.663, and 237.665;
- (3) sections 237.69 to 237.71; and
- (4) Minnesota Rules, chapter 7810.

(b) Regulation under this section is effective 30 days after a petition is deemed approved under subdivision 3 or approved by the commission under subdivision 4.

Sec. 2. Minnesota Statutes 2020, section 237.025, subdivision 9, is amended to read:

Subd. 9. **Obligation to serve.** ~~Nothing in this section affects the obligation of a local exchange carrier that petitions the commission to be regulated under this section to provide service to customers, when requested, in accordance with this chapter, commission rules, and its duly authorized tariffs.~~ A local exchange carrier that elects to be regulated under this section is required to offer service throughout the local exchange carrier's service territory to the extent required by federal law."

Delete the title and insert:

"A bill for an act relating to commerce and energy; appropriating money for the Department of Commerce; modifying the evaluation process for mandated health benefit proposals; requiring the commissioner of commerce to apply for continuation of the state innovation waiver; establishing a revolving loan fund for energy conservation improvements in state buildings; establishing the Minnesota efficient technology accelerator; authorizing a power purchase agreement for certain electric cogeneration activities; encouraging natural gas utilities to develop innovative resources; establishing a program to provide financial incentives for the production of wood pellets; abolishing prohibition on issuing certificate of need for new nuclear power plant; establishing a program to promote the use of solar energy on school buildings; establishing a process to compensate businesses for loss of business opportunity resulting from sale and closure of a biomass energy plant; authorizing a local exchange carrier to elect competitive market regulation under certain conditions; appropriating money; requiring reports; amending Minnesota Statutes 2020, sections 16B.86; 16B.87; 62J.03, subdivision 4; 62J.26, subdivisions 1, 2, 3, 4, 5; 116C.779, subdivision 1; 116C.7792; 216B.1691, subdivision 2f; 216B.241, by adding a subdivision; 216B.2422, by adding a subdivision; 216B.2424, by adding subdivisions; 216B.243, subdivision 3b; 237.025, subdivisions 6, 9; Laws 2017, chapter 13, article 1, section 15, as amended; proposing coding for new law in Minnesota Statutes, chapters 216B; 216C; repealing Minnesota Statutes 2020, sections 115C.13; 216C.417; Laws 2005, chapter 97, article 10, section 3, as amended."

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

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

S.F. No. 975: A bill for an act relating to higher education; providing funding and related policy changes for the Office of Higher Education, Minnesota State Colleges and Universities, the University of Minnesota, and the Mayo Clinic; creating and modifying certain student aid programs; creating a direct admissions pilot program; requiring reports; appropriating money; amending Minnesota Statutes 2020, sections 136A.101, subdivision 5a; 136A.121, subdivisions 2, 9; 136A.125, subdivisions 2, 4; 136A.126, subdivisions 1, 4; 136A.1275; 136A.1791; 136A.246, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, by adding a subdivision; 136A.63, subdivision 2; 136A.645; 136A.653, subdivision 5; 136A.68; 136A.822, subdivision 12; 136A.8225; 136A.823, by adding a subdivision; 136A.827, subdivisions 4, 8; 136F.20, by adding a subdivision; 136F.245, subdivisions 1, 2, by adding a subdivision; 136F.305, subdivisions 2, 3, 4; 136F.38, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; 136F; 137; repealing Minnesota Statutes 2020, sections 136A.1703; 136A.823, subdivision 2; 136F.245, subdivision 3; Minnesota Rules, parts 4830.9050; 4830.9060; 4830.9070; 4830.9080; 4830.9090.

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

Page 2, line 7, delete "275,075,000" and insert "273,775,000" and delete "277,455,000" and insert "273,755,000"

Page 2, line 11, delete "211,701,000" and insert "208,401,000" and delete "212,101,000" and insert "208,401,000"

Page 2, line 16, delete "\$211,957,000" and insert "\$208,401,000"

Page 5, line 33, delete "three" and insert "\$150,000 in fiscal year 2022 and \$90,000 in fiscal year 2023"

Page 5, line 34, delete "percent"

Page 6, line 7, delete "The" and insert "Each year, the" and delete "three" and insert "\$7,500"

Page 6, line 8, delete "percent"

Page 9, line 11, delete "The" and insert "Each year, the" and delete "three" and insert "\$6,000"

Page 9, line 12, delete "percent"

Page 10, delete lines 32 and 33

Page 11, line 1, before "to" insert "Each year, the commissioner may use no more than \$6,000 of the appropriation"

Page 11, line 27, delete "42" and insert "43"

Page 16, line 18, delete "A"

Page 16, delete lines 19 and 20

Page 16, line 21, delete "year."

Page 16, line 35, delete "A balance in the first year for"

Page 17, delete line 1

Page 17, line 2, delete "available in the second year."

Page 17, line 25, delete "678,213,000" and insert "681,713,000" and delete "675,213,000" and insert "678,713,000"

Page 17, line 28, delete "676,056,000" and insert "679,556,000" and delete "673,056,000" and insert "676,556,000"

Page 24, after line 12, insert:

"Subd. 6. Health Sciences Special	<u>3,500,000</u>	<u>3,500,000</u>
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(a) This appropriation is from the general fund for the direct and indirect expenses of the collaborative partnership between the University of Minnesota and the Mayo Clinic for regenerative medicine research, clinical translation, and commercialization. In addition to representatives from the University of Minnesota and the Mayo Clinic, the collaborative partnership must

include representatives of private industry and others with expertise in regenerative medicine research, clinical translation, commercialization, and medical venture financing who are not affiliated with either the University of Minnesota or the Mayo Clinic.

(b) By January 15 of each odd-numbered year, the partnership must submit an independent financial audit to the chairs and ranking minority members of the committees of the house of representatives and senate having jurisdiction over higher education and economic development. The audit must include the names of all recipients of grants awarded by the partnership and their affiliation, if any, with the University of Minnesota or the Mayo Clinic.

(c) The full amount of this appropriation is for the partnership and may not be used by the University of Minnesota for administrative or monitoring expenses.

(d) For fiscal year 2024 and thereafter, the base for this program is \$3,500,000.

(e) All grants awarded with funding provided by an appropriation to this program must be for a regenerative medicine development project, defined as any research, product development, or commercial venture relating to basic, preclinical, or clinical work to produce a drug, biological, or chemical material, compound, or medical device designed to augment, repair, replace, or regenerate organs and tissue that have been damaged by disease, injury, aging, or other biological processes."

Page 25, after line 8, insert:

"Sec. 7. **REPEALER.**

Laws 2014, chapter 312, article 1, section 4, subdivision 2, is repealed."

Page 26, line 6, delete "72" and insert "64"

Page 26, line 8, strike "38" and insert "31"

Page 27, after line 2, insert:

"Sec. 4. Minnesota Statutes 2020, section 136A.121, subdivision 6, is amended to read:

Subd. 6. **Cost of attendance.** (a) The recognized cost of attendance consists of: (1) an allowance specified in law for living and miscellaneous expenses, and (2) an allowance for tuition and fees equal to the lesser of the average tuition and fees charged by the institution, or a tuition and fee maximum if one is established in law. If no living and miscellaneous expense allowance is established in law, the allowance is equal to ~~406~~ 107 percent of the federal poverty guidelines for a one person household in Minnesota for nine months. If no tuition and fee maximum is established in law, the allowance for tuition and fees is equal to the lesser of: (1) the average tuition and fees charged by the institution, and (2) for two-year programs, an amount equal to the highest tuition and fees charged at a public two-year institution, or for four-year programs, an amount equal to the highest tuition and fees charged at a public university.

(b) For a student registering for less than full time, the office shall prorate the cost of attendance to the actual number of credits for which the student is enrolled.

(c) The recognized cost of attendance for a student who is confined to a Minnesota correctional institution shall consist of the tuition and fee component in paragraph (a), with no allowance for living and miscellaneous expenses.

(d) For the purpose of this subdivision, "fees" include only those fees that are mandatory and charged to full-time resident students attending the institution. Fees do not include charges for tools, equipment, computers, or other similar materials where the student retains ownership. Fees include charges for these materials if the institution retains ownership. Fees do not include optional or punitive fees."

Page 58, after line 25, insert:

Sec. 43. REPORT ON THE EXPENSE PATTERNS OF PUBLIC HIGHER EDUCATION INSTITUTIONS.

(a) The Board of Trustees of the Minnesota State Colleges and Universities shall perform an internal audit of expenditures to determine the extent to which administrative costs have increased based on uniform, historical data, and provide a report to the chairs and ranking minority members of the house of representatives and senate higher education committees, and the chairs and ranking minority members of the senate Finance Committee, and the house of representatives Ways and Means Committee by January 1, 2022.

(b) The Board of Trustees shall provide the following information for each institution under its jurisdiction. The Board of Trustees shall use the Integrated Postsecondary Education Data System (IPEDS) data submitted to the National Center for Education Statistics (NCES) to ensure uniformity, as institutions that receive federal financial aid funding report their financial data annually to NCES, and expense classifications are generally consistent year-to-year and apply to institutions uniformly. The report shall include for each Minnesota State College and University the following information:

(1) the amount and description of expenses included in the following terms as reported in the integrated postsecondary education data system:

(i) instruction;

(ii) research;

(iii) public service;

(iv) academic support;

(v) student services;

(vi) institutional support; and

(vii) other core expenses;

(2) historical data on the amount of expenses listed in clause (1) over the previous ten years, accompanied by a graph reflecting the figures;

(3) the current ratio of the institution's spending on institutional support versus instruction, and the ratio over the previous ten fiscal years, accompanied by a graph reflecting the figures; and

(4) an analysis as to whether the institution's administrative operations are growing disproportionately in relation to its core academic functions, which may place upward pressure on the cost of tuition and required fees, if such institution has any ratio under clause (3) that is greater than the respective median ratio for institutions of its Carnegie classification and of similar undergraduate enrollments. The variables in clause (3) must be used when comparing and calculating ratios for institutions of the same Carnegie classification and similar undergraduate enrollments.

(c) The Board of Trustees shall also provide in the report an analysis of administrative costs at the central office and the increase in staffing over the previous ten years.

(d) The Board of Regents of the University of Minnesota is requested to perform an audit and provide the reports as specified under this section."

Renumber the sections in sequence

Amend the title accordingly

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

Senator Newman from the Committee on Transportation Finance and Policy, to which was referred

S.F. No. 1159: A bill for an act relating to transportation; making technical changes to remove certain obsolete dates; amending Minnesota Statutes 2020, sections 174.185, subdivision 3; 174.24, subdivision 7; 174.285, subdivision 5; 174.40, subdivision 5; 174.56, subdivision 1.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

TRANSPORTATION FINANCE

Section 1. **TRANSPORTATION APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the trunk highway fund, or another named fund, and are available for the fiscal years indicated for each purpose. Amounts for "Total Appropriation" and sums shown in the corresponding columns marked "Appropriations by Fund" are summary only and do not have legal effect. Unless specified otherwise, the amounts in the second year under "Appropriations by Fund" show the base within the meaning of Minnesota Statutes, section 16A.11, subdivision 3, by fund. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023. "C.S.A.H." is the county state-aid highway fund. "M.S.A.S." is the municipal state-aid street fund. "H.U.T.D." is the highway user tax distribution fund.

APPROPRIATIONS
Available for the Year
Ending June 30
2022 2023

Sec. 2. **DEPARTMENT OF TRANSPORTATION**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>3,216,091,000</u>	<u>\$</u>	<u>3,314,557,000</u>
<u>Appropriations by Fund</u>				
		<u>2022</u>		<u>2023</u>
<u>General</u>		<u>77,009,000</u>		<u>76,009,000</u>
<u>Airports</u>		<u>25,360,000</u>		<u>25,368,000</u>
<u>C.S.A.H.</u>		<u>888,830,000</u>		<u>913,246,000</u>
<u>M.S.A.S.</u>		<u>219,613,000</u>		<u>225,984,000</u>
<u>Trunk Highway</u>		<u>2,005,279,000</u>		<u>2,073,950,000</u>

The appropriations in this section are to the commissioner of transportation. The amounts that may be spent for each purpose are specified in the following subdivisions.

The commissioner must not spend appropriations from the trunk highway fund in this section for transit and active transportation; aeronautics; passenger rail;

statewide radio communication; government affairs; tourist centers; parades, events, or sponsorship of events; public electric vehicle infrastructure; the labor compliance unit; the Office of Communication and Public Engagement; the Office of Environmental Stewardship; the Office of Civil Rights; or the Office of Equity and Diversity. Appropriations from the trunk highway fund for all other purposes in this section are made notwithstanding Minnesota Statutes, section 161.20.

Subd. 2. Multimodal Systems

(a) Aeronautics

(1) Airport Development and Assistance

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.

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 and Services 8,332,000 8,340,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>Airports</u>	<u>6,682,000</u>	<u>6,690,000</u>
<u>General</u>	<u>1,650,000</u>	<u>1,650,000</u>

\$28,000 in the first year and \$36,000 in the second year is 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 18,181,000 18,181,000

This appropriation is from the general fund.

(c) Safe Routes to School 500,000 500,000

This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40.

(d) Freight 7,857,000 6,857,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>2,069,000</u>	<u>1,069,000</u>
<u>Trunk Highway</u>	<u>5,788,000</u>	<u>5,788,000</u>

The commissioner must not spend this appropriation for passenger rail system planning, alternatives analysis, environmental analysis, design, or preliminary engineering under Minnesota Statutes, sections 174.632 to 174.636.

\$1,000,000 in the first year is from the general fund for procurement costs of a statewide freight network optimization tool. This is a onetime appropriation and is available in the second year.

Subd. 3. State Roads

(a) Operations and Maintenance 364,300,000 362,806,000

(b) Program Planning and Delivery

(1) Planning and Research 30,950,000 30,950,000

The commissioner may use any balance remaining in this appropriation for program delivery under clause (2).

(2) Program Delivery 219,938,000 219,938,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>Trunk Highway</u>	<u>219,485,000</u>	<u>219,485,000</u>
<u>General</u>	<u>453,000</u>	<u>453,000</u>

This appropriation includes use of consultants to support development and management of projects.

\$1,000,000 in each year is available for management of contaminated and regulated material on property owned by the Department of Transportation, including mitigation of property conveyances, facility acquisition or expansion, chemical release at maintenance facilities, and spills on the trunk highway system where there is no known responsible party. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(c) State Road Construction 924,282,000 939,282,000

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts, internal department costs associated with delivering the construction program, consultant usage to support these activities, and the cost of actual payments to landowners for lands acquired for highway rights-of-way, payment to lessees, interest subsidies, and relocation expenses.

The commissioner of transportation must notify the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance of any significant events that cause the estimates of federal aid to change.

This appropriation includes federal highway aid.

The commissioner may expend up to one-half of one percent of the federal appropriations under this paragraph as grants to opportunity industrialization centers and other nonprofit job training centers for job training programs related to highway construction.

The commissioner may transfer up to \$15,000,000 each year to the transportation revolving loan fund.

The commissioner may receive money covering other shares of the cost of partnership projects. These receipts are appropriated to the commissioner for these projects.

The base is \$954,282,000 in fiscal year 2024, \$1,004,282,000 in fiscal year 2025, and \$924,282,000 in each fiscal year thereafter.

(d) Corridors of Commerce

156,550,000

177,500,000

This appropriation is for the corridors of commerce program under Minnesota Statutes, section 161.088. The commissioner may use up to 17 percent of the amount each year for program delivery.

The base is \$127,500,000 in each of fiscal years 2024 and 2025 and \$25,000,000 in each fiscal year thereafter.

(e) Highway Debt Service

229,449,000

264,164,000

\$219,949,000 in fiscal year 2022 and \$254,664,000 in fiscal year 2023 are for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is

made, the commissioner of management and budget must transfer the deficiency amount under the statutory open appropriation and notify the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance and the chairs of the senate Finance Committee and the house of representatives Ways and Means Committee of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.

(f) Statewide Radio Communications

6,159,000

6,159,000

This appropriation is from the general fund.

\$3,000 in each year is to equip and operate the Roosevelt signal tower for Lake of the Woods weather broadcasting.

Subd. 4. Local Roads

(a) County State-Aid Roads

888,830,000

913,246,000

This appropriation is from the county state-aid highway fund under Minnesota Statutes, sections 161.081, 297A.815, subdivision 3, and 297A.94, paragraph (g), and chapter 162, and is available until June 30, 2031.

If the commissioner of transportation determines that a balance remains in the county state-aid highway fund following the appropriations and transfers made in this paragraph and that the appropriations made are insufficient for advancing county state-aid highway projects, an amount necessary to advance the projects, not to exceed the balance in the county state-aid highway fund, is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning funds

appropriated. The commissioner must identify in the next budget submission to the legislature under Minnesota Statutes, section 16A.11, any amount that is appropriated under this paragraph.

(b) Municipal State-Aid Roads

219,613,000

225,984,000

This appropriation is from the municipal state-aid street fund under Minnesota Statutes, chapter 162, and is available until June 30, 2031.

If the commissioner of transportation determines that a balance remains in the municipal state-aid street fund following the appropriations and transfers made in this paragraph and that the appropriations made are insufficient for advancing municipal state-aid street projects, an amount necessary to advance the projects, not to exceed the balance in the municipal state-aid street fund, is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. The commissioner must identify in the next budget submission to the legislature under Minnesota Statutes, section 16A.11, any amount that is appropriated under this paragraph.

(c) Other Local Roads

(1) Local Bridges

30,000,000

30,000,000

This appropriation is from the general fund to replace or rehabilitate local deficient bridges as provided in Minnesota Statutes, section 174.50. These are onetime appropriations and are available until June 30, 2025.

(2) Local Roads

9,242,000

9,242,000

This appropriation is from the general fund for construction and reconstruction of local roads under Minnesota Statutes, section 174.52. These are onetime appropriations and are available until June 30, 2025.

Subd. 5. Agency Management

(a) Agency Services 50,008,000 50,008,000

	<u>Appropriations by Fund</u>	
	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>8,706,000</u>	<u>8,706,000</u>
<u>Trunk Highway</u>	<u>41,302,000</u>	<u>41,302,000</u>

\$1,320,000 in each year is from the general fund for the Office of Human Resources. This appropriation is intended as replacement of an equal amount from the trunk highway fund for this purpose.

(b) Buildings 32,622,000 32,122,000

	<u>Appropriations by Fund</u>	
	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>49,000</u>	<u>49,000</u>
<u>Trunk Highway</u>	<u>32,573,000</u>	<u>32,073,000</u>

Any money appropriated to the commissioner of transportation for building construction for any fiscal year before the first year is available to the commissioner during the biennium to the extent that the commissioner spends the money on the building construction projects for which the money was originally encumbered during the fiscal year for which it was appropriated. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(c) Tort Claims 600,000 600,000

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 6. Transfers

(a) With the approval of the commissioner of management and budget, the commissioner of transportation may transfer unencumbered balances among the appropriations from the trunk highway fund and the state airports fund made in this section. Transfers under this paragraph must not be made: (1) between funds; (2) from the appropriations for state road construction or debt service; or (3) from the appropriations for operations and maintenance or program delivery, except for a transfer to state road construction or debt service.

(b) The commissioner of transportation must immediately report transfers under paragraph (a) to the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance. The authority for the commissioner of transportation to make transfers under Minnesota Statutes, section 16A.285, is superseded by the authority and requirements under this subdivision.

(c) The commissioner of transportation must transfer from the flexible highway account in the county state-aid highway fund:

(1) \$10,000,000 in the first year to the trunk highway fund;

(2) \$5,000,000 in the first year to the municipal turnback account in the municipal state-aid street fund; and

(3) the remainder in each year to the county turnback account in the county state-aid highway fund.

The funds transferred are for highway turnback purposes as provided under Minnesota Statutes, section 161.081, subdivision 3.

The appropriations in this section are from the general fund to the Metropolitan Council. The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Transit System Operations 5,000 5,000

This appropriation is for transit system operations under Minnesota Statutes, sections 473.371 to 473.449.

The base is \$5,000 in fiscal year 2024 and \$32,654,000 in fiscal year 2025.

Subd. 3. Metro Mobility 5,000 5,000

This appropriation is for Metro Mobility under Minnesota Statutes, section 473.386.

The base is \$5,000 in fiscal year 2024 and \$55,976,000 in fiscal year 2025.

Sec. 4. DEPARTMENT OF PUBLIC SAFETY

Subdivision 1. Total Appropriation **\$ 248,757,000 \$ 237,585,000**

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>44,382,000</u>	<u>44,238,000</u>
<u>H.U.T.D.</u>	<u>980,000</u>	<u>976,000</u>
<u>Special Revenue</u>	<u>79,262,000</u>	<u>72,415,000</u>
<u>Trunk Highway</u>	<u>124,133,000</u>	<u>119,956,000</u>

The appropriations in this section are to the commissioner of public safety. The amounts that may be spent for each purpose are specified in the following subdivisions. The commissioner must spend appropriations from the trunk highway fund in subdivision 3 of this section only for state patrol purposes. Appropriations from the trunk highway fund for all other purposes in this section are made notwithstanding Minnesota Statutes, section 161.20.

Subd. 2. Administration and Related Services

(a) Office of Communications 575,000 575,000

This appropriation is from the general fund.

(b) Public Safety Support 5,662,000 5,588,000

This appropriation is from the general fund.

The commissioner must not spend this appropriation on additional full- or part-time permanent or temporary employees for the Public Information Center in the Division of Driver and Vehicle Services.

(c) Public Safety Officer Survivor Benefits 640,000 640,000

This appropriation is from the general fund for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(d) Public Safety Officer Reimbursements 1,367,000 1,367,000

This appropriation is from the general fund for transfer to the public safety officer's benefit account. This money is available for reimbursements under Minnesota Statutes, section 299A.465.

(e) Soft Body Armor Reimbursements 745,000 745,000

This appropriation is from the general fund for soft body armor reimbursements under Minnesota Statutes, section 299A.38.

(f) Technology and Support Service 6,299,000 6,299,000

This appropriation is from the general fund.

Subd. 3. State Patrol

(a) Patrolling Highways 113,588,000 109,545,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>37,000</u>	<u>37,000</u>
<u>H.U.T.D.</u>	<u>92,000</u>	<u>92,000</u>
<u>Trunk Highway</u>	<u>113,459,000</u>	<u>109,416,000</u>

\$1,718,000 in the first year is from the trunk highway fund for costs associated with the

2021 State Patrol Trooper Academy. This is a onetime appropriation.

\$3,524,000 in the first year and \$2,822,000 in the second year are from the trunk highway fund for the purchase, deployment, and management of body-worn cameras.

\$5,765,000 in the first year and \$4,142,000 in the second year are from the trunk highway fund for staff and equipment costs of an additional 25 patrol troopers.

<u>(b) Commercial Vehicle Enforcement</u>	<u>10,180,000</u>	<u>10,046,000</u>
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\$494,000 in the first year and \$360,000 in the second year are for the purchase, deployment, and management of body-worn cameras.

<u>(c) Capitol Security</u>	<u>10,977,000</u>	<u>10,923,000</u>
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This appropriation is from the general fund.

\$449,000 in the first year and \$395,000 in the second year are for the purchase, deployment, and management of body-worn cameras.

The commissioner must not:

(1) spend any money from the trunk highway fund for capitol security; or

(2) permanently transfer any state trooper from the patrolling highways activity to capitol security.

The commissioner must not transfer any money appropriated to the commissioner under this section:

(1) to capitol security; or

(2) from capitol security.

<u>(d) Vehicle Crimes Unit</u>	<u>888,000</u>	<u>884,000</u>
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This appropriation is from the highway user tax distribution fund to investigate:

(1) registration tax and motor vehicle sales tax liabilities from individuals and businesses that currently do not pay all taxes owed; and

(2) illegal or improper activity related to the sale, transfer, titling, and registration of motor vehicles.

\$22,000 in the first year and \$18,000 in the second year are for the purchase, deployment, and management of body-worn cameras.

Subd. 4. Driver and Vehicle Services

(a) Vehicle Services

37,979,000

34,179,000

This appropriation is from the vehicle services operating account under Minnesota Statutes, section 299A.705, subdivision 1.

\$2,390,000 in the first year is for staff and operating costs to hire temporary or contract employees to process and issue drivers' licenses and Minnesota identification cards. This is a onetime appropriation and must not be spent for permanent state employees.

\$326,000 in the first year and \$391,000 in the second year are for costs to establish, equip, and staff two additional vehicle inspection sites.

\$250,000 in the first year is for programming costs related to the implementation of self-service kiosks for vehicle registration renewal. This is a onetime appropriation and is available in the second year.

\$8,000 in the first year is for FastDS programming costs to allow for inclusion of additional veterans plates in the lifetime issuance category.

\$16,000 in the first year is for FastDS programming costs to change temporary permit fees for out-of-state carriers.

\$16,000 in the first year is for FastDS programming costs related to motor vehicle data subscriptions.

(b) Driver Services39,840,00036,793,000

This appropriation is from the driver services operating account in the special revenue fund under Minnesota Statutes, section 299A.705, subdivision 2.

\$2,229,000 in the first year and \$155,000 in the second year are for costs of a pilot project for same-day issuance of drivers' licenses and state identification cards.

\$425,000 in the first year and \$369,000 in the second year are for costs of administration of the third-party commercial driver's license road test program.

\$108,000 in the first year and \$49,000 in the second year are for staff costs to support online driver education programs.

\$24,000 in the first year is for FastDS programming costs related to no-show fees for driver examinations. This is a onetime appropriation.

Subd. 5. Traffic Safety18,574,00018,558,000Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>18,080,000</u>	<u>18,064,000</u>
<u>Trunk Highway</u>	<u>494,000</u>	<u>494,000</u>

\$17,500,000 in each year is from the general fund for grants to school districts, nonpublic schools, charter schools, and companies that provide school bus services, for the purchase and installation of school bus stop-signal arm camera systems. In awarding grants, the commissioner must prioritize: regular route type A, B, C, and D buses; newer buses; and buses that do not already have a stop-signal arm or forward-facing camera. Cameras purchased with grants awarded pursuant to this section must be used within the state. If the money in the account is sufficient to fund all requests, the commissioner must not require a local match. The commissioner may

seek assistance from the commissioner of education in administering the grants. This is a onetime appropriation and is available until June 30, 2025.

\$110,000 in the first year and \$94,000 in the second year are from the general fund for staff costs to administer grants for school bus stop-signal arm cameras. These are onetime appropriations.

Subd. 6. Pipeline Safety	<u>1,443,000</u>	<u>1,443,000</u>
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This appropriation is from the pipeline safety account in the special revenue fund under Minnesota Statutes, section 299J.18.

Sec. 5. METROPOLITAN COUNCIL; USE OF FEDERAL FUNDS.

To the extent allowable under federal law and the guidance of the Federal Transit Administration, the Metropolitan Council must use funds received from the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) and the American Rescue Plan (ARP) to fully fund, in this priority order:

- (1) Metro Mobility operating costs in fiscal years 2022 through 2025;
- (2) transportation planning in fiscal years 2022 through 2025;
- (3) regular route bus service operating costs in fiscal years 2022 and 2023; and
- (4) operating costs of all other transit services in fiscal years 2022 and 2023.

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

Sec. 6. PUBLIC SAFETY; USE OF HIGHWAY FUNDS.

Payment of expenses related to forensic science services and other activities of the Bureau of Criminal Apprehension do not further a highway purpose under Minnesota Statutes, section 161.20, subdivision 3, and Minnesota Constitution, article XIV, section 6. The commissioner of public safety must not expend money from the trunk highway fund for any purpose of the Bureau of Criminal Apprehension.

Sec. 7. RAIL SERVICE IMPROVEMENT; TRANSFER.

\$15,000,000 in fiscal year 2022 and \$15,000,000 in fiscal year 2023 are transferred from the general fund to the rail service improvement account in the special revenue fund under Minnesota Statutes, section 222.49. These are onetime transfers.

Sec. 8. SMALL CITIES ASSISTANCE; TRANSFER.

\$6,150,000 in fiscal year 2022 and \$5,750,000 in fiscal year 2023 are transferred from the general fund to the small cities assistance account under Minnesota Statutes, section 162.145. The base for this transfer is \$4,333,000 in fiscal year 2024, \$3,989,000 in fiscal year 2025, and \$0 thereafter.

Sec. 9. **TOWN ROADS; TRANSFER.**

\$6,150,000 in fiscal year 2022 and \$5,750,000 in fiscal year 2023 are transferred from the general fund to the town road account in the county state-aid highway fund under Minnesota Statutes, section 162.081. The base for this transfer is \$4,333,000 in fiscal year 2024, \$3,989,000 in fiscal year 2025, and \$0 thereafter.

Sec. 10. **APPROPRIATION; AIRPORT INFRASTRUCTURE RENEWAL (AIR) GRANT PROGRAM.**

(a) \$2,000,000 in fiscal year 2022 and \$1,000,000 in fiscal year 2023 are appropriated from the general fund to the commissioner of employment and economic development for the airport infrastructure renewal (AIR) grant program under Minnesota Statutes, section 116J.439. These are onetime appropriations.

(b) In awarding grants with this appropriation, the commissioner of employment and economic development must consult with the commissioner of transportation and prioritize eligible applicants that did not receive a grant pursuant to the appropriation in Laws 2019, First Special Session chapter 7, article 1, section 2, subdivision 2, paragraph (q).

Sec. 11. **APPROPRIATION CANCELLATION; PATROLLING HIGHWAYS.**

\$1,718,000 of the appropriation from the trunk highway fund in Laws 2019, First Special Session chapter 3, article 1, section 4, subdivision 3, paragraph (a), is canceled to the trunk highway fund on the effective date of this section.

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

Sec. 12. **APPROPRIATION CANCELLATION; PASSENGER RAIL.**

\$271,000 of the appropriation in fiscal year 2021 under Laws 2019, First Special Session chapter 3, article 1, section 2, subdivision 2, paragraph (d), is canceled to the general fund on the effective date of this section.

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

Sec. 13. **APPROPRIATION CANCELLATION; PUBLIC SAFETY SUPPORT.**

\$220,000 of the appropriation from the general fund in fiscal year 2021 under Laws 2019, First Special Session chapter 3, article 1, section 4, subdivision 1, paragraph (b), is canceled to the general fund on the effective date of this section.

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

Sec. 14. APPROPRIATION; DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT.

\$15,000 in fiscal year 2022 and \$15,000 in fiscal year 2023 are appropriated from the general fund to the commissioner of employment and economic development for temporary staff costs related to the procurement of a statewide freight optimization tool for the Department of Transportation. These are onetime appropriations.

Sec. 15. BECKER INTERCHANGE PROJECT; APPROPRIATION.

(a) \$1,979,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of transportation to prepare final design, conduct site preparation work, and acquire right-of-way for an interchange to be constructed at marked U.S. Highway 10, marked Trunk Highway 25, Sherburne County State-Aid Highway 8, and Sherburne County Road 52 in the city of Becker and Becker Township. This appropriation is for expenses not eligible to be paid from the trunk highway fund. This is a onetime appropriation and is available until June 30, 2025.

(b) \$1,869,000 in fiscal year 2022 is appropriated from the trunk highway fund to prepare final design, conduct site preparation work, and acquire right-of-way for an interchange to be constructed at marked U.S. Highway 10, marked Trunk Highway 25, Sherburne County State-Aid Highway Road 8, and Sherburne County Road 52 in the city of Becker and Becker Township. This appropriation is for expenses eligible to be paid from the trunk highway fund. This is a onetime appropriation and is available until June 30, 2025.

Sec. 16. BLAINE; 99TH AVENUE AT MARKED TRUNK HIGHWAY 65; APPROPRIATION.

(a) \$7,000,000 is appropriated from the general fund to the commissioner of transportation for one or more grants to the city of Blaine for a local road intersection at 99th Avenue Northeast and marked Trunk Highway 65 and associated local road improvements. This appropriation does not require a nonstate contribution. For purposes of this section, "local road intersection" means a grade-separated intersection if that is the preferred alternative following completion of the environmental analysis. This is a onetime appropriation and is available until June 30, 2025.

(b) \$2,000,000 of this appropriation is for environmental analysis and design of local road intersections along marked Trunk Highway 65 from north of 93rd Lane Northeast to north of 117th Avenue Northeast and associated local road improvements.

(c) \$5,000,000 of this appropriation is for acquisition of right-of-way associated with the improvements on 99th Avenue Northeast and adjacent frontage roads at marked Trunk Highway 65.

Sec. 17. CULVERT UNDER MARKED TRUNK HIGHWAY 29; DOUGLAS COUNTY; APPROPRIATION.

\$2,000,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of transportation for a grant to Douglas County to install a new box culvert under marked Trunk Highway 29 between Lake Le Homme Dieu and Lake Geneva and to regrade and reconstruct a

portion of marked Trunk Highway 29 to accommodate the new culvert. This appropriation does not require a nonstate match. This is a onetime appropriation and is available until June 30, 2025.

Sec. 18. DULUTH AERIAL LIFT BRIDGE; APPROPRIATION.

\$12,000,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of transportation for a grant to the city of Duluth for capital repairs and restoration of the Aerial Lift Bridge. This is a onetime appropriation and is available until June 30, 2025.

Sec. 19. IMPROVED ACCESS AND SAFETY STUDY; MARKED U.S. HIGHWAY 10 IN ST. CLOUD; APPROPRIATIONS.

(a) \$400,000 in fiscal year 2022 is appropriated from the trunk highway fund to the commissioner of transportation to study options to improve access to and safety on marked U.S. Highway 10 from 45th Avenue SE to 32nd Street SE in St. Cloud. At a minimum, the study must (1) evaluate options and costs for improving access and safety, including increasing or improving the lighting at intersections, installation of traffic-control signals at intersections, increasing the number or length of bypass lanes, increasing the number or length of acceleration and deceleration lanes, and J-turns or other methods of reduced conflict intersections; and (2) provide specific recommendations on how to best reduce high-speed collisions and create improved access for slower moving vehicles entering marked U.S. Highway 10 and cost estimates for each recommended improvement. By January 31, 2022, the commissioner must transmit a copy of the study to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy finance. This is a onetime appropriation.

(b) \$600,000 in fiscal year 2022 is appropriated from the trunk highway fund to the commissioner of transportation for a grant to the St. Cloud Area Planning Organization to be used for projects in the transportation improvement program or the regional infrastructure investment plan. This is a onetime appropriation.

Sec. 20. INTERSTATE HIGHWAY 35 AT COUNTY STATE-AID HIGHWAY 9 IN RICE COUNTY INTERCHANGE FEASIBILITY STUDY; APPROPRIATION.

\$500,000 in fiscal year 2022 is appropriated from the trunk highway fund to the commissioner of transportation to conduct a study on the feasibility of an interchange at marked Interstate Highway 35 and County State-Aid Highway 9 in Rice County. At a minimum, the commissioner's study must include estimated construction costs, traffic modeling, an environmental analysis, and a potential design layout for an interchange. This is a onetime appropriation and is available until June 30, 2025.

Sec. 21. INTERSTATE 35 STUDY AND INTERCHANGE PROJECT; APPROPRIATION.

\$700,000 in fiscal year 2022 is appropriated from the trunk highway fund to the commissioner of transportation to study corridor mobility and safety improvement needs along marked Interstate 35 from approximately the Dakota County State-Aid Highway 50 interchange in Lakeville to Dakota County State-Aid Highway 42 in Burnsville. This appropriation is also for preliminary engineering of the mobility and safety improvements and a redesign of the interchange at marked Interstate 35 and Dakota County State-Aid Highway 50 in Lakeville, including development of a geometric layout

and environmental documentation for the corridor. This is a onetime appropriation and is available until June 30, 2025.

Sec. 22. **INTERSTATE 35 STUDY; LAKEVILLE; APPROPRIATION.**

\$700,000 in fiscal year 2022 is appropriated from the trunk highway fund to the commissioner of transportation to study corridor mobility and safety improvement needs along marked Interstate 35 from approximately the Dakota County State-Aid Highway 50 interchange in Lakeville to Dakota County State-Aid Highway 70 in Lakeville. This appropriation is also for preliminary engineering of the mobility and safety improvements. This is a onetime appropriation and is available until June 30, 2025.

Sec. 23. **KARLSTAD AIRPORT RUNWAY; APPROPRIATION.**

\$5,600,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of transportation for a grant to the city of Karlstad for the acquisition of land, predesign, design, engineering, and construction of a primary airport runway. This is a onetime appropriation and is available until June 30, 2025.

Sec. 24. **MARKED U.S. HIGHWAY 8 RECONSTRUCTION; APPROPRIATION.**

\$10,000,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of transportation for a grant to Chisago County to design, engineer, and construct a reconstruction of marked U.S. Highway 8 from Karmel Avenue in Chisago City to Interstate 35 and pedestrian and bike trails along and crossings of this portion of U.S. Highway 8. This reconstruction may include expanding segments of U.S. Highway 8 to four lanes, constructing or reconstructing frontage roads and backage roads, and realigning local roads to consolidate, remove, and relocate access onto and off of U.S. Highway 8. This is a onetime appropriation and is available until June 30, 2025.

Sec. 25. **MARKED U.S. HIGHWAY 10 STRATEGIC CONGESTION MITIGATION; APPROPRIATION.**

\$23,550,000 in fiscal year 2022 is appropriated from the trunk highway fund to the commissioner of transportation for a grant to Anoka County to complete the preliminary engineering, environmental documentation, final design, right-of-way acquisition, construction, and construction administration of a third travel lane in each direction of marked U.S. Highway 10 from east of the interchange with Hanson Boulevard to Round Lake Boulevard in the city of Coon Rapids. This appropriation does not require a nonstate contribution. This is a onetime appropriation and is available until June 30, 2025.

Sec. 26. **MARKED U.S. HIGHWAY 61 LIGHTING PROJECT; APPROPRIATION.**

\$3,500,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of transportation to install lighting along the entire marked U.S. Highway 61 corridor from its interchange with Washington County State-Aid Highway 22 to its interchange with marked Trunk Highway 95 in the city of Cottage Grove. This is a onetime appropriation and is available until June 30, 2023.

Sec. 27. OLMSTED COUNTY; TRUNK HIGHWAY 14 AND COUNTY ROAD 104 INTERCHANGE; APPROPRIATION.

\$11,060,000 in fiscal year 2022 is appropriated from the trunk highway fund to the commissioner of transportation to acquire property and to predesign, design, engineer, construct, furnish, and equip an interchange at marked Trunk Highway 14 and County Road 104, including the flyover at 7th Street NW, in Olmsted County. This is a onetime appropriation and is available until June 30, 2025.

Sec. 28. RAMSEY GATEWAY PROJECT; APPROPRIATION.

\$12,000,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of transportation for one or more grants to Anoka County, the city of Ramsey, or both for acquisition of right-of-way associated with the local road portions of the Ramsey Gateway Project, which includes local road interchanges by marked U.S. Highway 10/169 at County State-Aid Highway 56 (Ramsey Boulevard) and County State-Aid Highway 57 (Sunfish Lake Boulevard) and the associated railroad grade separations, frontage roads, backage roads, connecting local streets, and any associated water and sanitary sewer infrastructure improvements, if necessary or required for the construction of the local road improvements of the Ramsey Gateway Project in the city of Ramsey. This appropriation does not require a nonstate contribution. This is a onetime appropriation and is available until June 30, 2025.

Sec. 29. SCOTT COUNTY INTERCHANGE PROJECT; APPROPRIATION.

\$2,500,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of transportation for a grant to Scott County to complete preliminary and final design, environmental documentation, and right-of-way acquisition for construction of an interchange located at the intersections of marked U.S. Highway 169, marked Trunk Highway 282, and Scott County State-Aid Highway 9 in the city of Jordan. This is a onetime appropriation and is available until June 30, 2025.

Sec. 30. SCOTT COUNTY; LOCAL ROAD IMPROVEMENTS; APPROPRIATION.

\$20,650,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of transportation for a grant to Scott County to design and construct local road improvements, including accommodations for bicycles and pedestrians, to support a programmed interchange at the intersection of marked Trunk Highway 13 and Dakota Avenue in Savage. This is a onetime appropriation and is available until June 30, 2025.

Sec. 31. STREET AND UTILITY RECONSTRUCTION; SHERBURN; APPROPRIATION.

\$3,030,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of transportation for a grant to the city of Sherburn to acquire property or easements, predesign, design, construct, and equip the reconstruction of the city streets of Osborne Street, between West 1st Street and West 5th Street and one block to the west and east of Osborne Street on West 2nd Street, West 3rd Street, and West 4th Street, and the storm water and sanitary sewer systems along those streets. This is a onetime appropriation and is available until June 30, 2025.

Sec. 32. TELEWORK ACTIVITIES; APPROPRIATION.

\$300,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of transportation for a grant to transportation management organizations that provide services exclusively or primarily in the city located along the marked Interstate Highway 494 corridor having the highest population as of the effective date of this section. The commissioner must not retain any portion of the funds appropriated under this section. The commissioner must make grant payments in full by June 30, 2022. 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.

Sec. 33. **TRUNK HIGHWAY 3; APPROPRIATION.**

\$500,000 in fiscal year 2022 is appropriated from the trunk highway fund to the commissioner of transportation for a grant to Dakota County to complete preliminary engineering for corridor mobility and safety improvements on marked Trunk Highway 3, from approximately 142nd Street West in Rosemount to marked Interstate Highway 494 in Inver Grove Heights. This appropriation does not require a nonstate contribution. This is a onetime appropriation and is available until June 30, 2025.

Sec. 34. **TRUNK HIGHWAY 41 ROUNDABOUT IN CHANHASSEN; APPROPRIATION.**

\$1,500,000 in fiscal year 2022 is appropriated from the trunk highway fund to the commissioner of transportation to design and construct a roundabout on Trunk Highway 41 at the intersection with the entrance and exit of Minnetonka Middle School West in Chanhassen. This is a onetime appropriation and is available until June 30, 2025.

Sec. 35. **TRUNK HIGHWAY 55; APPROPRIATION.**

\$4,500,000 in fiscal year 2022 is appropriated from the trunk highway fund to the commissioner of transportation for preliminary design, final design, and right-of-way acquisition to establish marked Trunk Highway 55 as a four-lane divided highway from a point near Hennepin County Road 118, known as Arrowhead Drive, in Medina to Hennepin County State-Aid Highway 19 in Corcoran. This is a onetime appropriation and is available until June 30, 2025.

Sec. 36. **TRUNK HIGHWAY 55; APPROPRIATION.**

\$1,000,000 in fiscal year 2022 is appropriated from the trunk highway fund to the commissioner of transportation for a grant to Dakota County to complete preliminary engineering for corridor mobility and safety improvements on marked Trunk Highway 55 from approximately marked U.S. Highway 52 to General Sieben Drive in Hastings. This appropriation does not require a nonstate contribution. This is a onetime appropriation and is available until June 30, 2025.

Sec. 37. **TRUNK HIGHWAY 77; APPROPRIATION.**

\$1,000,000 in fiscal year 2022 is appropriated from the trunk highway fund to the commissioner of transportation for a grant to Dakota County to complete preliminary engineering for corridor mobility and safety improvements on marked Trunk Highway 77 from approximately 140th Street West in Apple Valley to marked Interstate 494 in Bloomington. This appropriation does not require a nonstate contribution. This is a onetime appropriation and is available until June 30, 2025.

Sec. 38. U.S. HIGHWAY 169; APPROPRIATION.

\$95,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of transportation to be used for cost estimating, environmental permitting, and preliminary engineering for the improvement of marked U.S. Highway 169 from a two-lane undivided highway to a four-lane divided highway for the remaining eight-mile segment of Cross Range Expressway from Taconite to Pengilly. This is a onetime appropriation and is available until June 30, 2023.

Sec. 39. U.S. HIGHWAY 169 AND SHERBURNE COUNTY STATE-AID HIGHWAY 4; ZIMMERMAN; APPROPRIATION.

\$16,400,000 in fiscal year 2022 is appropriated from the trunk highway fund to the commissioner of transportation for property acquisition, engineering, and construction of the trunk highway portions of an interchange at marked U.S. Highway 169 and Sherburne County State-Aid Highway 4 in the city of Zimmerman. This is a onetime appropriation and is available until June 30, 2025.

Sec. 40. U.S. HIGHWAY 212 EXPANSION TO FOUR LANES BETWEEN NORWOOD YOUNG AMERICA AND COLOGNE; APPROPRIATION.

\$34,080,000 in fiscal year 2022 is appropriated from the trunk highway fund to the commissioner of transportation to acquire property or permanent easements for, and to design, engineer, construct, furnish, and equip an expansion of U.S. Highway 212 to four lanes from Tacoma Avenue North in Norwood Young America to Lake Street West in Cologne. Of this amount, up to \$10,000,000 is for safety improvements to the intersection of U.S. Highway 212 and Carver County State-Aid Highway 51. This is a onetime appropriation and is available until June 30, 2025.

Sec. 41. WADENA; U.S. HIGHWAY 10; APPROPRIATION.

\$25,000,000 in fiscal year 2022 is appropriated from the trunk highway fund to the commissioner of transportation for design, preliminary and final engineering, environmental analysis, and reconstruction of marked U.S. Highway 10 as a four-lane highway in Wadena. This is a onetime appropriation and is available until June 30, 2025.

Sec. 42. WASHINGTON COUNTY; BRIDGE OVER I-694; APPROPRIATION.

\$3,500,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of transportation for a grant to Washington County to predesign, design, engineer, construct, and equip the reconstruction of the 4th Street Bridge over Interstate 694 in the city of Oakdale. This appropriation is not available until the commissioner of management and budget determines that a sufficient amount has been committed from nonstate sources to complete the project. This is a onetime appropriation and is available until June 30, 2025.

ARTICLE 2

DEPARTMENT OF TRANSPORTATION

Section 1. Minnesota Statutes 2020, section 16E.15, subdivision 2, is amended to read:

Subd. 2. **Software sale fund.** (a) Except as provided in paragraphs (b) and (c), proceeds from the sale or licensing of software products or services by the chief information officer must be credited to the MN.IT services revolving fund. If a state agency other than the Office of MN.IT Services has contributed to the development of software sold or licensed under this section, the chief information officer may reimburse the agency by discounting computer services provided to that agency.

(b) Proceeds from the sale or licensing of software products or services developed by the Pollution Control Agency, or custom developed by a vendor for the agency, must be credited to the environmental fund.

(c) If the Department of Transportation develops software products or services using trunk highway funds, proceeds from the subsequent sale or licensing of the software products or services must be credited to the trunk highway fund. This paragraph also applies to software products or services custom developed by a vendor for the department using trunk highway funds. This paragraph does not authorize the use of trunk highway funds for development of software products or services in violation of section 161.20.

Sec. 2. Minnesota Statutes 2020, section 117.075, subdivision 2, is amended to read:

Subd. 2. **Appoint commissioners for damages.** (a) If the proposed taking shall appear to be necessary and such as is authorized by law, the court by an order shall appoint three disinterested commissioners, and at least two alternates, to ascertain and report the amount of damages that will be sustained by the several owners on account of such taking.

(b) All disinterested commissioners or alternates appointed under this subdivision must reside in Minnesota.

Sec. 3. Minnesota Statutes 2020, section 117.075, subdivision 3, is amended to read:

Subd. 3. **Commissioner qualifications.** ~~Before appointing a commissioner,~~ The court shall inquire whether each prospective commissioner has any relationship, business or otherwise, to any of the parties in the proceeding, or any interest in the proceeding which may constitute a conflict of interest, or which may create the appearance of impropriety should that person be appointed. Responses to this inquiry must be either written or on the record and made available by the court to any party in the proceeding ~~before and after appointment.~~ No person who might have difficulty in rendering an unbiased decision may be appointed to serve. The court, in its discretion, may appoint one registered, practicing attorney to the commission who is knowledgeable in eminent domain matters. All other commissioners appointed must be persons actively engaged in the occupation of real estate sales or real estate appraising or persons knowledgeable in real estate values.

Sec. 4. Minnesota Statutes 2020, section 160.02, is amended by adding a subdivision to read:

Subd. 1b. **Bicycle lane.** "Bicycle lane" means a portion of a roadway or shoulder designed for exclusive or preferential use by persons using bicycles. Bicycle lanes are to be distinguished from the portion of the roadway or shoulder used for motor vehicle traffic by physical barrier, striping, marking, or other similar device.

Sec. 5. Minnesota Statutes 2020, section 160.02, is amended by adding a subdivision to read:

Subd. 1c. **Bicycle route.** "Bicycle route" means a roadway or shoulder signed to encourage bicycle use.

Sec. 6. Minnesota Statutes 2020, section 160.262, subdivision 1, is amended to read:

Subdivision 1. **Bikeways; powers and duties; design guidelines.** (a) The legislature determines that it is in the interests of the public health, safety and welfare, to provide for the addition of bikeways to proposed and existing public highways without converting vehicle travel lanes into bicycle lanes or bicycle routes. The commissioner of transportation is authorized to plan, design, establish, and maintain bikeways on the right-of-way of any trunk highway. The commissioner is responsible for the design and construction of all bikeway projects within the right-of-way of any trunk highway. The commissioner must consider the development of bikeways during the planning, design, construction, reconstruction, or improvement of any trunk highway, or allow the establishment of such bikeways within trunk highway right-of-way. The commissioner must not convert vehicle travel lanes on the trunk highway system into a bicycle lane or bicycle route.

(b) The commissioner must maintain bikeway design guidelines consistent with the state transportation goals in section 174.01.

(c) The commissioner must compile and maintain a map of bikeways in the state and must publish and distribute the map's information at least once every two years in a form and manner suitable to assist persons wishing to use the bikeways.

(d) The commissioner must maintain bikeways within the limits of trunk highway right-of-way unless a written agreement or limited use permit provides otherwise.

Sec. 7. Minnesota Statutes 2020, section 160.263, subdivision 3, is amended to read:

Subd. 3. **Designation.** (a) A governing body designating a bikeway under this section may:

(1) designate the type and character of vehicles or other modes of travel which may be operated on a bikeway, provided that the operation of such vehicle or other mode of travel is not inconsistent with the safe use and enjoyment of the bikeway by bicycle traffic;

(2) establish priority of right-of-way on the bicycle lane or bicycle path and otherwise regulate the use of bikeways as it deems necessary; and

(3) paint lines or construct curbs or establish other physical separations to exclude the use of the bikeways by vehicles other than those specifically permitted to operate thereon.

(b) The designating governing body may, after public hearing, prohibit through traffic on any highway or portion thereof designated as a bicycle lane or bicycle route, except that through traffic may not be prohibited on a trunk highway. The designating governing body shall erect and maintain official signs giving notice of the regulations and priorities established under this subdivision and shall mark all bikeways with appropriate signs. Marking and signing of bikeways by the designating governing body shall be in conformance with the Minnesota Manual on Uniform Traffic Control Devices.

(c) When a disability parking space is designated pursuant to section 169.346, subdivision 2, on a segment of road on which the governing body is considering designating a bikeway, the governing body must work with the primary user of the disability parking space to determine if the space may be relocated to a mutually agreeable location. At the request of the primary user, the governing body must meet with the primary user at the primary user's chosen location. Any agreement to relocate a disability parking space must be in writing and signed by the primary user and an appropriate representative of the governing body. If there is no agreement on relocating the disability parking space, the governing body must designate the bikeway in a manner that does not eliminate or interfere with the space.

(d) For purposes of this subdivision, "primary user" means the person who will primarily use the disability parking space. If the disability parking space will not be used primarily by one person, the primary user is the owner of the property that abuts the segment of road where the disability parking space is located.

Sec. 8. Minnesota Statutes 2020, section 160.264, is amended to read:

160.264 REPLACING BIKEWAYS AND PEDESTRIAN WAYS.

Whenever an existing bikeway, pedestrian way, or roadway used by bicycles or pedestrians or the sole access to such is destroyed by any new, reconstructed, or relocated federal, state, or local highway, the road authority responsible shall replace the destroyed facility or access with a comparable facility or access. Replacement is not required where it would be contrary to public safety or when sparsity of population, other available ways or other factors indicate an absence of need for such facility or access. When the road authority is the commissioner, the commissioner must not convert vehicle travel lanes on the trunk highway system into a bicycle lane or bicycle route.

Sec. 9. Minnesota Statutes 2020, section 160.266, is amended by adding a subdivision to read:

Subd. 1c. **Prohibition on lane conversion.** The commissioner must not convert vehicle travel lanes on the trunk highway system into a bicycle lane or bicycle route.

Sec. 10. Minnesota Statutes 2020, section 160.93, subdivision 1, is amended to read:

Subdivision 1. **Fees authorized.** (a) To improve efficiency and provide more options to individuals traveling in a trunk highway corridor, the commissioner of transportation may charge user fees to owners or operators of single-occupant vehicles using dynamic shoulder lanes as designated by the commissioner and any designated high-occupancy vehicle lanes. The fees may be collected using electronic or other toll-collection methods ~~and may vary in amount with the time of day and level of traffic congestion within the corridor.~~ The commissioner shall consult with the Metropolitan Council and obtain necessary federal authorizations before implementing user fees on a high-occupancy vehicle lane or dynamic shoulder lane. Fees under this section are not subject to section 16A.1283.

(b) Fees collected pursuant to this section must vary in amount based on the level of traffic congestion within the corridor. The commissioner must collect fees based on traffic congestion levels. The commissioner must adopt a policy that specifies the traffic congestion threshold that will initiate the collection of fees. The policy must also identify what fee will be collected for each

specified traffic congestion threshold. The commissioner must not collect fees based solely on the time of day. The commissioner must not collect fees if the minimum traffic congestion threshold is not met. The commissioner must post the policy adopted pursuant to this section on the department's website. The commissioner must ensure that signage is posted in dynamic shoulder lanes and high-occupancy vehicle lanes to indicate in real time when fees are being collected and the amount of the fee.

(c) The commissioner must establish fees in an amount that will, at a minimum, pay for all of the costs described in subdivision 2, paragraph (b), clauses 1 and 2.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 11. Minnesota Statutes 2020, section 160.93, subdivision 2, is amended to read:

Subd. 2. **Deposit of revenues; appropriation.** ~~(a) Except as provided in subdivision 2a,~~ Money collected from fees authorized under subdivision 1 must be deposited in a high-occupancy vehicle lane user fee account in the special revenue fund. A separate account must be established for each trunk highway corridor. Money in the account is appropriated to the commissioner.

(b) From this appropriation the commissioner shall ~~first~~:

(1) first, repay the trunk highway fund and any other fund source for money spent to install, equip, or modify the corridor for the purposes of subdivision 1, and then shall;

(2) second, pay all the costs of implementing and administering the fee collection system for that corridor;

~~(c) The commissioner shall spend remaining money in the account as follows:~~

~~(1) one-half must be spent~~ (3) third, pay for transportation capital improvements within the corridor; ~~and~~

(4) fourth, pay for maintenance of the corridor; and

~~(2) one-half must be transferred~~ (5) fifth, transfer any funds not spent according to clauses (1) to (4) to the Metropolitan Council for expansion and improvement of bus transit services within the corridor beyond the level of service provided on the date of implementation of subdivision 1.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 12. Minnesota Statutes 2020, section 160.93, subdivision 4, is amended to read:

Subd. 4. **Prohibition.** No person may operate a single-occupant vehicle in a designated high-occupancy vehicle lane or dynamic shoulder lane except in compliance with the requirements ~~of the commissioner this section.~~ A person who violates this subdivision is guilty of a petty misdemeanor and is subject to sections 169.89, subdivisions 1, 2, and 4, and 169.891 and any other provision of chapter 169 applicable to the commission of a petty misdemeanor traffic offense. Upon approval of the Federal Highway Administration, this subdivision does not apply on New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 13. **[161.0815] RESTRICTIONS ON FUNDING FOR BICYCLE LANES AND ROUTES.**

Notwithstanding any law to the contrary, the commissioner is prohibited from spending funds from the highway user tax distribution fund or the trunk highway fund to create, construct, expand, mark, or maintain bicycle lanes or bicycle routes on the trunk highway system.

Sec. 14. Minnesota Statutes 2020, section 161.088, subdivision 5, is amended to read:

Subd. 5. **Project selection process; criteria.** (a) The commissioner must establish a process to identify, evaluate, and select projects under the program. The process must be consistent with the requirements of this subdivision and must not include any additional evaluation criteria.

(b) As part of the project selection process, the commissioner must annually accept recommendations on candidate projects from area transportation partnerships and other interested stakeholders in each Department of Transportation district. The commissioner must determine the eligibility for each candidate project identified under this paragraph. For each eligible project, the commissioner must classify and evaluate the project for the program, using all of the criteria established under paragraph (c).

(c) Projects must be evaluated using all of the following criteria:

(1) a return on investment measure that provides for comparison across eligible projects;

(2) measurable impacts on commerce and economic competitiveness;

(3) efficiency in the movement of freight, including but not limited to:

(i) measures of annual average daily traffic and commercial vehicle miles traveled, which may include data near the project location on that trunk highway or on connecting trunk and local highways; and

(ii) measures of congestion or travel time reliability, which may be within or near the project limits, or both;

(4) improvements to traffic safety;

(5) connections to regional trade centers, local highway systems, and other transportation modes;

(6) the extent to which the project addresses multiple transportation system policy objectives and principles;

(7) support and consensus for the project among members of the surrounding community; ~~and~~

(8) the time and work needed before construction may begin on the project; and

(9) regional balance throughout the state.

The commissioner must give the criteria in clauses (1) to (8) equal weight in the selection process.

(d) The list of all projects evaluated must be made public and must include the score of each project.

(e) As part of the project selection process, the commissioner may divide funding to be separately available among projects within each classification under subdivision 3, and may apply separate or modified criteria among those projects falling within each classification.

Sec. 15. [161.0895] HIGHWAY PURPOSE; REPORT.

(a) To ensure compliance with the Minnesota Constitution, article XIV, sections 2, 5, and 6, commissioners of state agencies must not include in a biennial budget any expenditures from the trunk highway fund or the highway user tax distribution fund for a nonhighway purpose or for any purpose prohibited by section 161.20.

(b) No later than 45 days following the submission of the governor's biennial budget to the legislature under section 16A.11, the commissioner of management and budget and the attorney general must jointly submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report must examine proposed appropriations from the trunk highway fund and the highway user tax distribution fund, explain the highway purpose of the proposed appropriations, determine if any proposed appropriation is for a nonhighway purpose, and, for nonhighway purposes, recommend the fund to be used.

(c) For the purposes of this section, an appropriation for a nonhighway purpose is any appropriation not for construction, improvement, or maintenance of highways or for any purpose prohibited by section 161.20.

Sec. 16. Minnesota Statutes 2020, section 161.11, subdivision 2, is amended to read:

Subd. 2. **Payment of premium and reimbursement.** ~~The commissioner may pay the premiums for any said policy of insurance out of the trunk highway fund.~~ The political subdivision or agency of the state for whom work is performed by employees of the Department of Transportation pursuant to any agreement therefor made with the commissioner shall pay to the trunk highway fund that portion of the premium for said policy of insurance directly attributable to the work performed for it. The commissioner may pay the premiums of any said policy of insurance out of the trunk highway fund only in the amount deposited into the fund by the political subdivision or agency. If any additional amount is due on said policy, the remaining amount must not be paid out of the trunk highway fund.

Sec. 17. Minnesota Statutes 2020, section 161.115, subdivision 27, is amended to read:

Subd. 27. **Route No. 96.** Beginning at a point on Route No. ~~95~~ 244 as herein established at or near ~~Stillwater~~ Dellwood City, thence extending in a westerly direction to a point on Route No. ~~63~~ 1 at or near ~~New Brighton~~ White Bear Lake.

EFFECTIVE DATE. This section is effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Washington County to transfer jurisdiction of Legislative Route No. 96 and after the commissioner sends notice to the revisor of statutes electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 18. Minnesota Statutes 2020, section 161.14, is amended by adding a subdivision to read:

Subd. 97. **Chief Daryl "Taddy" Drusch Memorial Highway.** The segment of marked U.S. Highway 12 within the city limits of Howard Lake is designated as "Chief Daryl "Taddy" Drusch Memorial Highway." Subject to section 161.139, the commissioner must adopt a suitable design to mark this highway and erect appropriate signs.

Sec. 19. Minnesota Statutes 2020, section 161.14, is amended by adding a subdivision to read:

Subd. 98. **Deputy Richard K. Magnuson Memorial Highway.** The segment of marked Trunk Highway 310 from Roseau to the border with Canada is designated as "Deputy Richard K. Magnuson Memorial Highway." Subject to section 161.139, the commissioner must adopt a suitable design to mark this highway and erect appropriate signs.

Sec. 20. Minnesota Statutes 2020, section 161.14, is amended by adding a subdivision to read:

Subd. 99. **Patrol Inspector Robert H. Lobdell Memorial Highway.** The segment of marked Trunk Highway 11 from Roseau to Warroad is designated as "Patrol Inspector Robert H. Lobdell Memorial Highway." Subject to section 161.139, the commissioner must adopt a suitable design to mark this highway and erect appropriate signs.

Sec. 21. Minnesota Statutes 2020, section 161.14, is amended by adding a subdivision to read:

Subd. 100. **Corporal Caleb L. Erickson Memorial Highway.** That segment of marked Trunk Highway 13 in Waseca County from the southern border of Woodville Township to the northern border of Blooming Grove Township is designated as "Corporal Caleb L. Erickson Memorial Highway." Subject to section 161.139, the commissioner must adopt a suitable design to mark this highway and erect appropriate signs.

Sec. 22. Minnesota Statutes 2020, section 161.167, is amended to read:

161.167 REIMBURSEMENT OF EXPENSES.

Members of the appeal board shall submit to the commissioner an itemized list of the expenses incurred in disposing of matters presented to them. The appeal board members shall be reimbursed for all reasonable expenses incurred by them in the performance of their duties. ~~The commissioner shall pay these costs out of the trunk highway fund.~~ An amount sufficient to make reimbursements required under this section is appropriated from the general fund to the commissioner for this purpose.

Sec. 23. Minnesota Statutes 2020, section 161.19, is amended to read:

161.19 CERTAIN RECORDS OBTAINED AND FILED.

Upon the written request of the commissioner the court administrator of any court, the auditor of any county, the clerk of any town, or the recorder or clerk of any city shall furnish a copy of the proceedings, documents, and plats, if any, relating to the establishment of any road or the procuring of the right-of-way of any road which has been or may be taken over by the state of Minnesota as a trunk highway. The copy shall be filed in the records of the commissioner and shall be prima facie evidence of the existence of the road as described therein. The legal fee for the copies ~~shall~~ must

not be paid from the trunk highway fund. An amount sufficient to pay the legal fee for the copies is appropriated from the general fund to the commissioner for these costs.

Sec. 24. Minnesota Statutes 2020, section 161.20, subdivision 3, is amended to read:

Subd. 3. **Highway user tax distribution fund appropriations; trunk highway fund appropriations.** The commissioner may expend highway user tax distribution funds only for highway purposes and may expend trunk highway funds only for trunk highway purposes. Payment of expenses related to The following must not be funded out of the highway user tax distribution fund or the trunk highway fund:

- (1) Bureau of Criminal Apprehension laboratory;
- (2) Explore Minnesota Tourism kiosks;
- (3) tourist information centers;
- (4) Minnesota Safety Council;
- (5) driver education programs;
- (6) Emergency Medical Services Board;
- (7) Mississippi River Parkway Commission;
- (8) payments to MN.IT Services in excess of actual costs incurred for trunk highway purposes; and;
- (9) personnel costs incurred on behalf of the Governor's Office do not further a highway purpose and do not aid in the construction, improvement, or maintenance of the highway system;
- (10) parades, events, or sponsorships of events;
- (11) the creation, construction, expansion, or maintenance of bikeways;
- (12) administration and related services for the Department of Public Safety, the commissioner's office, fiscal services, human resources, communications, and technology services;
- (13) the statewide notification center for excavation services pursuant to chapter 216D;
- (14) rent and utility expenses for the department's central office building;
- (15) the cost of manufacturing license plates;
- (16) the installation, construction, expansion, or maintenance of public electric vehicle infrastructure; and
- (17) the following entities within the department: site development unit; labor compliance efforts in the Office of Project Management and Technical Support; Environmental Stewardship Office; Office of Transit and Active Transportation; Office of Aeronautics; Passenger Rail Office; Modal Planning & Program Management Division; Statewide Radio Communications within the department's

state aid division; Workforce and Agency Services Division; Office of Financial Management; Human Resources; commissioner's staff offices; Office of Audit; Office of Chief Counsel; Office of Civil Rights; Communications and Public Engagement; Office of Equity and Diversity; Government Affairs Office; and Office of Freight and Commercial Vehicle Operations.

The prohibition on funding includes all expenses for the named entity or program, including but not limited to payroll, purchased services, supplies, repairs, and equipment. This prohibition on spending applies to any successor entities or programs that are substantially similar to the entity or program named here.

Sec. 25. Minnesota Statutes 2020, section 161.23, subdivision 2, is amended to read:

Subd. 2. **Conveyance of excess.** (a) On acquiring real estate in excess of what is needed for trunk highway purposes as authorized in subdivision 1, the commissioner of transportation shall, within one year after the completion of the construction, reconstruction, or improvement of the highway for which a portion of the real estate was needed and required, convey and quitclaim the excess real estate.

(b) The excess real estate may be sold and conveyed to the owner of the land abutting upon the excess real estate in the same manner and under the same terms provided under section 161.44, subdivision 2, or to the highest responsible bidder, after receipt of sealed bids following mailed notice to adjacent landowners and published notice of the sale for three successive weeks in a newspaper or trade journal of general circulation in the territory from which bids are likely to be received. All bids may be rejected and new bids received upon like advertisement.

(c) If the lands remain unsold after being offered for sale, the commissioner may offer the remaining lands to any person who agrees to pay the minimum bid established for the public sale. The sale must continue until all eligible lands have been sold or the commissioner withdraws the remaining lands from the sale. The lands to be sold must be listed on the department's unsold property inventory list.

(d) The deed may contain restrictive clauses limiting the use of such real estate in the interests of safety and convenient public travel when the commissioner finds that the restrictions are reasonably necessary.

Sec. 26. Minnesota Statutes 2020, section 161.23, subdivision 2a, is amended to read:

Subd. 2a. **Services of licensed real estate broker.** If the lands remain unsold after being offered for sale to the highest bidder, the commissioner may retain the services of a licensed real estate broker to find a buyer. The sale price may be negotiated by the broker, but must not be less than ~~90~~ 80 percent of the appraised market value as determined by the commissioner. The broker's fee must be established by prior agreement between the commissioner and the broker, and must not exceed ten percent of the sale price for sales of \$10,000 or more. The broker's fee must be paid to the broker from the proceeds of the sale.

Sec. 27. Minnesota Statutes 2020, section 161.44, subdivision 6a, is amended to read:

Subd. 6a. **Services of licensed real estate broker.** If the lands are withdrawn from sale under subdivision 6b, the commissioner may retain the services of a licensed real estate broker to find a

buyer. The sale price may be negotiated by the broker, but must not be less than ~~90~~ 80 percent of the appraised market value as determined by the commissioner. The broker's fee must be established by prior agreement between the commissioner and the broker, and must not exceed ten percent of the sale price for sales of \$10,000 or more. The broker's fee must be paid to the broker from the proceeds of the sale.

Sec. 28. Minnesota Statutes 2020, section 161.44, subdivision 6b, is amended to read:

Subd. 6b. **Unsold lands.** If lands remain unsold after being offered for sale to the highest bidder, the commissioner may offer the remaining lands to any person who agrees to pay at least 80 percent of the minimum bid established for the public sale. Any offers less than 100 percent of the minimum bid must be approved by the commissioner prior to a sale. The sale must continue until all eligible lands have been sold or the commissioner withdraws the remaining lands from sale. The lands to be sold must be listed on the department's Unsold Property Inventory list.

Sec. 29. Minnesota Statutes 2020, section 161.465, is amended to read:

161.465 REIMBURSEMENT FOR FIRE SERVICES.

(a) Ordinary expenses incurred by a municipal or volunteer fire department in extinguishing a grass fire within the right-of-way of a trunk highway must be reimbursed upon certification to the commissioner of transportation ~~from the trunk highway fund.~~ In addition, ordinary expenses incurred by a municipal or volunteer fire department in extinguishing a fire outside the right-of-way of any trunk highway if the fire originated within the right-of-way, upon approval of a police officer or an officer or employee of the Department of Public Safety must, upon certification to the commissioner of transportation by the proper official of the municipality or fire department within 60 days after the completion of the service, be reimbursed to the municipality or fire department ~~from funds in the trunk highway fund.~~ The commissioner must not make reimbursements authorized by this section from the trunk highway fund. An amount sufficient to pay the reimbursement costs is appropriated from the general fund to the commissioner for this purpose. The commissioner of transportation shall take action practicable to secure reimbursement to the ~~trunk highway~~ general fund of money expended under this section from the person, firm, or corporation responsible for the fire or danger of fire.

(b) The provisions of this section shall not be construed to admit state liability for damage or destruction to private property or for injury to persons resulting from a fire originating within a trunk highway right-of-way.

Sec. 30. Minnesota Statutes 2020, section 162.145, subdivision 2, is amended to read:

Subd. 2. **Small cities assistance account.** A small cities assistance account is created in the special revenue fund. The account consists of funds as 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 may only be expended as provided under this section.

Sec. 31. Minnesota Statutes 2020, section 162.145, subdivision 3, is amended to read:

Subd. 3. **Administration.** (a) ~~Subject to funds made available by law,~~ The commissioner ~~shall~~ must allocate all funds as provided in subdivision 4 and ~~shall~~ must, by June 1, certify to the commissioner of revenue the amounts to be paid.

(b) Following certification from the commissioner, the commissioner of revenue ~~shall~~ must distribute the specified funds to cities in the same manner as local government aid under chapter 477A. ~~An~~ The appropriation to the commissioner under this section is available to the commissioner of revenue for the purposes specified in this paragraph.

(c) Notwithstanding other law to the contrary, in order to receive distributions under this section, a city must conform to the standards in section 477A.017, subdivision 2. A city that receives funds under this section must make and preserve records necessary to show that the funds are spent in compliance with subdivision ~~4~~ 5.

Sec. 32. Minnesota Statutes 2020, section 163.07, subdivision 2, is amended to read:

Subd. 2. **Qualifications, salary, and term.** The county highway engineer shall be a registered highway or civil engineer, registered under the laws of the state of Minnesota. The county board may appoint a new county engineer for a term of only one year. All reappointments shall be for a term of four years, and shall be made in May of the year in which the term expires. ~~The county highway engineer shall be a citizen and resident of this state.~~ The county highway engineer's salary shall be fixed by the county board and shall be payable the same as other county officers are paid. The salary shall not be reduced during the county highway engineer's term of office.

Sec. 33. Minnesota Statutes 2020, section 167.45, is amended to read:

167.45 OPERATION COSTS FOR CENTRAL OFFICE BUILDING, PAYMENT.

The cost of operation and maintenance of the ~~new~~ central office building for the Department of Transportation, or so much thereof as is properly attributable to the Department of Transportation, ~~shall not be paid out of the trunk highway fund.~~ An amount sufficient to pay these costs is appropriated from the general fund to the commissioner for this purpose.

Sec. 34. Minnesota Statutes 2020, section 169.812, subdivision 2, is amended to read:

Subd. 2. **Escort vehicles required; width.** (a) Except as provided in paragraphs (d) and (e), no escort vehicle is required if the width of an overdimensional load is 15 feet or less as measured at the bottom of the load or is 16 feet or less as measured at the top of the load.

(b) Only one rear escort vehicle is required on a multilane divided roadway if the width of an overdimensional load is more than 15 feet as measured at the bottom of the load or is more than 16 feet as measured at the top of the load.

(c) Only one lead escort vehicle and one rear escort vehicle is required on any undivided roadway if the width of an overdimensional load is more than 15 feet as measured at the bottom of the load or is more than 16 feet as measured at the top of the load.

(d) ~~Only~~ One lead escort vehicle, one rear escort vehicle, and one lead licensed peace officer is required when any part of an overdimensional load or a vehicle transporting an overdimensional load extends beyond the left of the centerline on an undivided roadway.

(e) The commissioner may require additional escorts when deemed necessary to protect public safety or to ensure against undue damage to the road foundations, surfaces, or structures. The commissioner must specify in the permit (1) the number of additional escorts required; and (2) whether the operators of the escort vehicles must be licensed peace officers or may be escort drivers, as defined in subdivision 1.

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

Sec. 35. **[169.8665] SPECIAL SOYBEAN MEAL-HAULING VEHICLE PERMIT.**

Subdivision 1. Special three-unit vehicle permit. The commissioner may issue a permit for a vehicle that transports soybean meal and meets the following requirements:

(1) is a combination of vehicles, including a truck-tractor and a semitrailer drawing one additional semitrailer, and no semitrailer used in the three-vehicle combination has an overall length in excess of 28-1/2 feet;

(2) does not exceed a maximum gross vehicle weight of 106,000 pounds; and

(3) is operated only in this state on marked U.S. Highway 75 in Crookston to marked U.S. Highway 2, and on marked U.S. Highway 2 from Crookston to the North Dakota border.

Subd. 2. Special two-unit vehicle permit. The commissioner may issue a permit for a vehicle that transports soybean meal and meets the following requirements:

(1) is a combination of vehicles consisting of a truck-tractor and a single semitrailer that may exceed 48 feet, but not 53 feet, if the distance from the kingpin to the centerline of the rear axle group of the semitrailer does not exceed 43 feet;

(2) does not exceed a maximum gross vehicle weight of 106,000 pounds; and

(3) is operated only on the highways specified in subdivision 1, clause (3).

Subd. 3. Restrictions. (a) A vehicle issued a permit under subdivision 1 or 2:

(1) is subject to the axle weight limits in section 169.824;

(2) is subject to bridge load limits posted pursuant to section 169.84;

(3) is subject to seasonal load restrictions under section 169.87;

(4) may not be operated with a load that exceeds the tire manufacturer's recommended load under section 169.823, the manufacturer's gross vehicle weight rating as affixed to the vehicle, or other certification of gross weight rating under Code of Federal Regulations, title 49, sections 567.4 to 567.7;

(5) may not be operated on the interstate highway system; and

(6) may be operated on streets or highways under the control of a local authority only upon the approval of the local authority. However, vehicles may have reasonable access to terminals and facilities for food, fuel, repairs, and rest, and for continuity of route within one mile of the national network as provided by section 169.81, subdivision 3, and Code of Federal Regulations, title 23, section 658.19.

(b) The seasonal weight increases authorized under section 169.829 do not apply to permits issued under this section.

Subd. 4. **Permit fee; appropriation.** Vehicle permits issued under subdivision 1 must be annual permits. The fee is \$850 for each vehicle, or a proportional amount as provided in section 169.86, subdivision 5, and must be deposited in the trunk highway fund. An amount sufficient to administer the permit program is appropriated from the trunk highway fund to the commissioner for the costs of administering the permit program.

Subd. 5. **Expiration date.** Upon request of the permit applicant, the expiration date for a permit issued under this section must be the same as the expiration date of the permitted vehicle's registration.

EFFECTIVE DATE. This section is effective January 1, 2022.

Sec. 36. Minnesota Statutes 2020, section 174.03, subdivision 1b, is amended to read:

Subd. 1b. **Statewide freight and passenger rail plan.** (a) The commissioner shall develop a comprehensive statewide freight and passenger rail plan to be ~~included and~~ revised as a part within two years of each update to the statewide multimodal transportation plan that prioritizes future passenger rail capital improvement projects based on a scoring system. The plan must identify the criteria, weight of each criterion, and process used to score each project based on the weighted criteria. The plan must list the candidate projects evaluated, the score assigned, and any other reasons for prioritizing a project other than the score. The commissioner shall publish the plan on the department's website.

(b) ~~Before the initial version of the plan is adopted, the commissioner shall provide a copy for review and comment to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over transportation policy and finance. Notwithstanding paragraph (a), the commissioner may adopt the next revision of the statewide transportation plan, scheduled to be completed in calendar year 2009, prior to completion of the initial version of the comprehensive statewide freight and passenger rail plan. The commissioner shall spend all funds for passenger rail on projects listed in the plan in order of priority unless the appropriation authorizing the funding explicitly designates the funding for a specific project.~~

Sec. 37. Minnesota Statutes 2020, section 174.03, subdivision 8, is amended to read:

Subd. 8. **Salaries and expenses.** Salaries and expenses of the department relating to highway purposes shall be paid from moneys available in the trunk highway fund, except as provided in section 161.20, subdivision 3. The funds provided in sections 360.011 to 360.076 and 360.305 to 360.91 shall be expended by the commissioner of transportation in accordance with the purposes

prescribed by those sections. Funds appropriated pursuant to the authority conferred by any constitutional article shall be expended in conformity with the purposes and uses authorized thereby.

Sec. 38. [174.13] TRANSPORTATION PROGRAMMING AND INVESTMENT COMMITTEE.

Subdivision 1. Establishment; duties. (a) The Transportation Programming and Investment Committee is established in the department. The committee must provide policy direction for the department's capital investments on the transportation system and must make programmatic capital investment decisions and recommendations to the commissioner. At a minimum, the committee must:

(1) make, approve, or confirm major policy and spending decisions related to construction on trunk highways;

(2) select projects pursuant to state law and department policies;

(3) make decisions on trunk highway programming;

(4) distribute uncommitted funds;

(5) direct state road construction funds to specific projects, programs, and studies; and

(6) create and maintain the investment opportunity plan and select projects from that list for funding as funds allow.

(b) In making programming decisions, the Transportation Programming and Investment Committee must follow state and federal law and any policy or procedure established by the commissioner. The committee and the commissioner must not override or contradict state or federal law or any policy or procedure adopted by the commissioner.

Subd. 2. Members. (a) The Transportation Programming and Investment Committee consists of the following ten voting members:

(1) the department's assistant commissioner for modal planning and program management;

(2) the department's assistant commissioner for state aid;

(3) the department's assistant commissioner for engineering services;

(4) the department's assistant commissioner for operations;

(5) the department's assistant commissioner for sustainability and public health;

(6) the department's chief financial officer;

(7) two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader of the house; and

(8) two members of the senate, one appointed by the senate majority leader and one appointed by the senate minority leader.

(b) In addition to the voting members specified in paragraph (a), the Transportation Programming and Investment Committee consists of the following six nonvoting members:

- (1) the department's assistant division director for modal planning and program management;
- (2) the department's two assistant division directors for operations;
- (3) the department's assistant division director for engineering services;
- (4) the department's controller or office director for financial management; and
- (5) the department's deputy engineer for state aid.

(c) Any decision or recommendation made by the committee must be made by six or more of the voting members described in paragraph (a), including at least one legislator from each party represented by a legislator on the committee.

(d) The assistant commissioner for modal planning and program management, or the assistant commissioner's designee, serves as the chair of the Transportation Programming and Investment Committee.

Subd. 3. **Meetings.** (a) The Transportation Programming and Investment Committee must meet at least once each calendar month.

(b) The chair must designate a person to take minutes for each meeting. At a minimum, the minutes must include the following information:

- (1) the members and anyone else present for the meeting;
- (2) the issues considered by the committee;
- (3) a summary of the discussion for each issue; and
- (4) the number of yes and no votes for each vote taken.

The minutes must be posted on the department's website within three calendar days after the meeting. The minutes must remain available on the department's website for two calendar years after the minutes were posted.

Subd. 4. **Commissioner response.** If the commissioner does not follow a decision or recommendation made by the Transportation Programming and Investment Committee, the commissioner must notify the committee, in writing, that the commissioner did not follow the decision or recommendation and explain the reasons for the decision. The commissioner must post the notification on the department's website within three calendar days of submitting it to the committee. The notification must remain available on the department's website for two calendar years after the notification was posted.

Subd. 5. **Investment opportunity plan.** The Transportation Programming and Investment Committee must establish and maintain an investment opportunity plan that includes projects with an identified need but are not funded by or cannot be funded by the standard programming process.

The plan must set forth a process to be used when determining how to allocate funding. The commissioner must publish the plan on the department's website. The committee must publish on the department's website a list of all projects that the committee considers for funding. The list must identify the projects that were selected and the projects that were not selected. For each project that was not selected, the commissioner must include the reason it was not selected.

Sec. 39. Minnesota Statutes 2020, section 174.185, subdivision 3, is amended to read:

Subd. 3. **Report.** The commissioner shall report annually to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over transportation finance ~~beginning on January 1, 2012,~~ the results of the analyses required in subdivision 2.

Sec. 40. **[174.20] PAVEMENT SELECTION GUIDELINES.**

(a) The commissioner must develop, implement, and adhere to a pavement investment guide.

(b) The commissioner must review and approve all pavement selections made by district offices for construction, reconstruction, rehabilitation, or preservation projects to ensure that the pavement selection is consistent with the pavement investment guide. Nothing in this section allows the commissioner to alter projects selected by district offices, except for the type of pavement to be used.

Sec. 41. Minnesota Statutes 2020, section 174.24, subdivision 7, is amended to read:

Subd. 7. **Transit service for disabled veterans.** ~~On and after July 1, 2009,~~ An eligible recipient of operating assistance under this section, who contracts or has contracted to provide fixed route public transit, shall provide fixed route public transit service free of charge for veterans, as defined in section 197.447, certified as disabled. For purposes of this section, "certified as disabled" means certified in writing by the United States Department of Veterans Affairs or the state commissioner of veterans affairs as having a permanent service-connected disability.

Sec. 42. Minnesota Statutes 2020, section 174.285, subdivision 5, is amended to read:

Subd. 5. **Report.** By January 15 of each year, ~~beginning in 2012,~~ the council shall report its findings, recommendations, and activities to the governor's office and to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation, health, and human services, and to the legislature as provided under section 3.195.

Sec. 43. Minnesota Statutes 2020, section 174.40, subdivision 5, is amended to read:

Subd. 5. **Program administration.** (a) The commissioner shall establish general program requirements and a competitive process for financial assistance, including but not limited to eligibility requirements for grant recipients and projects; procedures for solicitation of grants; application requirements; procedures for payment of financial assistance awards; and a schedule for application, evaluation, and award of financial assistance. The commissioner shall publish the program requirements and the competitive process on the department's website.

(b) An application must include:

(1) a detailed and specific description of the project;

(2) an estimate, along with necessary supporting evidence, of the total costs for the project and the allocation of identified and proposed funding sources for the project;

(3) an assessment of the need for and benefits of the project;

(4) a resolution adopted by the governing body of the school for which a safe routes to school grant is requested, certifying that: (i) the governing body of the school supports the project; and (ii) funds, if any, required to be supplied by the school to complete the project are available and committed;

(5) a timeline indicating the major milestones of the project and their anticipated completion dates; and

(6) any additional information or material the commissioner prescribes.

(c) The commissioner shall ~~make reasonable efforts to:~~

(1) publicize each solicitation for applications among all eligible recipients, ~~and;~~

(2) provide technical and informational assistance in creating and submitting applications; and

(3) publish on the department's website a list of all projects that were considered for funding. The list must identify the projects that were selected and the projects that were not selected. For each project that was not selected, the commissioner must include the reason it was not selected. This clause does not apply when there is no funding from any source for the program in a fiscal year.

(d) ~~By January 1, 2013,~~ The commissioner of transportation shall publish and maintain a manual on the safe routes to school program that assists applicants for and recipients of financial assistance. The commissioner must publish the manual on the department's website. The manual must include a list of eligibility and general program requirements, an explanation of the application process, and a review of the criteria used to evaluate projects.

Sec. 44. Minnesota Statutes 2020, section 174.50, subdivision 6d, is amended to read:

Subd. 6d. **Major local bridges.** ~~For an appropriation made specifically for purposes of this subdivision,~~ The commissioner may make grants pursuant to this subdivision only if an enacted appropriation specifically references this specific subdivision. The commissioner must not make grants pursuant to this subdivision if an enacted appropriation references this section generally. When authorized by this subdivision, the commissioner may make a grant under this section to any political subdivision for replacement or rehabilitation of a major local bridge in which the grant award is with a total bridge cost estimate of \$7,000,000 or more. If in any year money appropriated for local bridge replacement and rehabilitation projects under this subdivision remains available after all identified and eligible projects under this subdivision have been funded, the commissioner may use remaining funds to make grants under this section for replacement or rehabilitation projects with a total bridge cost estimate of less than \$7,000,000.

EFFECTIVE DATE. This section is effective July 1, 2021, and applies to grants made on or after that date.

Sec. 45. Minnesota Statutes 2020, section 174.50, subdivision 7, is amended to read:

Subd. 7. **Bridge grant program; rulemaking.** (a) The commissioner of transportation shall develop rules, procedures for application for grants, conditions of grant administration, standards, and criteria as provided under subdivision 6, including bridge specifications, in cooperation with road authorities of political subdivisions, for use in the administration of funds appropriated to the commissioner and for the administration of grants to subdivisions. The commissioner must publish all rules, procedures, conditions, standards, and criteria on the department's website. Grants under this section are subject to the procedures and criteria established in this subdivision and in subdivisions 5 and 6.

(b) The maximum use of standardized bridges is encouraged. Regardless of the size of the existing bridge, a bridge or replacement bridge is eligible for assistance from the state transportation fund if a hydrological survey indicates that the bridge or replacement bridge must be ten feet or more in length.

(c) As part of the standards or rules, the commissioner shall, in consultation with local road authorities, establish a minimum distance between any two bridges that cross over the same river, stream, or waterway, so that only one of the bridges is eligible for a grant under this section. As appropriate, the commissioner may establish exceptions from the minimum distance requirement or procedures for obtaining a variance.

(d) Political subdivisions may use grants made under this section to construct or reconstruct bridges, including but not limited to:

(1) matching federal aid grants to construct or reconstruct key bridges;

(2) paying the costs to abandon an existing bridge that is deficient and in need of replacement but where no replacement will be made; and

(3) paying the costs to construct a road or street to facilitate the abandonment of an existing bridge if the commissioner determines that the bridge is deficient, and that construction of the road or street is more economical than replacement of the existing bridge.

(e) Funds appropriated to the commissioner from the Minnesota state transportation fund shall be segregated from the highway tax user distribution fund and other funds created by article XIV of the Minnesota Constitution.

~~(f) Except as provided in subdivision 6d, the commissioner is prohibited from awarding a grant under this section for a local bridge replacement or rehabilitation project with a total project cost estimate of \$7,000,000 or more. The commissioner must maintain a local bridge project list that includes every project that is a local bridge replacement or rehabilitation project which has approved plans. The list must include the total bridge cost estimate for each project. The commissioner must update this list annually. The commissioner must publish the list on the department's website.~~

~~(g) Notwithstanding paragraph (f), the commissioner may award a grant under this section for a portion of a local bridge replacement or rehabilitation project with a total project cost estimate of \$7,000,000 or more if every other local bridge replacement or rehabilitation project on the commissioner's priority list with a total project cost estimate of less than \$7,000,000 has been fully~~

~~funded.~~ The commissioner is prohibited from awarding a grant of \$7,000,000 or more under this section for a local bridge replacement or rehabilitation project, except:

(1) for major local bridges as provided in subdivision 6d; or

(2) if every other local bridge replacement or rehabilitation project with a total bridge cost estimate of \$7,000,000 or less on the local bridge project list required by paragraph (f) has been fully funded.

(h) The commissioner must publish on the department's website a list of all projects that were considered for funding. The list must identify the projects that were selected and the projects that were not selected. For each project that was not selected, the commissioner must include the reason it was not selected. This paragraph does not apply when there is no funding from any source for the program in a fiscal year.

EFFECTIVE DATE. This section is effective July 1, 2021, and applies to grants made on or after that date.

Sec. 46. Minnesota Statutes 2020, section 174.50, is amended by adding a subdivision to read:

Subd. 8. **Total bridge cost estimate; definition.** For purposes of this section, a "total bridge cost estimate" includes the costs for the work directly relating only to the bridge itself.

Sec. 47. Minnesota Statutes 2020, section 174.52, subdivision 5, is amended to read:

Subd. 5. **Grant procedures and criteria.** (a) The commissioner shall establish procedures for statutory or home rule charter cities, towns, and counties to apply for grants or loans from the fund and criteria to be used to select projects for funding. The commissioner must publish the procedures on the department's website. The commissioner shall establish these procedures and criteria in consultation with representatives appointed by the Association of Minnesota Counties, League of Minnesota Cities, Minnesota Association of Townships, and the appropriate state agency as needed. The criteria for determining project priority and the amount of a grant or loan must be based upon consideration of:

(1) the availability of other state, federal, and local funds;

(2) the regional significance of the route;

(3) effectiveness of the proposed project in eliminating a transportation system deficiency;

(4) the number of persons who will be positively impacted by the project;

(5) the project's contribution to other local, regional, or state economic development or redevelopment efforts including livestock and other agricultural operations permitted after the effective date of this section; and

(6) ability of the local unit of government to adequately provide for the safe operation and maintenance of the facility upon project completion.

(b) The commissioner must publish on the department's website a list of all projects that were considered for funding. The list must identify the projects that were selected and the projects that were not selected. For each project that was not selected, the commissioner must include the reason it was not selected. This paragraph does not apply when there is no funding from any source for the program in a fiscal year.

Sec. 48. Minnesota Statutes 2020, section 174.56, subdivision 1, is amended to read:

Subdivision 1. **Report required.** (a) The commissioner of transportation shall submit a report by December 15 of each year on (1) the status of major highway projects completed during the previous two years or under construction or planned during the year of the report and for the ensuing 15 years, (2) trunk highway fund expenditures, and (3) ~~beginning with the report due in 2016,~~ efficiencies achieved during the previous two fiscal years.

(b) For purposes of this section, a "major highway project" is a highway project that has a total cost for all segments that the commissioner estimates at the time of the report to be at least (1) \$15,000,000 in the metropolitan highway construction district, or (2) \$5,000,000 in any nonmetropolitan highway construction district.

Sec. 49. Minnesota Statutes 2020, section 174.75, is amended by adding a subdivision to read:

Subd. 6. **Prohibition on lane conversion.** The complete streets policy must not allow for the conversion of a vehicle travel lane on the trunk highway system into a bicycle lane or bicycle route.

Sec. 50. Minnesota Statutes 2020, section 221.83, is amended to read:

221.83 COSTS PAID FROM TRUNK HIGHWAY FUND.

The costs of administering the provisions of this chapter ~~shall~~ must not be paid from the trunk highway fund.

Sec. 51. Minnesota Statutes 2020, section 296A.083, subdivision 2, is amended to read:

Subd. 2. **Debt service forecast.** On ~~June 30, 2008, and each March 1 thereafter~~ April 1 each year, the commissioner of management and budget shall report to the commissioner of revenue on trunk highway debt service. The report must include the annual amount of revenue from the surcharge previously deposited in the trunk highway fund, and a forecast of the total and annual amounts necessary to pay the remaining debt service.

Sec. 52. Minnesota Statutes 2020, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of management and budget shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit in the state treasury the revenues collected under section 297A.64, subdivision 1, including interest and penalties and minus refunds, and credit them to the highway user tax distribution fund.

(e) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit of revenues under paragraph (d), the commissioner shall deposit into the state treasury and credit to the highway user tax distribution fund an amount equal to the estimated revenues derived from the tax rate imposed under section 297A.62, subdivision 1, on the lease or rental for not more than 28 days of rental motor vehicles subject to section 297A.64. The commissioner shall estimate the amount of sales tax revenue deposited under this paragraph based on the amount of revenue deposited under paragraph (d).

~~(g) Starting after July 1, 2017, the commissioner shall deposit an amount of the remittances monthly into the state treasury and credit them to the highway user tax distribution fund as a portion of the estimated amount of taxes collected from the sale and purchase of motor vehicle repair parts in that month. For the remittances between July 1, 2017, and June 30, 2019, the monthly deposit amount is \$2,628,000. For remittances in each subsequent fiscal year, the monthly deposit amount is \$12,137,000. The commissioner must deposit the revenues derived from the taxes imposed on the sale and purchase of motor vehicle repair and replacement parts in the state treasury and credit:~~

(1) 54 percent to the highway user tax distribution fund;

(2) three percent to the small cities assistance account in the special revenue fund established under section 162.145;

(3) three percent to the town road account in the county state-aid highway fund established under section 162.081; and

(4) the remainder to the general fund.

For purposes of this paragraph, "motor vehicle" has the meaning given in section 297B.01, subdivision 11, and "motor vehicle repair and replacement parts" includes (i) all parts, tires, accessories, and equipment incorporated into or affixed to the motor vehicle as part of the motor vehicle maintenance and repair, and (ii) paint, oil, and other fluids that remain on or in the motor vehicle as part of the motor vehicle maintenance or repair. For purposes of this paragraph, "tire" means any tire of the type used on highway vehicles, if wholly or partially made of rubber and if marked according to federal regulations for highway use.

(h) 72.43 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 50 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants; and

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo.

(i) The revenue dedicated under paragraph (h) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (h) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (h) must be allocated for field operations.

(j) The commissioner must deposit the revenues, including interest and penalties minus any refunds, derived from the sale of items regulated under section 624.20, subdivision 1, that may be

sold to persons 18 years old or older and that are not prohibited from use by the general public under section 624.21, in the state treasury and credit:

- (1) 25 percent to the volunteer fire assistance grant account established under section 88.068;
- (2) 25 percent to the fire safety account established under section 297I.06, subdivision 3; and
- (3) the remainder to the general fund.

For purposes of this paragraph, the percentage of total sales and use tax revenue derived from the sale of items regulated under section 624.20, subdivision 1, that are allowed to be sold to persons 18 years old or older and are not prohibited from use by the general public under section 624.21, is a set percentage of the total sales and use tax revenues collected in the state, with the percentage determined under Laws 2017, First Special Session chapter 1, article 3, section 39.

(k) The revenues deposited under paragraphs (a) to (j) do not include the revenues, including interest and penalties, generated by the sales tax imposed under section 297A.62, subdivision 1a, which must be deposited as provided under the Minnesota Constitution, article XI, section 15.

Sec. 53. Minnesota Statutes 2020, section 297A.993, is amended by adding a subdivision to read:

Subd. 5. **Reporting.** (a) A metropolitan county, as defined in section 473.121, subdivision 4, that imposes the transportation sales and use tax under this section must annually submit to the commissioner of transportation the following information for each of the county's three most recently completed fiscal years:

(1) a brief overview of the projects or improvements funded under this section, whether wholly or in part;

(2) a summary of any future funding commitments or dedications;

(3) total revenues, expenditures, encumbrances or dedications, and unexpended balances from the sales tax;

(4) expenditure breakdowns for (i) capital and operating costs, and (ii) transportation mode; and

(5) a summary of any bonds, notes, or other obligations under subdivision 4 that includes identification of total outstanding debt obligations and debt that is authorized but unissued.

(b) The information under paragraph (a) must be submitted in the form, manner, and schedule prescribed by the commissioner of transportation. The information must be structured to provide financial information in six-month increments corresponding to state and local fiscal years.

(c) By February 15 annually, the commissioner of transportation must submit a report to the members of the legislative committees with jurisdiction over transportation policy and finance that compiles the information received under paragraph (a).

Sec. 54. Minnesota Statutes 2020, section 360.012, is amended by adding a subdivision to read:

Subd. 1a. **Ordinances of political subdivisions.** A political subdivision must: (1) allow the commissioner to review a proposed ordinance affecting the operation of an unmanned aircraft; and (2) notify the commissioner whenever the political subdivision adopts an ordinance affecting the operation of unmanned aircraft.

Sec. 55. Minnesota Statutes 2020, section 360.013, is amended by adding a subdivision to read:

Subd. 57a. **Small unmanned aircraft.** "Small unmanned aircraft" means an aircraft, as defined in subdivision 37, that weighs less than 55 pounds and is operated without the possibility of human intervention from within or on the aircraft.

Sec. 56. Minnesota Statutes 2020, section 360.013, is amended by adding a subdivision to read:

Subd. 57b. **Small unmanned aircraft system.** "Small unmanned aircraft system" means a small unmanned aircraft and all of its associated elements, including components and communication links, that are required to control and operate the aircraft.

Sec. 57. Minnesota Statutes 2020, section 360.55, is amended by adding a subdivision to read:

Subd. 9. **Small unmanned aircraft systems.** (a) Any small unmanned aircraft system in which the unmanned aircraft weighs less than 55 pounds at takeoff, including payload and anything affixed to the aircraft, either:

(1) must be registered in the state for an annual fee of \$25; or

(2) is not subject to registration or an annual fee if the unmanned aircraft system is owned and operated solely for recreational purposes.

(b) An unmanned aircraft system that meets the requirements under paragraph (a) is exempt from aircraft registration tax under sections 360.511 to 360.67.

Sec. 58. Minnesota Statutes 2020, section 360.59, subdivision 10, is amended to read:

Subd. 10. Certificate of insurance. (a) Every owner of aircraft in this state when applying for registration, reregistration, or transfer of ownership shall supply any information the commissioner reasonably requires to determine that the aircraft during the period of its contemplated operation is covered by an insurance policy with limits of not less than \$100,000 per passenger seat liability both for passenger bodily injury or death and for property damage; not less than \$100,000 for bodily injury or death to each nonpassenger in any one accident; and not less than \$300,000 per occurrence for bodily injury or death to nonpassengers in any one accident. The insurance must comply with section 60A.081, unless that section is inapplicable under section 60A.081, subdivision 3.

The information supplied to the commissioner must include but is not limited to the name and address of the owner, the period of contemplated use or operation, if any, and, if insurance coverage is then presently required, the name of the insurer, the insurance policy number, the term of the coverage, policy limits, and any other data the commissioner requires. No certificate of registration shall be issued pursuant to subdivision 3 in the absence of the information required by this subdivision.

(b) In the event of cancellation of aircraft insurance by the insurer, the insurer shall notify the Department of Transportation at least ten days prior to the date on which the insurance coverage is

to be terminated. Unless proof of a new policy of insurance is filed with the department meeting the requirements of this subdivision during the period of the aircraft's contemplated use or operation, the registration certificate for the aircraft shall be revoked forthwith.

(c) Nothing in this subdivision shall be construed to require an owner of aircraft to maintain passenger seat liability coverage on aircraft for which an experimental certificate has been issued by the administrator of the Federal Aviation Administration pursuant to Code of Federal Regulations, title 14, sections 21.191 to 21.195 and ~~91.42~~ 91.319, whereunder persons operating the aircraft are prohibited from carrying passengers in the aircraft or for an unmanned aircraft. Whenever the aircraft becomes certificated to carry passengers, passenger seat liability coverage shall be required as provided in this subdivision.

(d) The requirements of this subdivision shall not apply to any aircraft built by the original manufacturer prior to December 31, 1939, and owned and operated solely as a collector's item, if the owner files an affidavit with the commissioner. The affidavit shall state the owner's name and address, the name and address of the person from whom the aircraft was purchased, the make, year, and model number of the aircraft, the federal aircraft registration number, the manufacturer's identification number, and that the aircraft is owned and operated solely as a collector's item and not for general transportation purposes.

(e) A small unmanned aircraft system that meets the requirements of section 360.55, subdivision 9, is not subject to the requirements under paragraphs (a) and (b). Owners of small unmanned aircraft systems that meet the requirements of section 360.55, subdivision 9, must, at the time of registration, provide proof of insurability in a form acceptable to the commissioner. Additionally, such operators must maintain records and proof that each flight was insured for the limits established in paragraph (a).

Sec. 59. APPOINTMENTS; TRANSPORTATION PROGRAMMING AND INVESTMENT COMMITTEE.

The speaker the house, the minority leader of the house, the senate majority leader, and the senate minority leader must make the appointments to the Transportation Programming and Investment Committee by June 30, 2021.

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

Sec. 60. FREIGHT NETWORK OPTIMIZATION TOOL CREATION.

(a) The commissioner of transportation, in consultation with the commissioner of employment and economic development, must procure a statewide freight network optimization tool. The tool, at a minimum, must be able to:

(1) use data and mathematical models to reduce transportation inefficiencies for lowering supply chain costs to Minnesota businesses;

(2) develop return on investment metrics to promote public-private partnerships that result in network investments that address supply chain bottlenecks;

(3) analyze site locations for economic development that help to lower the cost of moving goods;

(4) improve the state's capabilities for transportation network planning and creating an efficient multimodal network for moving goods and people;

(5) identify investments that relieve freight bottlenecks which reduce costs for freight transportation system users and generate public benefits; and

(6) develop strategic supply chain information to help identify economic development opportunities for business expansion or relocation in Minnesota.

(b) The commissioner of transportation, in consultation with the commissioner of employment and economic development and the Minnesota Freight Advisory Committee, must establish a process that allows public or private entities to access and use the tool.

Sec. 61. **LEGISLATIVE ROUTE NO. 263 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 194, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Martin County to transfer jurisdiction of Legislative Route No. 263 and notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 62. **LEGISLATIVE ROUTE NO. 267 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 198, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Murray County to transfer jurisdiction of Legislative Route No. 267 and notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 63. **MNPASS LANES; REQUEST TO FEDERAL HIGHWAY ADMINISTRATION.**

The commissioner of transportation must request approval from the Federal Highway Administration to allow MnPASS lanes to be used by any vehicle on New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas.

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

Sec. 64. **TRAFFIC-CONTROL SIGNAL REQUIRED.**

If left turn lanes are constructed on marked Trunk Highway 47 at the intersection with McKinley Street in Anoka, the commissioner of transportation must install a traffic-control signal at the intersection.

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

Sec. 65. TRANSPORTATION PROJECT SELECTION PROCESS.

Subdivision 1. Adoption of policy. (a) The commissioner of transportation must develop, adopt, and implement a policy for every program or process the commissioner uses to evaluate, prioritize, or select capital projects; award grants for capital projects; or allocate funding or resources for capital projects, including trunk highway and general obligation bonds. At a minimum, the commissioner must adopt a policy for capital project selections and programs for each of the following: rail grade separation program; greater Minnesota transit capital program; safety improvements on crude oil corridors; facilities capital improvement program; Minnesota rail service improvement program; port development assistance program; and airport projects funded entirely with state or local funds. Prior to developing, adopting, or implementing a policy for a program or selection process, the commissioner must consult with the following entities, where appropriate: the Federal Highway Administration; metropolitan planning organizations; regional development commissions; area transportation partnerships; local governments; the Metropolitan Council; transportation stakeholders; or other appropriate federal, state, or local government agencies. The commissioner must develop, adopt, and implement the policy no later than November 1, 2022, and may update the policy as appropriate. The commissioner must publish the policy and updates on the department's website and through other effective means selected by the commissioner.

(b) For each selection process, the policy adopted under this section must:

(1) establish a process that identifies criteria, the weight of each criterion, and a process to score each project based on the weighted criteria. The scoring system may consider project readiness as a criterion for evaluation, but project readiness must not be a major factor in determining the final score;

(2) identify and apply all relevant criteria contained in enacted Minnesota or federal law or added by the commissioner;

(3) identify for stakeholders and the general public the candidate project selected under each selection process and every project considered that was not selected;

(4) involve area transportation partnerships and other local authorities, as appropriate, in the process of scoring and ranking candidate projects under consideration;

(5) publicize scoring and decision outcomes concerning each candidate project, including the projects that were considered but not selected, and the reason each project was not selected; and

(6) require that the projects in the state transportation improvement program include the score assigned to the project.

(c) This section does not apply to the following: the safe routes to school program under Minnesota Statutes, section 174.40; the local bridge replacement program under Minnesota Statutes, section 174.50; the local road improvement program under Minnesota Statutes, section 174.52; highway railroad grade crossing-warning devices replacement; statewide freight safety improvements; the airport capital improvement program; or high priority bridges for the trunk highway system. This section does not apply to any programs or processes for which the commissioner has already established a project selection process pursuant to Laws 2017, First Special Session chapter 3, article 3, section 124.

(d) For purposes of this section, a capital project means a project to purchase, replace, or recondition the physical assets that make up the transportation system.

Subd. 2. **Report to legislature.** By February 1, 2023, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance concerning the adopted policy and how the policy is anticipated to improve the consistency, objectivity, and transparency of the selection process. The report must include information on input from members of the public and the organizations identified in subdivision 1.

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

Sec. 66. **TRANSPORTATION REVENUE AND EXPENDITURES; REPORT.**

(a) The commissioner of transportation, in collaboration with the commissioners of revenue and management and budget, must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance on transportation revenues and expenditures in Minnesota.

(b) At a minimum, the report must include analysis regarding:

(1) revenue sources for transportation activities, including detailed information on how much revenue is generated on both a geographic and a per-capita basis;

(2) the various constitutional and statutory formulas used to distribute transportation funding, including detailed information on the amounts spent under each formula over the past five years;

(3) expenditures for transportation-related activities, including detailed information on how transportation funds are distributed and expended on both a geographic and a per-capita basis;

(4) the current number of roadways with two or more paved lanes on a per-county basis; and

(5) the projected cost to meet Minnesota's transportation needs, taking into account specific factors that include but are not limited to (i) action needed to achieve meaningful congestion relief, and (ii) labor costs to both maintain existing transportation assets and expand to meet future needs.

(c) The report under this section must be submitted no later than January 1, 2022.

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

Sec. 67. **REPEALER.**

(a) Minnesota Statutes 2020, sections 16A.60; and 160.93, subdivisions 2a and 3, are repealed.

(b) Laws 2000, chapter 479, article 2, section 1, as amended by Laws 2000, chapter 499, section 41, and Laws 2001, First Special Session chapter 5, article 20, section 20, is repealed.

EFFECTIVE DATE. Paragraph (a) is effective July 1, 2021. Paragraph (b) is effective August 1, 2021.

Sec. 68. **EFFECTIVE DATE.**

Except where otherwise provided, this article is effective July 1, 2021.

ARTICLE 3

DEPARTMENT OF PUBLIC SAFETY

Section 1. Minnesota Statutes 2020, section 84.787, subdivision 7, is amended to read:

Subd. 7. **Off-highway motorcycle.** (a) "Off-highway motorcycle" means a motorized, off-highway vehicle traveling on two wheels and having a seat or saddle designed to be straddled by the operator and handlebars for steering control, including a vehicle that is registered under chapter 168 for highway use if it is also used for off-highway operation on trails or unimproved terrain.

(b) Off-highway motorcycle does not include an electric-assisted bicycle as defined in section 169.011, subdivision 27.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 2. Minnesota Statutes 2020, section 84.797, subdivision 7, is amended to read:

Subd. 7. **Off-road vehicle.** (a) "Off-road vehicle" or "vehicle" means a motor-driven recreational vehicle capable of cross-country travel on natural terrain without benefit of a road or trail.

(b) Off-road vehicle does not include a snowmobile; an all-terrain vehicle; a motorcycle; an electric-assisted bicycle as defined in section 169.011, subdivision 27; a watercraft; a farm vehicle being used for farming; a vehicle used for military, fire, emergency, or law enforcement purposes; a construction or logging vehicle used in the performance of its common function; a motor vehicle owned by or operated under contract with a utility, whether publicly or privately owned, when used for work on utilities; a commercial vehicle being used for its intended purpose; snow-grooming equipment when used for its intended purpose; or an aircraft.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 3. Minnesota Statutes 2020, section 84.92, subdivision 8, is amended to read:

Subd. 8. **All-terrain vehicle or vehicle.** (a) "All-terrain vehicle" or "vehicle" means a motorized vehicle with: (1) not less than three, but not more than six low pressure or non-pneumatic tires; (2) a total dry weight of 2,000 pounds or less; and (3) a total width from outside of tire rim to outside of tire rim that is 65 inches or less. All-terrain vehicle includes a class 1 all-terrain vehicle and class 2 all-terrain vehicle.

(b) All-terrain vehicle does not include a an electric-assisted bicycle as defined in section 169.011, subdivision 27, golf cart, mini-truck, dune buggy, or go-cart or a vehicle designed and used specifically for lawn maintenance, agriculture, logging, or mining purposes.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 4. Minnesota Statutes 2020, section 168.002, subdivision 18, is amended to read:

Subd. 18. **Motor vehicle.** (a) "Motor vehicle" means any self-propelled vehicle designed and originally manufactured to operate primarily on highways, and not operated exclusively upon railroad tracks. It includes any vehicle propelled or drawn by a self-propelled vehicle and includes vehicles known as trackless trolleys that are propelled by electric power obtained from overhead trolley wires but not operated upon rails. ~~It does not include snowmobiles, manufactured homes, or park trailers.~~

(b) "Motor vehicle" includes an all-terrain vehicle only if the all-terrain vehicle (1) has at least four wheels, (2) is owned and operated by a physically disabled person, and (3) displays both disability plates and a physically disabled certificate issued under section 169.345.

(c) "Motor vehicle" does not include an all-terrain vehicle except (1) an all-terrain vehicle described in paragraph (b), or (2) an all-terrain vehicle licensed as a motor vehicle before August 1, 1985. The owner may continue to license an all-terrain vehicle described in clause (2) as a motor vehicle until it is conveyed or otherwise transferred to another owner, is destroyed, or fails to comply with the registration and licensing requirements of this chapter.

(d) "Motor vehicle" does not include a snowmobile; a manufactured home; a park trailer; an electric personal assistive mobility device as defined in section 169.011, subdivision 26;

~~(e) "Motor vehicle" does not include~~ a motorized foot scooter as defined in section 169.011, subdivision 46; or an electric-assisted bicycle as defined in section 169.011, subdivision 27.

~~(f)~~(e) "Motor vehicle" includes an off-highway motorcycle modified to meet the requirements of chapter 169 according to section 84.788, subdivision 12.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 5. Minnesota Statutes 2020, section 168.013, subdivision 1m, is amended to read:

Subd. 1m. ~~Electric~~ **All-electric vehicle.** (a) In addition to the tax under subdivision 1a, a surcharge of ~~\$75~~ \$229 is imposed for an all-electric vehicle, as defined in section 169.011, subdivision 1a. Notwithstanding subdivision 8, revenue from the fee imposed under this subdivision must be deposited in the highway user tax distribution fund.

(b) If the gasoline excise tax imposed by section 296A.07, subdivision 3, clause (3), is increased or decreased, the surcharge under paragraph (a) must be increased or decreased, respectively, by a corresponding percentage. The commissioner must collect the adjusted surcharge amount under this paragraph on vehicle registrations occurring on or after the effective date of the gasoline excise tax adjustment.

Sec. 6. Minnesota Statutes 2020, section 168.013, is amended by adding a subdivision to read:

Subd. 1n. **Plug-in hybrid electric vehicle.** (a) In addition to the tax under subdivision 1a, a surcharge of \$114.50 is imposed for a plug-in hybrid electric vehicle as defined in section 169.011, subdivision 54a. Notwithstanding subdivision 8, revenue from the fee imposed under this subdivision must be deposited in the highway user tax distribution fund.

(b) If the gasoline excise tax imposed by section 296A.07, subdivision 3, clause (3), is increased or decreased, the surcharge under paragraph (a) must be increased or decreased, respectively, by a corresponding percentage. The commissioner must collect the adjusted surcharge amount under this paragraph on vehicle registrations occurring on or after the effective date of the gasoline excise tax adjustment.

Sec. 7. Minnesota Statutes 2020, section 168.013, is amended by adding a subdivision to read:

Subd. 1o. **All-electric motorcycle.** (a) In addition to the tax under subdivision 1b, a surcharge of \$46 is imposed for an all-electric motorcycle as defined in section 169.011, subdivision 1b. Notwithstanding subdivision 8, revenue from the fee imposed under this subdivision must be deposited in the highway user tax distribution fund.

(b) If the gasoline excise tax imposed by section 296A.07, subdivision 3, clause (3), is increased or decreased, the surcharge under paragraph (a) must be increased or decreased, respectively, by a corresponding percentage. The commissioner must collect the adjusted surcharge amount under this paragraph on motorcycle registrations occurring on or after the effective date of the gasoline excise tax adjustment.

Sec. 8. Minnesota Statutes 2020, section 168.013, is amended by adding a subdivision to read:

Subd. 1p. **Plug-in hybrid electric motorcycle.** (a) In addition to the tax under subdivision 1b, a surcharge of \$23 is imposed for a plug-in hybrid electric motorcycle as defined in section 169.011, subdivision 54c. Notwithstanding subdivision 8, revenue from the fee imposed under this subdivision must be deposited in the highway user tax distribution fund.

(b) If the gasoline excise tax imposed by section 296A.07, subdivision 3, clause (3), is increased or decreased, the surcharge under paragraph (a) must be increased or decreased, respectively, by a corresponding percentage. The commissioner must collect the adjusted surcharge amount under this paragraph on motorcycle registrations occurring on or after the effective date of the gasoline excise tax adjustment.

Sec. 9. **[168.0135] MOTOR VEHICLE REGISTRATION SELF-SERVICE KIOSKS.**

Subdivision 1. **Authorization.** (a) The commissioner, in consultation with deputy registrars, must establish a process to implement, locate, and install self-service kiosks that may be used for passenger vehicle and motorcycle registration renewals. The commissioner must establish reasonable performance, security, technical, and financial standards to approve a vendor. Self-service kiosks authorized by this section must:

(1) allow a customer to renew a passenger vehicle or motorcycle registration pursuant to section 168.013, without assistance of a deputy registrar;

(2) collect the appropriate annual contribution for a special license plate;

(3) process requests for duplicate license plates, except that the self-service kiosk must not process any request for a special plate that requires documentation to prove eligibility to receive that type of plate;

(4) dispense license plate registration renewal stickers to the applicant at the time of the application; and

(5) display the contact phone number and e-mail address of the deputy registrar's office that is responsible for the self-service kiosk.

(b) A self-service kiosk may dispense license plates, except that a kiosk must not dispense any type of special license plate that requires documentation to prove eligibility to receive that type of plate.

(c) This section only applies to deputy registrars appointed pursuant to section 168.33, subdivision 2.

Subd. 2. **Administration.** (a) The commissioner must contract with a vendor to provide the hardware and software necessary to implement the self-service kiosk program. The commissioner must provide fair and reasonable access to department facilities, staff, and technology. The vendor is responsible for the maintenance and installation of all self-service kiosks. The vendor must provide training to deputy registrars on how to operate and troubleshoot issues with a self-service kiosk.

(b) In order to have a self-service kiosk placed in a deputy registrar's service area, the deputy registrar must make a request to the commissioner. The commissioner must review the request. If the request is approved, the commissioner must place a self-service kiosk in the requesting deputy registrar's service area.

(c) The deputy registrar that requested the placement of the self-service kiosk is responsible for the kiosk. The deputy registrar must coordinate with the vendor for administration and to ensure that all registration materials contained within the self-service kiosks are properly handled and accounted for.

Subd. 3. **Fees.** (a) The commissioner may assess a convenience fee of \$5 or less for each transaction completed using a self-service kiosk. The vendor must collect and retain the revenue from any convenience fee that is assessed.

(b) The filing fees in section 168.33, subdivision 7, apply to transactions conducted at a self-service kiosk. The deputy registrar must retain the filing fees.

(c) The fees authorized in this subdivision are in addition to any transaction fees, convenience fees, or other fees charged by a financial institution for use of a debit or credit card.

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

Sec. 10. Minnesota Statutes 2020, section 168.12, subdivision 1, is amended to read:

Subdivision 1. **Plates; design, visibility, periods of issuance.** (a) The commissioner, upon approval and payment, shall issue to the applicant the plates required by this chapter, bearing the state name and an assigned vehicle registration number. The number assigned by the commissioner may be a combination of a letter or sign with figures. The color of the plates and the color of the abbreviation of the state name and the number assigned must be in marked contrast. The plates must

be lettered, spaced, or distinguished to suitably indicate the registration of the vehicle according to the rules of the commissioner.

(b) When a vehicle is registered on the basis of total gross weight, the plates issued must clearly indicate by letters or other suitable insignia the maximum gross weight for which the tax has been paid.

(c) Plates issued to a noncommercial vehicle must bear the inscription "noncommercial" unless the vehicle is displaying a special plate authorized and issued under this chapter.

(d) A one-ton pickup truck that is used for commercial purposes and is subject to section 168.185, is eligible to display special plates as authorized and issued under this chapter.

(e) The plates must be so treated as to be at least 100 times brighter than the conventional painted number plates. When properly mounted on an unlighted vehicle, the plates, when viewed from a vehicle equipped with standard headlights, must be visible for a distance of not less than 1,500 feet and readable for a distance of not less than 110 feet.

(f) The commissioner shall issue plates for the following periods:

(1) New plates issued pursuant to section 168.012, subdivision 1, must be issued to a vehicle for as long as the vehicle is owned by the exempt agency and the plate shall not be transferable from one vehicle to another but the plate may be transferred with the vehicle from one tax-exempt agency to another.

(2) Plates issued for passenger automobiles must be issued for a seven-year period. All plates issued under this paragraph must be replaced if they are seven years old or older at the time of registration renewal or will become so during the registration period.

(3) Plates issued under sections 168.053 and 168.27, subdivisions 16 and 17, must be for a seven-year period.

(4) Plates issued under subdivisions 2c and 2d and ~~section~~ sections 168.123, 168.1235, and 168.1255 must be issued for the life of the veteran under section 169.79.

(5) Plates for any vehicle not specified in clauses (1) to (3) must be issued for the life of the vehicle.

(g) In a year in which plates are not issued, the commissioner shall issue for each registration a sticker to designate the year of registration. This sticker must show the year or years for which the sticker is issued, and is valid only for that period. The plates and stickers issued for a vehicle may not be transferred to another vehicle during the period for which the sticker is issued, except when issued for a vehicle registered under section 168.187.

(h) Despite any other provision of this subdivision, plates issued to a vehicle used for behind-the-wheel instruction in a driver education course in a public school may be transferred to another vehicle used for the same purpose without payment of any additional fee. The public school shall notify the commissioner of each transfer of plates under this paragraph. The commissioner may prescribe a format for notification.

Sec. 11. Minnesota Statutes 2020, section 168.12, subdivision 5, is amended to read:

Subd. 5. **Additional fee.** (a) In addition to any fee otherwise authorized or any tax otherwise imposed upon any vehicle, the payment of which is required as a condition to the issuance of any plate or plates, the commissioner shall impose the fee specified in paragraph (b) that is calculated to cover the cost of manufacturing and issuing the plate or plates, except for plates issued to disabled veterans as defined in section 168.031 and plates issued pursuant to section 168.124, 168.125, or 168.27, subdivisions 16 and 17, for passenger automobiles. The commissioner shall issue graphic design plates only for vehicles registered pursuant to section 168.017 and recreational vehicles registered pursuant to section 168.013, subdivision 1g.

(b) Unless otherwise specified or exempted by statute, the following plate and validation sticker fees apply for the original, duplicate, or replacement issuance of a plate in a plate year:

License Plate	Single	Double
Regular and Disability	\$ 5.25 <u>13.50</u>	\$ 7.00 <u>15.50</u>
Special	\$ 10.00 <u>13.50</u>	\$ 11.50 <u>15.50</u>
Personalized (Replacement)	\$ 11.50 <u>13.50</u>	\$ 15.50
Collector Category	\$ 15.00 <u>13.50</u>	\$ 16.50 <u>15.50</u>
Emergency Vehicle Display	\$ 3.00	\$ 6.00
Utility Trailer Self-Adhesive	\$ 2.50	
Vertical Motorcycle Plate	\$ 100.00	NA
Replacement Dealer Plates	\$ 5.25	
Replacement Tax Exempt Plates	\$ 5.25	
Stickers		
Duplicate year	\$ 1.25 <u>1.50</u>	\$ 1.25 <u>1.50</u>
International Fuel Tax Agreement	\$ 2.50	

(c) Notwithstanding paragraph (b), for plates issued on and after August 1, 2019, and before July 1, 2022, the following plate and validation sticker fees apply for the original, duplicate, or replacement issuance of a plate in a plate year:

License Plate	Single	Double
Regular and Disability	\$ 6.00	\$ 8.00
Special	\$ 11.00	\$ 12.50
Personalized (Replacement)	\$ 12.50	\$ 16.50
Collector Category	\$ 16.00	\$ 17.50
Emergency Vehicle Display	\$ 3.00	\$ 6.00
Utility Trailer Self-Adhesive	\$ 2.50	
Vertical Motorcycle Plate	\$ 100.00	NA
Replacement Dealer Plates	\$ 5.25	
Replacement Tax Exempt Plates	\$ 5.25	
Stickers		
Duplicate year	\$ 1.50	\$ 1.50
International Fuel Tax Agreement	\$ 2.50	

(d) For vehicles that require two of the categories in paragraph (b) or (c), the registrar shall only charge the higher of the two fees and not a combined total.

Sec. 12. [168.1258] MINNESOTA 100 CLUB PLATES.

Subdivision 1. **Issuance of plates.** The commissioner must issue Minnesota 100 Club special plates or a single motorcycle plate to an applicant who:

(1) is a registered owner of a passenger automobile, noncommercial one-ton pickup truck, motorcycle, or recreational 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 a minimum of \$40 annually to the Minnesota 100 Club 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, in consultation with representatives from the Minnesota 100 Club.

Subd. 3. **Plates transfer.** On application to the commissioner and payment of a transfer fee of \$5, special plates issued under this section may be transferred to another motor vehicle if the subsequent vehicle is:

(1) qualified under subdivision 1, clause (1), to bear the special plates; and

(2) registered to the same individual to whom the special plates were originally issued.

Subd. 4. **Exemption.** Special plates issued under this section are not subject to section 168.1293, subdivision 2.

Subd. 5. **Contributions; account; appropriation.** Contributions collected under subdivision 1, clause (4), must be deposited in the Minnesota 100 Club account, which is established in the special revenue fund. Money in the account is annually appropriated to the commissioner. This appropriation is first for the annual cost of administering the account funds, and the remaining funds are for distribution to the Minnesota 100 Club to further the organization's mission and purpose of providing charitable gifts and contributions.

EFFECTIVE DATE. This section is effective July 1, 2021, for Minnesota 100 Club special plates issued on or after that date.

Sec. 13. [168.1283] MINNESOTA AGRICULTURE SPECIAL PLATES.

Subdivision 1. **Issuance of plates.** The commissioner must issue Minnesota agriculture special plates or a single motorcycle plate to an applicant who:

(1) is a registered owner of a passenger automobile, noncommercial one-ton pickup truck, motorcycle, or recreational vehicle;

(2) pays an additional fee in the amount specified for special plates under section 168.12, subdivision 5;

(3) pays the registration tax as required under section 168.013;

(4) pays the fees required under this chapter;

(5) contributes a minimum of \$20 annually to the Minnesota agriculture account; and

(6) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

Subd. 2. **Design.** In consultation with the commissioner of agriculture, the commissioner must adopt a suitable plate design that includes a depiction of lands and activity related to agriculture.

Subd. 3. **Plates transfer.** On application to the commissioner and payment of a transfer fee of \$5, special plates issued under this section may be transferred to another motor vehicle if the subsequent vehicle is:

(1) qualified under subdivision 1, clause (1), to bear the special plates; and

(2) registered to the same individual to whom the special plates were originally issued.

Subd. 4. **Exemption.** Special plates issued under this section are not subject to section 168.1293, subdivision 2.

Subd. 5. **Contributions; account; appropriation.** Contributions collected under subdivision 1, clause (5), must be deposited in the Minnesota agriculture account, which is established in the special revenue fund. Money in the account is 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 (1) the Minnesota FFA Foundation to support the mission of the foundation, and (2) the University of Minnesota Extension Service to support Minnesota 4-H programming and activities. The commissioner must annually consult with the Minnesota FFA Foundation and the University of Minnesota Extension Service for recommendations regarding how to allocate funds.

EFFECTIVE DATE. This section is effective January 1, 2022, for Minnesota agriculture special plates issued on or after that date.

Sec. 14. Minnesota Statutes 2020, section 168.183, is amended to read:

168.183 MOTOR VEHICLES OF CERTAIN NONRESIDENTS.

Subdivision 1. **Payment of taxes.** All trucks, truck-tractors, trucks using combination, and buses which comply with all of the provisions of section 168.181, subdivision 1, clause (6), but are excluded from the exemptions solely because of the temporary nature of their movement in this state, shall be required to comply with all laws and rules as to the payment of taxes applicable to like vehicles

owned by Minnesota residents, except that nonresidents may make application to pay the tax for each vehicle proportionate to the number of months or fraction thereof the vehicles are in this state. For the purposes of this subdivision, buses do not include charter buses that are considered proratable vehicles under section 168.187, subdivision 4. Fees are determined by section 168.013, subdivision 1e.

Subd. 2. **Contents of application.** The application shall contain such information and shall be executed in such manner as the registrar may require and shall include a complete itinerary of the applicant and shall be accompanied by such evidence of ownership as the registrar shall deem necessary.

Subd. 3. **Permit.** Upon payment of the required tax the registrar shall issue, in lieu of registration plates, a permit for each vehicle so taxed. The permit shall contain the name and address of the owner, the make, type, serial number and year model of the vehicle, the expiration date and any other information deemed necessary by the registrar. The permit must be ~~carried in the vehicle at all times~~ available in a format prescribed by the registrar while the vehicle is being operated in this state.

Sec. 15. Minnesota Statutes 2020, section 168.301, subdivision 1, is amended to read:

Subdivision 1. **Surrender plates and credit tax paid.** (a) On transferring a motor vehicle, the transferor shall surrender the registration plates and assign the registration tax paid to the credit of the transferee.

(b) A fee of \$10 shall be charged on each transfer of title within the state, other than transfers for resale purposes, of every motor vehicle weighing more than 1,000 pounds, as specified in section 115A.908.

Sec. 16. Minnesota Statutes 2020, section 168.31, subdivision 4, is amended to read:

Subd. 4. **Installments; registration generally.** (a) If the tax for a vehicle assessed under section 168.013, subdivision 1c, 1d, 1e, or 1g, amounts to more than \$400, the owner may pay the tax by installments.

(b) The owner shall tender with the application for registration one-third of the annual tax due or \$400, whichever is greater, plus any penalties or arrears, plus a fee of \$10. Instead of this fee, the applicant may furnish a bond, bank letter of credit, or certificate of deposit approved by the registrar of motor vehicles, for the total of the tax still due. The amount of the bond, letter of credit, or certificate of deposit may include any penalties assessed. The bond, letter of credit, or certificate of deposit must be for the benefit of the state for monetary loss caused by failure of the vehicle owner to pay delinquent license fees and penalties.

(c) The remainder of the tax due must be paid in two equal installments. The due date of the first installment is the first day of the fifth month of the registration period for which the tax is assessed July 1, and the second installment is due on the first day of the ninth month of the registration period for which the tax is assessed November 1.

(d) When the applicant elects to pay the administrative fee, the registrar shall issue to the applicant validation stickers indicating the expiration date of a registration. When the applicant elects to

furnish a bond, bank letter, or letter of deposit, the registrar shall issue regular validation stickers for the registration year.

(e) If an owner of a vehicle fails to pay an installment on or before its due date, the vehicle must not be used on the public streets or highways in this state until the installment or installments of the tax remaining due on the vehicle have been paid in full for the licensed year together with a penalty at the rate of \$1 per day for the remainder of the month in which the balance of the tax becomes due and \$4 a month for each succeeding month or fraction of a month during which the balance of the tax remains unpaid. Upon the payment of the balance of the tax and the penalties, the registrar shall issue a registration certificate to the owner of the vehicle in the manner provided by law. The registrar shall deny installment payment privileges provided in this subdivision in the subsequent year to any owner on any or all vehicles of the owner who during the current year fails to pay any installment due within one month after the due date.

Sec. 17. Minnesota Statutes 2020, section 168.327, is amended by adding a subdivision to read:

Subd. 5a. **Vehicle records subscription service.** (a) The commissioner may implement a vehicle records subscription service to provide information concerning access to motor vehicle records, including regular notice of records that have changed, to subscribers who:

(1) pay applicable fees; and

(2) are approved by the commissioner in accordance with section 168.346 and United States Code, title 18, section 2721.

(b) If a vehicle records subscription service is implemented, the commissioner must establish a fee that does not exceed \$3,680 per month for a subscription to the service. Fees collected under this paragraph must be credited to the vehicle services operating account under section 299A.705, subdivision 1, and are appropriated to the commissioner for the purposes in this paragraph and paragraph (a).

(c) If a motor vehicle records subscription service is implemented, the commissioner must charge a fee of \$0.02 per motor vehicle record requested. Of the fees collected, 20 percent must be credited to the vehicle services operating account under section 299A.705, subdivision 1, and is appropriated to the commissioner for the purposes of this subdivision; 30 percent must be credited to the data security account in the special revenue fund under section 3.9741, subdivision 5; and 50 percent must be credited to the driver and vehicle services technology account under section 299A.705, subdivision 3.

Sec. 18. Minnesota Statutes 2020, section 168.327, subdivision 6, is amended to read:

Subd. 6. Review and audit of purchases of bulk driver license and motor vehicle records subscription service. ~~Each subscriber and each requester of bulk vehicle records subscription of vehicle records or driver's license records shall annually engage an independent professional organization to audit its uses of bulk data and its information technology security procedures, including the methods and practices employed in the processing and use of driver and vehicle services data. Within 30 days of the date of the audit report, each subscriber and requester must submit each report to the legislative auditor and the commissioner.~~

Sec. 19. Minnesota Statutes 2020, section 168.327, is amended by adding a subdivision to read:

Subd. 7. Custom data request record fee. (a) For purposes of this subdivision, "custom data request records" means a total of 1,000 or more vehicle title records and vehicle registration records or a total of 1,000 or more driver's license records.

(b) The commissioner must charge a fee of \$0.02 per record for custom data request vehicle records and custom data request vehicle registration records or custom data request driver's license records.

(c) Of the vehicle record fees collected, 20 percent must be credited to the vehicle services operating account under section 299A.705, subdivision 1, and is appropriated to the commissioner for the purposes of this subdivision; 30 percent must be credited to the data security account in the special revenue fund under section 3.9741, subdivision 5; and 50 percent must be credited to the driver and vehicle services technology account under section 299A.705, subdivision 3.

(d) Of the driver's license record fees collected, 20 percent must be credited to the driver services operating account under section 299A.705, subdivision 2, and is appropriated to the commissioner for the purposes of this subdivision; 30 percent must be credited to the data security account in the special revenue fund under section 3.9741, subdivision 5; and 50 percent must be credited to the driver and vehicle services technology account under section 299A.705, subdivision 3.

(e) Additional fees apply for technical staff to create the custom set of data.

Sec. 20. Minnesota Statutes 2020, section 168.33, subdivision 7, is amended to read:

Subd. 7. Filing fees; allocations. (a) In addition to all other statutory fees and taxes, a filing fee of:

(1) \$7 is imposed on every vehicle registration renewal, excluding pro rate transactions; and

(2) \$11 is imposed on every other type of vehicle transaction, including motor carrier fuel licenses under sections 168D.05 and 168D.06, and pro rate transactions.

(b) Notwithstanding paragraph (a):

(1) a filing fee may not be charged for a document returned for a refund or for a correction of an error made by the Department of Public Safety, a dealer, or a deputy registrar; and

(2) no filing fee or other fee may be charged for the permanent surrender of a title for a vehicle.

(c) For every transaction where a deputy registrar collects a fee pursuant to paragraph (a), clause (1), the commissioner must transmit a payment of \$1 to the deputy registrar that collected the fee. For every transaction where a deputy registrar collects a fee pursuant to paragraph (a), clause (2), the commissioner must transmit a payment of \$3 to the deputy registrar that collected the fee. The commissioner must make the payments required by this paragraph on a quarterly basis. An amount sufficient to make the payments required by this paragraph is appropriated to the commissioner from the vehicle services operating account in the special revenue fund.

(d) The filing fee must be shown as a separate item on all registration renewal notices sent out by the commissioner.

(e) The statutory fees and taxes, and the filing fees imposed under paragraph (a) may be paid by credit card or debit card. The deputy registrar may collect a surcharge on the statutory fees, taxes, and filing fee not greater than the cost of processing a credit card or debit card transaction, in accordance with emergency rules established by the commissioner of public safety. The surcharge must be used to pay the cost of processing credit and debit card transactions.

(f) The fees collected under this subdivision by the department must be allocated as follows:

(1) of the fees collected under paragraph (a), clause (1):

(i) \$5.50 must be deposited in the vehicle services operating account; and

(ii) \$1.50 must be deposited in the driver and vehicle services technology account; and

(2) of the fees collected under paragraph (a), clause (2):

(i) \$3.50 must be deposited in the general fund;

(ii) \$6.00 must be deposited in the vehicle services operating account; and

(iii) \$1.50 must be deposited in the driver and vehicle services technology account.

EFFECTIVE DATE. This section is effective July 1, 2021, and applies to transactions completed on or after that date.

Sec. 21. Minnesota Statutes 2020, section 168.63, subdivision 5, is amended to read:

Subd. 5. **Annual recomputation and tax adjustment.** At the close of each calendar year and not later than February 15th of the next succeeding year, beginning with 1959, the registrar of motor vehicles shall recompute and redetermine the number of intercity buses required to have been registered in Minnesota for the prior year and the actual amount of tax liability for such previous year shall likewise be redetermined. Any additional tax which may be due by any owner or operator of intercity buses shall be paid forthwith. If it is determined as a result of such recomputation that there has been an overpayment of tax, the amount of such overpayment shall be credited to the amount of tax which may be due by the owner or operator of intercity buses in any subsequent year. In the event any owner or operator of intercity buses discontinues operations in Minnesota and has a tax credit due as a result of overpayment of motor vehicle taxes for any year, the amount of such overpayment shall be refunded. Such sums as are necessary to make the refunds herein are hereby appropriated annually from the ~~highway user tax distribution~~ general fund.

Sec. 22. Minnesota Statutes 2020, 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 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 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 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 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 complete the application for title section on the certificate of title or separate title application form prescribed by the department. The dealer shall mail or deliver the certificate to the registrar or deputy registrar with the transferee's application for a new certificate and appropriate taxes and fees, within ten business days.

(e) With respect to vehicles sold to buyers who will remove the vehicle from this state, the dealer shall remove any license plates from the vehicle, issue a 31-day temporary permit pursuant to section 168.091, and notify the registrar 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. 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 ~~not to exceed~~ of \$7 per transaction to provide this service.

Sec. 23. Minnesota Statutes 2020, section 168A.11, subdivision 2, is amended to read:

Subd. 2. **Notification on vehicle held for resale; service fee.** Within 48 hours of acquiring a vehicle titled and registered in Minnesota, a dealer shall notify the registrar that the dealership is holding the vehicle for resale. The notification must be made electronically as prescribed by the registrar. The dealer may contract this service to a deputy registrar and the registrar may charge a fee ~~not to exceed~~ of \$7 per transaction to provide this service.

Sec. 24. Minnesota Statutes 2020, section 168A.151, subdivision 1, is amended to read:

Subdivision 1. **Salvage titles.** (a) When an insurer, licensed to conduct business in Minnesota, acquires ownership of a ~~late-model or high-value~~ vehicle through payment of damages, the insurer shall immediately apply for a salvage certificate of title or shall stamp the existing certificate of title with the legend "SALVAGE CERTIFICATE OF TITLE" in a manner prescribed by the department. Within ten days of obtaining the title of a vehicle through payment of damages, an insurer must notify the department in a manner prescribed by the department.

(b) A person shall immediately apply for a salvage certificate of title if the person acquires a damaged ~~late-model or high-value~~ vehicle with an out-of-state title and the vehicle:

(1) is a vehicle that was acquired by an insurer through payment of damages;

(2) is a vehicle for which the cost of repairs exceeds the value of the damaged vehicle; or

(3) has an out-of-state salvage certificate of title as proof of ownership.

(c) A self-insured owner of a ~~late-model or high-value~~ vehicle that sustains damage by collision or other occurrence which exceeds 80 percent of its actual cash value shall immediately apply for a salvage certificate of title.

(d) A person who retains ownership of a late-model or high-value motor vehicle and receives a total loss settlement from an insurance company shall immediately apply for a salvage certificate of title.

EFFECTIVE DATE. This section is effective January 1, 2023, and applies to: (1) a vehicle subject to this section that is acquired on or after that date; (2) a vehicle that sustains damage by collision as described in paragraph (c) on or after that date; or (3) a vehicle for which a person receives a total loss settlement as described in paragraph (d) on or after that date.

Sec. 25. Minnesota Statutes 2020, section 169.011, is amended by adding a subdivision to read:

Subd. 1b. All-electric motorcycle. (a) "All-electric motorcycle" means an electric motorcycle that is solely able to be powered by an electric motor drawing current from rechargeable storage batteries, fuel cells, or other portable sources of electrical current.

(b) All-electric motorcycle excludes a plug-in hybrid electric motorcycle.

Sec. 26. Minnesota Statutes 2020, section 169.011, is amended by adding a subdivision to read:

Subd. 15a. Class 1 electric-assisted bicycle. "Class 1 electric-assisted bicycle" means an electric-assisted bicycle equipped with an electric motor that provides assistance only when the rider is pedaling and ceases to provide assistance when the bicycle reaches the speed of 20 miles per hour.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 27. Minnesota Statutes 2020, section 169.011, is amended by adding a subdivision to read:

Subd. 15b. Class 2 electric-assisted bicycle. "Class 2 electric-assisted bicycle" means an electric-assisted bicycle equipped with an electric motor that is capable of propelling the bicycle without the rider pedaling and ceases to provide assistance when the bicycle reaches the speed of 20 miles per hour.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 28. Minnesota Statutes 2020, section 169.011, is amended by adding a subdivision to read:

Subd. 15c. Class 3 electric-assisted bicycle. "Class 3 electric-assisted bicycle" means an electric-assisted bicycle equipped with an electric motor that provides assistance only when the rider is pedaling and ceases to provide assistance when the bicycle reaches the speed of 28 miles per hour.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 29. Minnesota Statutes 2020, section 169.011, subdivision 27, is amended to read:

Subd. 27. **Electric-assisted bicycle.** "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:

~~(i) of federal motor vehicle safety standards for a motor driven cycle in Code of Federal Regulations, title 49, sections 571.1 et seq.; or~~

~~(ii) for bicycles under Code of Federal Regulations, title 16, part 1512, or successor requirements;~~
~~and~~

~~(3) has is equipped with an electric motor that (i) has a power output of not more than 1,000 750 watts, (ii) is incapable of propelling the vehicle at a speed of more than 20 miles per hour, (iii) is incapable of further increasing the speed of the device when human power alone is used to propel the vehicle at a speed of more than 20 miles per hour, and (iv) disengages or ceases to function when the vehicle's brakes are applied; and~~

(4) meets the requirements of a class 1, class 2, or class 3 electric-assisted bicycle.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 30. Minnesota Statutes 2020, section 169.011, subdivision 42, is amended to read:

Subd. 42. **Motor vehicle.** (a) "Motor vehicle" means every vehicle which is self-propelled and every vehicle which is propelled by electric power obtained from overhead trolley wires.

(b) Motor vehicle does not include an electric-assisted bicycle, an electric personal assistive mobility device, or a vehicle moved solely by human power.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 31. Minnesota Statutes 2020, section 169.011, is amended by adding a subdivision to read:

Subd. 54c. **Plug-in hybrid electric motorcycle.** "Plug-in hybrid electric motorcycle" means an electric motorcycle that:

(1) contains an internal combustion engine and also allows power to be delivered to the drive wheels by a battery-powered electric motor;

(2) when connected to the electrical grid via an electrical outlet, is able to recharge its battery;
and

(3) has the ability to travel at least 20 miles powered substantially by electricity.

Sec. 32. Minnesota Statutes 2020, section 169.035, subdivision 3, is amended to read:

Subd. 3. **Transportation by animal.** ~~Every~~ A person riding an animal or ~~driving any animal drawing a~~ operating an animal-drawn vehicle upon a roadway ~~shall be~~ is subject to the provisions of this chapter applicable to the driver of a vehicle, except those provisions which by their nature

can have no application. A person operating an animal-drawn vehicle must comply with sections 169.18, subdivision 10; 169.522; and 169.58, subdivision 6.

Sec. 33. Minnesota Statutes 2020, section 169.09, subdivision 13, is amended to read:

Subd. 13. **Reports confidential; evidence, fee, penalty, appropriation.** (a) All reports and supplemental information required under this section must be for the use of the commissioner of public safety and other appropriate state, federal, county, and municipal governmental agencies for accident analysis purposes, except:

(1) upon written request, the commissioner of public safety or any law enforcement agency shall disclose the report required under subdivision 8 to:

(i) any individual involved in the accident, the representative of the individual's estate, or the surviving spouse, or one or more surviving next of kin, or a trustee appointed under section 573.02;

(ii) any other person injured in person, property, or means of support, or who incurs other pecuniary loss by virtue of the accident;

(iii) legal counsel of a person described in item (i) or (ii); ~~or~~

(iv) a representative of the insurer of any person described in item (i) or (ii); or

(v) a city or county attorney or an attorney representing the state in an implied consent action who is charged with the prosecution of a traffic or criminal offense that is the result of a traffic crash investigation conducted by law enforcement;

(2) the commissioner of public safety shall, upon written request, provide the driver filing a report under subdivision 7 with a copy of the report filed by the driver;

(3) the commissioner of public safety may verify with insurance companies vehicle insurance information to enforce sections 65B.48, 169.792, 169.793, 169.796, and 169.797;

(4) the commissioner of public safety shall provide the commissioner of transportation the information obtained for each traffic accident involving a commercial motor vehicle, for purposes of administering commercial vehicle safety regulations;

(5) upon specific request, the commissioner of public safety shall provide the commissioner of transportation the information obtained regarding each traffic accident involving damage to identified state-owned infrastructure, for purposes of debt collection under section 161.20, subdivision 4; and

(6) the commissioner of public safety may give to the United States Department of Transportation commercial vehicle accident information in connection with federal grant programs relating to safety.

(b) Accident reports and data contained in the reports are not discoverable under any provision of law or rule of court. No report shall be used as evidence in any trial, civil or criminal, or any action for damages or criminal proceedings arising out of an accident. However, the commissioner of public safety shall furnish, upon the demand of any person who has or claims to have made a report or upon demand of any court, a certificate showing that a specified accident report has or has

not been made to the commissioner solely to prove compliance or failure to comply with the requirements that the report be made to the commissioner.

(c) Nothing in this subdivision prevents any individual who has made a report under this section from providing information to any individuals involved in an accident or their representatives or from testifying in any trial, civil or criminal, arising out of an accident, as to facts within the individual's knowledge. It is intended by this subdivision to render privileged the reports required, but it is not intended to prohibit proof of the facts to which the reports relate.

(d) Disclosing any information contained in any accident report, except as provided in this subdivision, section 13.82, subdivision 3 or 6, or other statutes, is a misdemeanor.

(e) The commissioner of public safety shall charge authorized persons as described in paragraph (a) a \$5 fee for a copy of an accident report. Ninety percent of the \$5 fee collected under this paragraph must be deposited in the special revenue fund and credited to the driver services operating account established in section 299A.705 and ten percent must be deposited in the general fund. The commissioner may also furnish an electronic copy of the database of accident records, which must not contain personal or private data on an individual, to private agencies as provided in paragraph (g), for not less than the cost of preparing the copies on a bulk basis as provided in section 13.03, subdivision 3.

(f) The fees specified in paragraph (e) notwithstanding, the commissioner and law enforcement agencies shall charge commercial users who request access to response or incident data relating to accidents a fee not to exceed 50 cents per record. "Commercial user" is a user who in one location requests access to data in more than five accident reports per month, unless the user establishes that access is not for a commercial purpose. Of the money collected by the commissioner under this paragraph, 90 percent must be deposited in the special revenue fund and credited to the driver services operating account established in section 299A.705 and ten percent must be deposited in the general fund.

(g) The fees in paragraphs (e) and (f) notwithstanding, the commissioner shall provide an electronic copy of the accident records database to the public on a case-by-case basis using the cost-recovery charges provided for under section 13.03, subdivision 3. The database provided must not contain personal or private data on an individual. However, unless the accident records database includes the vehicle identification number, the commissioner shall include the vehicle registration plate number if a private agency certifies and agrees that the agency:

(1) is in the business of collecting accident and damage information on vehicles;

(2) will use the vehicle registration plate number only for identifying vehicles that have been involved in accidents or damaged, to provide this information to persons seeking access to a vehicle's history and not for identifying individuals or for any other purpose; and

(3) will be subject to the penalties and remedies under sections 13.08 and 13.09.

Sec. 34. Minnesota Statutes 2020, section 169.18, subdivision 10, is amended to read:

Subd. 10. **Slower vehicles.** (a) Upon a roadway with one lane in the direction of travel, a person proceeding at a speed that is sufficiently low as to create a traffic hazard, including when operating

an animal-drawn vehicle upon a roadway or shoulder of a roadway, must operate the vehicle as close as practicable to the right-hand curb or edge of the roadway.

(b) Upon a roadway with more than one lane in the same direction of travel, a person must move out of the left-most lane to allow another vehicle to pass, when practicable under existing conditions. A left-most lane under this paragraph is the lane adjacent to one designated and posted for a specific type of traffic, including as provided under section 160.93. This paragraph does not apply when:

- (1) overtaking and passing another vehicle proceeding in the same direction;
- (2) preparing for a left turn at an intersection or into a private road or driveway;
- (3) preparing to exit a controlled-access highway on the left side of the road;
- (4) the lane is designated and posted for a specific type of traffic; or
- (5) the vehicle is an authorized emergency vehicle.

Sec. 35. Minnesota Statutes 2020, section 169.222, subdivision 4, is amended to read:

Subd. 4. **Riding rules.** (a) Every person operating a bicycle upon a roadway shall ride as close as practicable to the right-hand curb or edge of the roadway except under any of the following situations:

- (1) when overtaking and passing another vehicle proceeding in the same direction;
- (2) when preparing for a left turn at an intersection or into a private road or driveway;
- (3) when reasonably necessary to avoid conditions, including fixed or moving objects, vehicles, pedestrians, animals, surface hazards, or narrow width lanes, that make it unsafe to continue along the right-hand curb or edge; or
- (4) when operating on the shoulder of a roadway or in a bicycle lane.

(b) If a bicycle is traveling on a shoulder of a roadway, the bicycle shall travel in the same direction as adjacent vehicular traffic.

(c) Persons riding bicycles upon a roadway or shoulder shall not ride more than two abreast and shall not impede the normal and reasonable movement of traffic and, on a laned roadway, shall ride within a single lane.

(d) A person operating a bicycle upon a sidewalk, or across a roadway or shoulder on a crosswalk, shall yield the right-of-way to any pedestrian and shall give an audible signal when necessary before overtaking and passing any pedestrian. No person shall ride a bicycle upon a sidewalk within a business district unless permitted by local authorities. Local authorities may prohibit the operation of bicycles on any sidewalk or crosswalk under their jurisdiction.

(e) An individual operating a bicycle or other vehicle on a bikeway shall leave a safe distance when overtaking a bicycle or individual proceeding in the same direction on the bikeway, and shall maintain clearance until safely past the overtaken bicycle or individual.

(f) A person lawfully operating a bicycle on a sidewalk, or across a roadway or shoulder on a crosswalk, shall have all the rights and duties applicable to a pedestrian under the same circumstances.

~~(g) A person may operate an electric-assisted bicycle on the shoulder of a roadway, on a bikeway, or on a bicycle trail if not otherwise prohibited under section 85.015, subdivision 1d; 85.018, subdivision 2, paragraph (d); or 160.263, subdivision 2, paragraph (b), as applicable.~~

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 36. Minnesota Statutes 2020, section 169.222, subdivision 6a, is amended to read:

Subd. 6a. **Operator age 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 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 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 person under the age of 15 shall operate an electric-assisted bicycle.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 37. Minnesota Statutes 2020, section 169.222, is amended by adding a subdivision 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 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.

(b) A person must not modify an electric-assisted bicycle to change the motor-powered speed capability or motor engagement unless the person replaces the label required in paragraph (a) with revised information.

(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 when the brakes are applied.

(d) A class 3 electric-assisted bicycle must be equipped with a speedometer that displays the speed at which the bicycle is traveling in miles per hour.

EFFECTIVE DATE. Paragraph (a) is effective January 1, 2022. Paragraphs (b) to (d) are effective August 1, 2021.

Sec. 38. Minnesota Statutes 2020, section 169.451, subdivision 3, is amended to read:

Subd. 3. ~~Rules of commissioner~~ **Inspection criteria.** ~~(a) The commissioner of public safety shall provide by rule for the issuance and display of distinctive inspection certificates.~~

~~(b) The commissioner of public safety shall provide by rule a point system for evaluating the effect on safety operation of any variance from law detected during inspections conducted pursuant to subdivision 1.~~

(a) The Department of Public Safety shall inspect school buses in accordance with the School Bus Inspection Manual as prescribed in section 169.4501, subdivision 3. Upon completion of an inspection, a printed or electronic vehicle examination report must be provided to the carrier or school district.

(b) A school bus displaying a defect as defined in the "School Bus Recommended Out-of-Service Criteria" in the most recent edition of the "National School Transportation Specification and Procedures" adopted by the National Congress on School Transportation is deemed unsafe for student transportation. A rejection sticker shall be affixed to the lower left corner of the windshield. The sticker shall be removed only upon authorization from a member of the State Patrol who has determined that all defects have been corrected. Pending reinspection and certification of the vehicle by a member of the State Patrol, a bus bearing a rejection sticker may be used to transport students if the defects have been corrected and the vehicle examination report is signed by the owner or a designee certifying that all defects have been corrected. The signed report shall be carried in the first aid kit on the bus. For purposes of this paragraph, a member of the State Patrol means a trooper or an employee of the Department of Public Safety described in section 299D.06.

(c) A school bus that has had an inspection completed in which no out-of-service defects were identified is deemed to have passed the inspection and an inspection certificate shall be affixed to the lower left corner of the windshield. All defects identified must be repaired within 14 days of the inspection. The person completing the repairs shall sign and date the inspection report indicating the repairs were made. The inspection report must be retained at the principle place of business of the carrier or school district for 12 months following the inspection and must be available for review by a representative of the commissioner of public safety.

(d) A defect discovered during an inspection that was identified during a previous inspection but has not been corrected results in a failed inspection. A rejection sticker shall be affixed to the lower left corner of the windshield.

Sec. 39. Minnesota Statutes 2020, section 169.522, subdivision 1, is amended to read:

Subdivision 1. **Displaying emblem; rules.** (a) All animal-drawn vehicles, motorized golf carts when operated on designated roadways pursuant to section 169.045, implements of husbandry, and other machinery, including all road construction machinery, which are designed for operation at a speed of 30 miles per hour or less, must display a triangular slow-moving vehicle emblem, except (1) when being used in actual construction and maintenance work and traveling within the limits of a construction area marked in accordance with the Manual on Uniform Traffic Control Devices, as

set forth in section 169.06, or (2) for a towed implement of husbandry that is empty and that is not self-propelled, in which case it may be towed at lawful speeds greater than 30 miles per hour without removing the slow-moving vehicle emblem. The emblem must consist of a fluorescent or illuminated red-orange triangle with a dark red reflective border and be mounted so as to be visible from a distance of not less than 600 feet to the rear. When a primary power unit towing an implement of husbandry or other machinery displays a slow-moving vehicle emblem visible from a distance of 600 feet to the rear, it is not necessary to display a similar emblem on the secondary unit. All slow-moving vehicle emblems sold in this state must be so designed that when properly mounted they are visible from a distance of not less than 600 feet to the rear when directly in front of lawful lower beam of headlamps on a motor vehicle. The commissioner of public safety shall adopt standards and specifications for the design and position of mounting the slow-moving vehicle emblem. Such standards and specifications must be adopted by rule in accordance with the Administrative Procedure Act.

(b) An alternate slow-moving vehicle emblem consisting of a dull black triangle with a white reflective border may be used after obtaining a permit from the commissioner under rules of the commissioner. A person with a permit to use an alternate slow-moving vehicle emblem must:

(1) carry in the vehicle a regular slow-moving vehicle emblem and display the emblem when operating a vehicle between sunset and sunrise, and at any other time when visibility is impaired by weather, smoke, fog, or other conditions; and

(2) permanently affix to the rear of the slow-moving vehicle at least 72 square inches of reflective tape that reflects the color red.

(c) In addition to the emblem requirement under this subdivision, an animal-drawn vehicle must comply with section 169.58, subdivision 6.

Sec. 40. Minnesota Statutes 2020, section 169.58, is amended by adding a subdivision to read:

Subd. 6. **Animal-drawn vehicles.** (a) An animal-drawn vehicle must be equipped with an identification lamp or lamps that indicate the vehicle's presence and are visible from a distance of at least 500 feet from both the front and the rear. The lighting requirement under this subdivision may be met using a lamp powered by energy generated from the vehicle's movement.

(b) This subdivision does not apply to an animal-drawn vehicle that: (1) operates exclusively between the hours of sunrise and sunset and never during periods of reduced visibility, inclement weather, or insufficient light; or (2) never operates on a public roadway.

Sec. 41. Minnesota Statutes 2020, section 169.864, subdivision 4, is amended to read:

Subd. 4. **Permit fee; appropriation.** Vehicle permits issued under subdivision 1, clause (1), must be annual permits. The fee is \$850 for each vehicle combination and must be deposited in the trunk highway fund. The fee for annual permits issued under subdivision 2 is \$300 for a 90,000-pound vehicle combination or \$500 for a 97,000-pound vehicle combination. The fee for annual permits issued under subdivision 2a is \$850. An amount sufficient to administer the permit program is appropriated from the trunk highway general fund to the commissioner for the costs of administering the permit program.

Sec. 42. Minnesota Statutes 2020, section 169.866, subdivision 3, is amended to read:

Subd. 3. **Permit fee; appropriation.** Vehicle permits issued under subdivision 1 must be annual permits. The fee is \$850 for each vehicle, or a proportional amount as provided in section 169.86, subdivision 5, and must be deposited in the trunk highway fund. An amount sufficient to administer the permit program is appropriated from the ~~trunk highway~~ general fund to the commissioner for the costs of administering the permit program.

Sec. 43. Minnesota Statutes 2020, section 169.869, subdivision 1, is amended to read:

Subdivision 1. **Definition.** For purposes of this section, "road construction materials" means street or highway construction materials, including ~~but not limited to:~~

- (1) aggregate material as defined in section 298.75, subdivision 1, paragraph (a);
- (2) hot mix asphalt, plastic concrete, cementitious materials, concrete admixtures, asphalt cement, and recycled road materials; and
- (3) those bulk materials used in road construction or delivered directly to a plant or production facility.

Sec. 44. Minnesota Statutes 2020, section 171.05, subdivision 2, is amended to read:

Subd. 2. **Person less than 18 years of age.** (a) The department may issue an instruction permit to an applicant who is 15, 16, or 17 years of age and who:

(1) has completed a course of driver education in another state, has a previously issued valid license from another state, or:

(i) is enrolled in either: behind-the-wheel training in a driver education program; and

(ii) has completed:

~~(i) a public, private, or commercial~~ (A) the classroom phase of instruction in a driver education program that is approved by the commissioner of public safety and that includes classroom and behind-the-wheel training; or

(B) 15 hours of classroom instruction in a driver education program that presents classroom and behind-the-wheel instruction concurrently;

~~(ii) an approved behind the wheel driver education program~~ (C) home-classroom driver training, when the student is receiving full-time instruction in a home school within the meaning of sections 120A.22 and 120A.24, the student is working toward a ~~homeschool~~ home school diploma, the student is taking home-classroom driver training with classroom materials are approved by the commissioner of public safety, and the student's parent has certified the student's ~~homeschool~~ home school and home-classroom driver training status on the form approved by the commissioner; or

(D) an online driver education program authorized by section 171.395;

~~(2)~~ ~~has completed the classroom phase of instruction in the driver education program or has completed 15 hours of classroom instruction in a program that presents classroom and behind-the-wheel instruction concurrently;~~

~~(3)~~ (2) has passed a test of the applicant's eyesight;

~~(4)~~ (3) has passed a department-administered test of the applicant's knowledge of traffic laws;

~~(5)~~ (4) has completed the required application, which must be approved by (i) either parent when both reside in the same household as the minor applicant or, if otherwise, then (ii) the parent or spouse of the parent having custody or, in the event there is no court order for custody, then (iii) the parent or spouse of the parent with whom the minor is living or, if items (i) to (iii) do not apply, then (iv) the guardian having custody of the minor, (v) the foster parent or the director of the transitional living program in which the child resides or, in the event a person under the age of 18 has no living father, mother, or guardian, or is married or otherwise legally emancipated, then (vi) the applicant's adult spouse, adult close family member, or adult employer; provided, that the approval required by this clause contains a verification of the age of the applicant and the identity of the parent, guardian, adult spouse, adult close family member, or adult employer; and

~~(6)~~ (5) has paid all fees required in section 171.06, subdivision 2.

(b) In addition, the applicant may submit a certification stating that a primary driving supervisor has completed the supplemental parental curriculum under section 171.0701, subdivision 1a, for the purposes of provisional license requirements under section 171.055, subdivision 1, paragraph (a), clause (6). The certification must be completed by a driver education instructor, as defined under section 171.0701, subdivision 1a.

(c) For the purposes of determining compliance with the certification of paragraph (a), clause (1), item (ii), subitem (C), the commissioner may request verification of a student's ~~homeschool~~ home school status from the superintendent of the school district in which the student resides and the superintendent shall provide that verification.

(d) A driver education program under this subdivision includes a public, private, or commercial program, and must be approved by the commissioner.

~~(e)~~ (e) The instruction permit is valid for two years from the date of application and may be renewed upon payment of a fee equal to the fee for issuance of an instruction permit under section 171.06, subdivision 2.

Sec. 45. Minnesota Statutes 2020, section 171.06, subdivision 2a, is amended to read:

Subd. 2a. **Two-wheeled vehicle endorsement fee.** (a) In addition to the appropriate fee under subdivision 2, the fee for any duplicate driver's license obtained for the purpose of adding a two-wheeled vehicle endorsement on a driver's license is increased by \$18.50:

(1) \$26.50 for each first such an initial endorsement or a duplicate license obtained for the purpose of adding the endorsement; and

\$13 (2) \$17 for each license renewal thereof with the endorsement.

(b) The additional fee must be paid into the state treasury and credited as follows:

(1) ~~\$4 \$19~~ of the additional fee for each first duplicate license under paragraph (a), clause (1), and ~~\$7 \$11~~ of the additional fee for each renewal under paragraph (a), clause (2), must be credited to the motorcycle safety fund, which is hereby created; and

(2) the remainder of the additional fee must be credited to the general fund.

~~(b)~~(c) All application forms prepared by the commissioner for two-wheeled vehicle endorsements must clearly state the amount of the total fee that is dedicated to the motorcycle safety fund.

EFFECTIVE DATE. This section is effective August 1, 2021, for driver's license application and issuance on or after that date.

Sec. 46. Minnesota Statutes 2020, section 171.06, subdivision 3, is amended to read:

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

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

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

(3) state:

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

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

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

(5) include a method for the applicant to:

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

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

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

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

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

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

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

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

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

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

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

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

(2) a photographic identity document.

Sec. 47. Minnesota Statutes 2020, section 171.061, subdivision 4, is amended to read:

Subd. 4. **Fee; equipment.** (a) The agent may charge and retain a filing fee of \$8 for each application. Except as provided in paragraph (c), the fee shall cover all expenses involved in receiving, accepting, or forwarding to the department the applications and fees required under sections 171.02, subdivision 3; 171.06, subdivisions 2 and 2a; and 171.07, subdivisions 3 and 3a.

(b) The statutory fees and the filing fees imposed under paragraph (a) may be paid by credit card or debit card. The driver's license agent may collect a convenience fee on the statutory fees and filing fees not greater than the cost of processing a credit card or debit card transaction. The convenience fee must be used to pay the cost of processing credit card and debit card transactions. The commissioner shall adopt rules to administer this paragraph using the exempt procedures of section 14.386, except that section 14.386, paragraph (b), does not apply.

(c) The department shall maintain the photo identification equipment for all agents appointed as of January 1, 2000. Upon the retirement, resignation, death, or discontinuance of an existing agent, and if a new agent is appointed in an existing office pursuant to Minnesota Rules, chapter 7404, and notwithstanding the above or Minnesota Rules, part 7404.0400, the department shall provide and maintain photo identification equipment without additional cost to a newly appointed agent in that office if the office was provided the equipment by the department before January 1, 2000. All photo identification equipment must be compatible with standards established by the department.

(d) A filing fee retained by the agent employed by a county board must be paid into the county treasury and credited to the general revenue fund of the county. An agent who is not an employee of the county shall retain the filing fee in lieu of county employment or salary and is considered an independent contractor for pension purposes, coverage under the Minnesota State Retirement System, or membership in the Public Employees Retirement Association.

(e) Before the end of the first working day following the final day of the reporting period established by the department, the agent must forward to the department all applications and fees collected during the reporting period except as provided in paragraph (d).

(f) For every transaction where an agent collects a fee pursuant to paragraph (a), the commissioner must transmit a payment of \$3 to the agent that collected the fee. The commissioner must make the payments required by this paragraph on a quarterly basis. Payments made to an agent employed by a county board must be paid into the county treasury and credited to the general revenue fund of the county. An amount sufficient to make the payments required by this paragraph is appropriated to the commissioner from the driver services operating account in the special revenue fund.

Sec. 48. Minnesota Statutes 2020, section 171.071, is amended by adding a subdivision to read:

Subd. 4. **Variance for homebound individuals.** (a) Notwithstanding section 171.07 or Minnesota Rules, part 7410.1810, the commissioner may grant a variance from the photograph requirements for a noncompliant identification card if: (1) the individual is homebound as defined in paragraph (b); (2) the individual has submitted proof of homebound status; and (3) the department has a photograph of the applicant on file that was taken within the last four years or during the most recent renewal cycle or the applicant has submitted a photograph to the department that meets the requirements of section 171.07, Minnesota Rules, part 7410.1810, subpart 1, and other technical requirements established by the commissioner such as background color and electronic file size to ensure the image can be used on a credential and conforms with images taken by the department. Applicants granted a photograph variance under this subdivision are not required to appear in person to have a new photograph taken.

(b) For purposes of this subdivision, "homebound" means the individual is unable to leave the individual's residence due to a medical, physical, or mental health condition or infirmity as documented in writing by a physician, case worker, or social worker.

Sec. 49. Minnesota Statutes 2020, section 171.12, subdivision 7b, is amended to read:

Subd. 7b. **Data privacy; noncompliant license or identification card.** (a) With respect to noncompliant licenses or identification cards, the commissioner is prohibited from:

(1) electronically disseminating outside the state data that is not disseminated as of May 19, 2017; or

(2) utilizing any electronic validation or verification system accessible from or maintained outside the state that is not in use as of May 19, 2017.

(b) The limitations in paragraph (a) do not apply to the extent necessary to: (1) maintain compliance with the driver's license compact under section 171.50 and applicable federal law governing commercial driver's licenses; and (2) perform identity verification as part of an application for a replacement Social Security card issued by the Social Security Administration.

(c) For purposes of this subdivision, "outside the state" includes federal agencies, states other than Minnesota, organizations operating under agreement among the states, and private entities.

EFFECTIVE DATE. This section is effective February 1, 2022, or upon completion of the necessary programming changes to the driver and vehicle services information system, whichever is earlier.

Sec. 50. Minnesota Statutes 2020, section 171.13, subdivision 1, is amended to read:

Subdivision 1. **Examination subjects and locations; provisions for color blindness, disabled veterans.** (a) Each applicant for a driver's license must pass the examination required by this section before being issued a driver's license. Except as otherwise provided in this section by sections 171.83 or 171.70 to 171.82, the commissioner shall examine each applicant for a driver's license by such agency as the commissioner directs must conduct the examination. This examination must include:

(1) a test of the applicant's eyesight;

(2) a test of the applicant's ability to read and understand highway signs regulating, warning, and directing traffic;

(3) a test of the applicant's knowledge of (i) traffic laws; (ii) the effects of alcohol and drugs on a driver's ability to operate a motor vehicle safely and legally, and of the legal penalties and financial consequences resulting from violations of laws prohibiting the operation of a motor vehicle while under the influence of alcohol or drugs; (iii) railroad grade crossing safety; (iv) slow-moving vehicle safety; (v) laws relating to pupil transportation safety, including the significance of school bus lights, signals, stop arm, and passing a school bus; (vi) traffic laws related to bicycles; and (vii) the circumstances and dangers of carbon monoxide poisoning;

(4) an actual demonstration of ability to exercise ordinary and reasonable control in the operation of a motor vehicle; and

(5) other physical and mental examinations as the commissioner finds necessary to determine the applicant's fitness to operate a motor vehicle safely upon the highways.

(b) Notwithstanding paragraph (a), ~~no~~ the commissioner must not deny an application for a driver's license may be denied an applicant based on the exclusive grounds that the applicant's eyesight is deficient in color perception or that the applicant has been diagnosed with diabetes mellitus. War veterans operating motor vehicles especially equipped for disabled persons, if otherwise entitled to a license, must be granted such license.

(c) The commissioner shall make provision for giving the examinations under this subdivision either in the county where the applicant resides or at a place adjacent thereto reasonably convenient to the applicant.

(d) The commissioner shall ensure that an applicant is able to obtain an appointment for an examination to demonstrate ability under paragraph (a), clause (4), within 14 days of the applicant's request if, under the applicable statutes and rules of the commissioner, the applicant is eligible to take the examination.

EFFECTIVE DATE. Paragraph (a) is effective August 1, 2021. Paragraph (b) is effective July 1, 2021.

Sec. 51. Minnesota Statutes 2020, section 171.13, subdivision 6, is amended to read:

Subd. 6. ~~Initial motorcycle~~ **Two-wheeled vehicle endorsement examination fee.** A person applying for an initial ~~motorcycle~~ two-wheeled vehicle endorsement on a driver's license shall pay at the place of examination a total fee of \$21, which includes the a \$2.50 examination fee and, an endorsement fee, but does not include the fee for a duplicate driver's license as prescribed in section 171.06, subdivision 2a, and the appropriate driver's license fee as prescribed in section 171.06, subdivision 2. ~~Of this amount, \$11 must be credited as provided in section 171.06, subdivision 2a, paragraph (a), clause (1), \$2.50 must be credited to the driver services operating account in the special revenue fund specified under section 299A.705, and the remainder must be credited to the general fund.~~

EFFECTIVE DATE. This section is effective August 1, 2021, for driver's license application and issuance on or after that date.

Sec. 52. Minnesota Statutes 2020, section 171.13, subdivision 7, is amended to read:

Subd. 7. **Repeat Examination fee fees.** (a) A fee of \$10 must be paid by an individual to take a third and any subsequent knowledge test administered by the department if the individual has failed two previous consecutive knowledge tests on the subject.

(b) A fee of \$20 must be paid by an individual to take a third and any subsequent skills or road test administered by the department if the individual has previously failed two consecutive skill or road tests in a specified class of motor vehicle.

(c) A fee of \$20 must be paid by an individual who fails to appear for a scheduled skills or road test or who cancels a skills or road test within 24 hours of the appointment time.

(d) All fees received under this subdivision must be paid into the state treasury and credited to the driver services operating account in the special revenue fund specified under section 299A.705.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 53. Minnesota Statutes 2020, section 171.13, subdivision 9, is amended to read:

Subd. 9. **Online driver's license knowledge testing authorization.** (a) The commissioner must implement online knowledge testing as provided in this subdivision. The commissioner must not charge a fee to a driver education program or an authorized entity for access to the online knowledge testing system or for administering the online knowledge test. The commissioner must administer the fourth or subsequent knowledge test for a person.

(b) Upon written request from a driver education program licensed by the department, the commissioner must grant access to the department's web-based knowledge testing system to the driver education program. Once granted access to the online knowledge testing system, a driver education program may administer the online knowledge test to a student of the program.

(c) An entity other than a driver education program may apply to the commissioner for authority to administer online knowledge tests. The commissioner may approve or disapprove an application for administering the online knowledge tests under this paragraph. Upon approving an application

of an entity, the commissioner must grant access to the department's web-based knowledge testing system to that authorized entity. Once granted access to the online knowledge testing system, the authorized entity may administer the online knowledge test.

(d) A driver education program or authorized entity:

- (1) must provide all computers and equipment for persons that take the online knowledge test;
- (2) must provide appropriate proctors to monitor persons taking the online knowledge test; and
- (3) may charge a fee of no more than \$10 for administering the online knowledge test.

(e) For purposes of paragraph (d), clause (2), a proctor must be:

- (1) an employee of the driver education program, authorized entity, or a state or local government;
- (2) a driver's license agent; or
- (3) a classroom teacher, school administrator, or paraprofessional at a public or private school, excluding a home school.

The proctor must be physically present at the location where the test is being administered. A proctor must not be a relative of the person taking the test. For purposes of this paragraph, a relative is a spouse, fiancée, fiancé, grandparent, parent, child, sibling, or legal guardian, including adoptive, half, step, and in-law relationships.

EFFECTIVE DATE. This section is effective on the earlier of August 1, 2021, or the day following the expiration of the peacetime emergency declared in Executive Order 20-01 and extended by subsequent executive orders.

Sec. 54. Minnesota Statutes 2020, section 171.27, is amended to read:

171.27 EXPIRATION OF LICENSE EXPIRATION AND RENEWAL; ~~MILITARY EXCEPTION~~ EXCEPTIONS.

(a) Except as otherwise provided in this section, the expiration date for each driver's license is the birthday of the driver in the fourth year following the date of issuance of the license. The birthday of the driver shall be as indicated on the application for a driver's license. A license may be renewed on or before expiration or within one year after expiration upon application, payment of the required fee, and passing the examination required of all drivers for renewal. Driving privileges shall be extended or renewed on or preceding the expiration date of an existing driver's license unless the commissioner believes that the licensee is no longer qualified as a driver.

(b) The expiration date for each under-21 license shall be the 21st birthday of the licensee. Upon the licensee attaining the age of 21 and upon the application, payment of the required fee, and passing the examination required of all drivers for renewal, a driver's license shall be issued unless the commissioner determines that the licensee is no longer qualified as a driver.

(c) The expiration date for each provisional license is two years after the date of application for the provisional license.

(d) Notwithstanding paragraphs (a) to (c), the expiration date for a license issued to a person with temporary lawful status is the last day of the person's legal stay in the United States, or one year after issuance if the last day of the person's legal stay is not identified.

(e) ~~Any~~ A valid Minnesota driver's license issued to:

(1) a person then or subsequently serving outside Minnesota in active military service, as defined in section 190.05, subdivision 5, in any branch or unit of the armed forces of the United States;

(2) a person then or subsequently serving outside Minnesota as a volunteer in the Peace Corps;
or

(3) the person's spouse; of a person in clause (1) or (2);

~~shall continue~~ continues in full force and effect without requirement for renewal until the date one year following the ~~service member's~~ person's separation or discharge from active military or volunteer service, and until the license holder's birthday in the fourth full year following the person's most recent license renewal or, in the case of a provisional license, until the person's birthday in the third full year following the renewal.

EFFECTIVE DATE. Paragraph (a) is effective August 1, 2021. Paragraph (b) is effective July 1, 2021.

Sec. 55. Minnesota Statutes 2020, section 171.29, subdivision 2, is amended to read:

Subd. 2. **Reinstatement fees and surcharges allocated and appropriated.** (a) An individual whose driver's license has been revoked as provided in subdivision 1, except under section 169A.52, 169A.54, 171.177, 609.2112, 609.2113, or 609.2114, or Minnesota Statutes 2012, section 609.21, must pay a \$30 fee before the driver's license is reinstated.

(b) A person whose driver's license has been revoked as provided in subdivision 1 under section 169A.52, 169A.54, 171.177, 609.2112, 609.2113, or 609.2114, or Minnesota Statutes 2012, section 609.21, must pay a \$250 fee plus a \$430 surcharge before the driver's license is reinstated, except as provided in paragraph (f). The \$250 fee is to be credited as follows:

(1) Twenty percent must be credited to the driver services operating account in the special revenue fund as specified in section 299A.705.

(2) Sixty-seven percent must be credited to the general fund.

(3) Eight percent must be credited to a separate account to be known as the Bureau of Criminal Apprehension account. Money in this account is annually appropriated to the commissioner of public safety and the appropriated amount must be apportioned 80 percent for laboratory costs and 20 percent for carrying out the provisions of section 299C.065.

(4) Five percent must be credited to a separate account to be known as the vehicle forfeiture account, which is created in the special revenue fund. The money in the account is annually appropriated to the commissioner for costs of handling vehicle forfeitures.

(c) The revenue from \$50 of the surcharge must be credited to a separate account to be known as the traumatic brain injury and spinal cord injury account. The revenue from \$50 of the surcharge on a reinstatement under paragraph (f) is credited from the first installment payment to the traumatic brain injury and spinal cord injury account. The money in the account is annually appropriated to the commissioner of health to be used as follows: 83 percent for contracts with a qualified community-based organization to provide information, resources, and support to assist persons with traumatic brain injury and their families to access services, and 17 percent to maintain the traumatic brain injury and spinal cord injury registry created in section 144.662. For the purposes of this paragraph, a "qualified community-based organization" is a private, not-for-profit organization of consumers of traumatic brain injury services and their family members. The organization must be registered with the United States Internal Revenue Service under section 501(c)(3) as a tax-exempt organization and must have as its purposes:

(1) the promotion of public, family, survivor, and professional awareness of the incidence and consequences of traumatic brain injury;

(2) the provision of a network of support for persons with traumatic brain injury, their families, and friends;

(3) the development and support of programs and services to prevent traumatic brain injury;

(4) the establishment of education programs for persons with traumatic brain injury; and

(5) the empowerment of persons with traumatic brain injury through participation in its governance.

A patient's name, identifying information, or identifiable medical data must not be disclosed to the organization without the informed voluntary written consent of the patient or patient's guardian or, if the patient is a minor, of the parent or guardian of the patient.

(d) The remainder of the surcharge must be credited to a separate account to be known as the remote electronic alcohol-monitoring program account. The commissioner shall transfer the balance of this account to the commissioner of management and budget on a monthly basis for deposit in the general fund.

(e) When these fees are collected by a licensing agent, appointed under section 171.061, a handling charge is imposed in the amount specified under section 171.061, subdivision 4. The reinstatement fees and surcharge must be deposited in an approved depository as directed under section 171.061, subdivision 4.

(f) A person whose driver's license has been revoked as provided in subdivision 1 under section 169A.52, 169A.54, or 171.177 ~~and who the court certifies as being financially eligible for a public defender under section 611.17,~~ may choose to pay 50 percent and an additional \$25 of the total amount of the surcharge and 50 percent of the fee required under paragraph (b) to reinstate the person's driver's license, provided the person meets all other requirements of reinstatement. If a person chooses to pay 50 percent of the total and an additional \$25, the driver's license must expire after two years. The person must pay an additional 50 percent less \$25 of the total to extend the license for an additional two years, provided the person is otherwise still eligible for the license. After this final payment of the surcharge and fee, the license may be renewed on a standard schedule,

as provided under section 171.27. A handling charge may be imposed for each installment payment. Revenue from the handling charge is credited to the driver services operating account in the special revenue fund and is appropriated to the commissioner.

(g) Any person making installment payments under paragraph (f), whose driver's license subsequently expires, or is canceled, revoked, or suspended before payment of 100 percent of the surcharge and fee, must pay the outstanding balance due for the initial reinstatement before the driver's license is subsequently reinstated. Upon payment of the outstanding balance due for the initial reinstatement, the person may pay any new surcharge and fee imposed under paragraph (b) in installment payments as provided under paragraph (f).

Sec. 56. **[171.395] ONLINE DRIVER EDUCATION PROGRAM.**

(a) A licensed driver education program may provide online driver education as provided in this section. The online driver education program must satisfy the requirements for classroom driver education as provided in section 171.0701, subdivision 1, and Minnesota Rules, chapter 7411. In addition, an online driver education program must:

- (1) include a means for the student to measure performance outcomes;
 - (2) use a pool of rotating quiz questions;
 - (3) incorporate accountability features to ensure the identity of the student while engaged in the course of online study;
 - (4) measure the amount of time that the student spends in the course;
 - (5) provide technical support to customers that is available 24 hours per day, seven days per week;
 - (6) require a licensed Minnesota driver education instructor to monitor each student's progress and be available to answer questions in a timely manner, provided that the instructor is not required to monitor progress or answer questions in real time;
 - (7) store course content and student data on a secure server that is protected against data breaches and is regularly backed up;
 - (8) incorporate preventive measures in place to protect against the access of private information;
 - (9) include the ability to update course content uniformly throughout the state; and
 - (10) provide online interactive supplemental parental curriculum consistent with section 171.0701, subdivision 1a.
- (b) Except as required by this section, the commissioner is prohibited from imposing requirements on online driver education programs that are not equally applicable to classroom driver education programs.

Sec. 57. **[171.70] DEFINITIONS.**

(a) For purposes of sections 171.70 to 171.82, the following terms have the meanings given.

(b) "Applicant" means an entity applying for approval to be a third-party testing program.

(c) "Entity" includes an individual, natural person, and a legal or corporate person, however organized unless otherwise expressly described or limited.

(d) "Letter of approval" means the document issued by the commissioner to the third-party testing program authorizing the program to administer road tests for class D drivers' licenses.

(e) "Road test" means the actual physical demonstration of the ability to exercise ordinary and reasonable control in the operation of a motor vehicle as required by section 171.13, subdivision 1, paragraph (a), clause (4).

(f) "Third-party tester" means an individual who is an employee of a third-party testing program who has qualified for a third-party tester certificate issued by the commissioner granting the individual authorization to conduct road tests for class D drivers' licenses.

(g) "Third-party tester certificate" means a certificate issued by the commissioner to the third-party tester authorizing the third-party tester to administer road tests for class D drivers' licenses on behalf of a specified third-party testing program.

(h) "Third-party testing program" means a program authorized by the commissioner to administer to an individual the road test for class D drivers' licenses.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 58. **[171.71] THIRD-PARTY TESTER; AUTHORIZATION.**

The commissioner must allow a third-party tester that complies with the requirements of sections 171.70 to 171.82 to conduct road tests for people applying for class D drivers' licenses.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 59. **[171.72] PROGRAM APPLICATION; APPROVAL.**

Subdivision 1. **Application.** The applicant shall apply to the commissioner for approval to be a third-party testing program authorized to administer road tests for class D drivers' licenses. The applicant must submit the application to the commissioner and provide the information in subdivision 2. A third-party testing program or a third-party tester employed by the program must not conduct road tests until the program is approved by the commissioner.

Subd. 2. **Application contents.** To apply for approval as a third-party testing program, an applicant must complete an application containing the information specified in this section:

(1) business name;

(2) business registration number if a business, or tax identification number if a nonprofit entity;

(3) address of the business's administrative office;

(4) telephone number and e-mail address of the administrative office;

(5) name of an authorized official responsible for the program and application, and the official's title and telephone number;

(6) a map, drawing, or written description of the test route to be used for road tests;

(7) the name, birth date, home address, and driver's license number of all individuals the applicant wants to employ as a certified third-party tester;

(8) attestation that the applicant carries the required insurance, as described in chapter 65B, for all vehicles used for testing; and

(9) attestation by the authorized official that the information submitted is true and accurate.

Subd. 3. **Location requirement.** To qualify as a third-party testing program, the applicant must be located in the state and must maintain an administrative office in at least one permanent, regularly occupied building with a permanent address.

Subd. 4. **Employment of certified tester.** The applicant must employ one or more certified third-party testers who meet the qualifications in section 171.75.

Subd. 5. **Evaluation.** The commissioner shall evaluate the application submitted by the third-party testing program applicant. If the application is satisfactory, the commissioner must approve the application.

Subd. 6. **Limitation.** The commissioner is prohibited from imposing any criteria or requirements that are not specified by this section.

Subd. 7. **Commissioner's letter of approval.** Upon approval of an application submitted pursuant to this section, the commissioner shall issue a letter of approval to designate a third-party testing program. The letter of approval constitutes an agreement between the state and the third-party testing program administering road tests for a class D driver's license. A letter of approval to operate a third-party testing program is not transferable.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 60. **[171.73] INDEMNIFICATION.**

An applicant shall agree to indemnify and hold harmless the state and all state officers, employees, and agents of the state from and against all claims, losses, damages, costs, and other proceedings made, sustained, brought, or prosecuted in any manner based on or occasioned by or attributive to any injury, infringement, or damage rising from any act or omission of the third-party testing program or the program's employees in the performance of testing duties.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 61. **[171.74] USE OF CERTIFIED THIRD-PARTY TESTERS.**

The third-party testing program shall allow only individuals who have been certified by the commissioner as third-party testers under sections 171.75 to 171.76 to administer road tests. The program shall maintain, on file in the program's administrative office, a copy of the valid certificate of each third-party tester employed by the program.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 62. **[171.75] THIRD-PARTY TESTER QUALIFICATIONS.**

Subdivision 1. **Generally.** To be certified as a third-party tester, an individual must make application to, and be approved by, the commissioner as provided in this section. The individual must:

- (1) possess a valid driver's license;
- (2) be 21 years of age or older;
- (3) have been a licensed driver in a United States state for the past three years;
- (4) before the date of application, have maintained continuous valid driving privileges for the past year;
- (5) successfully pass a prequalifying tester examination;
- (6) be an employee of a third-party testing program;
- (7) successfully complete the test administration training required of state-employed examiners;
and
- (8) have the class of driver's license and endorsements to operate the type of vehicles for which the road tests are administered.

The examination and training required by clauses (5) and (7) must be identical for state-employed examiners and third-party testers.

Subd. 2. **State employee.** A certified third-party tester must not be an employee of the department.

Subd. 3. **Employment.** A certified third-party tester must have a certificate for each third-party testing program that employs the tester. The tester must reapply and be approved for a new certificate to conduct tests on behalf of a new third-party testing program. The tester may be simultaneously employed by more than one program.

Subd. 4. **Maintaining certification.** To maintain certification as a third-party tester, an individual must:

- (1) conduct at least 12 road tests annually from the date of initial issuance of a third-party tester certificate;
- (2) be evaluated at least annually on the administration of tests and record keeping;

(3) attend annual in-service training, workshops, or seminars provided by the commissioner, provided that the requirements are the same as for testers employed by the department;

(4) submit monthly testing reports in a format specified by the commissioner; and

(5) account for all records of examination issued by the commissioner to a third-party tester and submit the record of examination immediately to the commissioner after completing a road test.

Subd. 5. **Limitation.** The commissioner is prohibited from imposing any criteria or requirements on third-party testing programs or third-party testers that are not specified by this section.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 63. **[171.76] CERTIFICATES AND LETTER OF APPROVAL.**

Subdivision 1. **Tester certificates.** The commissioner shall issue a certificate to each approved third-party tester of a third-party testing program. The third-party testing program must keep a copy of the certificate of each third-party tester employed by the program on file in the office of the program. A third-party tester's certificate is effective on the date of issuance by the commissioner and expires four years after issuance. A third-party tester may not conduct road tests without a valid third-party tester certificate. A certificate issued to a third-party tester is not transferable.

Subd. 2. **Certificate renewal time frame.** A third-party tester must submit an application for renewal of the tester's certificate to the commissioner no less than 30 days before the date the previously issued certificate expires.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 64. **[171.77] TEST PROOF.**

The third-party testing program shall provide a record of examination, on a format obtained from or approved by the commissioner, to an individual who has passed a road test for a class D driver's license. The record of examination, which must be presented at the time of application for a class D driver's license, must specify that the individual has passed the required test or tests administered by the third-party testing program.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 65. **[171.78] AUDITS.**

Subdivision 1. **Random examinations, inspections, and audits.** A third-party testing program shall agree to allow representatives of the commissioner, on behalf of the state, to conduct random examinations, inspections, and audits of the testing operation without prior notice.

Subd. 2. **On-site inspections.** A third-party testing program shall permit on-site inspections by agents of the commissioner as necessary to determine compliance with sections 171.70 to 171.82.

Subd. 3. **Examination of test administration.** On at least an annual basis, agents of the commissioner who are state employees must be permitted to:

(1) take the tests actually administered by the third-party testing program as if the state employees were test applicants;

(2) test a sample of drivers who were tested by the third-party testing program to compare passing and failing results; or

(3) conduct a road test simultaneously with the third-party tester to compare test results.

Subd. 4. **Notice of test schedule.** Upon request, no less than 48 hours in advance, the third-party testing program shall provide the commissioner with the scheduled times and dates that skill tests and road tests are to be given.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 66. **[171.79] TEST ADMINISTRATION.**

Subdivision 1. **Generally.** Road tests conducted by a third-party tester must meet the requirements in Minnesota Rules, parts 7410.4800 to 7410.5380. The commissioner is prohibited from imposing additional test administration criteria or requirements on third-party testers.

Subd. 2. **Third-party tester restrictions.** A third-party tester shall not:

(1) delegate any portion of testing to another individual;

(2) be the spouse, fiancée, fiancé, grandparent, parent, child, sibling, or legal guardian, including adoptive, half, step, and in-law relationships, of the person taking the test;

(3) test anyone with a physical disability who may need an individualized restriction added to the person's driver's license; or

(4) test anyone who has not completed all coursework and training before administering a road test.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 67. **[171.80] RECORD KEEPING; REPORTING REQUIREMENTS.**

Subdivision 1. **Records of administered tests.** An approved third-party testing program shall maintain at the program's administrative offices, for a minimum of three years, the tester's copy of the record of examination of any driver for whom the third-party testing program conducts a test, whether or not the driver passes or fails the test. Each record of examination must include:

(1) the full name of the driver;

(2) the date the driver took the test; and

(3) the name and certificate number of the third-party tester conducting the test.

Subd. 2. **Records of third-party testers.** The third-party testing program shall maintain, at the program's administrative offices, a record of each third-party tester in the employ of the third-party testing program at that location. Each record must include:

(1) a valid and complete tester certificate indicating the third-party tester has met all qualifications;

(2) a copy of the third-party tester's current driving record, which must be updated annually;
and

(3) evidence that the third-party tester is an employee of the third-party testing program.

Subd. 3. **Record retention.** The third-party testing program shall retain all third-party tester records for three years after a third-party tester leaves the employ of the third-party testing program.

Subd. 4. **Reporting requirements.** The third-party testing program shall report the number of road tests administered annually by all third-party testers employed by the program. The report must be in writing or in an electronic format approved by the commissioner and must be received by the commissioner within 45 days of the end of each calendar year.

Subd. 5. **Data Practices Act.** All third-party testing programs and third-party testers are subject to section 13.05, subdivision 11.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 68. **[171.81] NOTIFICATION REQUIREMENTS.**

Subdivision 1. **Generally.** The third-party testing program shall ensure that the commissioner is notified in writing or by electronic means:

(1) 30 days before any change in the third-party testing program's name or address;

(2) ten days before any change in the third-party tester employed by the third-party testing program;

(3) within ten days of a change in a third-party tester's driving status;

(4) within ten days of the third-party testing program ceasing business operations in Minnesota;
or

(5) within ten days of a third-party tester:

(i) receiving notice from any state that the tester's driving privileges have been withdrawn; or

(ii) failing to comply with the third-party testing program or third-party tester requirements in sections 171.70 to 171.82.

Subd. 2. **Test route change.** Before changing a test route, a third-party testing program must submit a written request and obtain written approval from the commissioner for any proposed change in the road test route. The request may be submitted by facsimile or e-mail.

Subd. 3. **Tester change.** A third-party tester shall notify the commissioner within ten days of leaving the employ of a third-party testing program.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 69. **[171.82] DENIAL, CANCELLATION, OR SUSPENSION OF PROGRAM OR TESTER; APPEAL.**

Subdivision 1. **Denial.** The commissioner may deny an application for a third-party testing program or tester certificate if the applicant does not qualify for approval or certification under sections 171.70 to 171.81. In addition, a misstatement or misrepresentation is grounds for denying a letter of approval or tester certificate.

Subd. 2. **Cancellation or suspension.** The commissioner may cancel the approval of a third-party testing program or third-party tester or may suspend a program or tester for:

(1) failure to comply with or satisfy any provision of sections 171.70 to 171.81;

(2) falsification of any records or information relating to the third-party testing program;

(3) performance in a manner that compromises the integrity of the third-party testing program. The commissioner must use the same standards of integrity for state-employed testers and third-party testers; or

(4) the withdrawal of a third-party tester's driving privileges.

Subd. 3. **Commissioner's discretion.** (a) The existence of grounds for cancellation or suspension under subdivision 2 is determined at the sole discretion of the commissioner. If the commissioner determines that grounds for cancellation or suspension exist for failure to comply with or satisfy any requirement in sections 171.70 to 171.81, the commissioner may immediately cancel or suspend the third-party testing program or third-party tester from administering any further tests.

(b) When an application to be a third-party testing program or third-party tester application is denied, or when individual program approval or a tester's certificate is canceled, a notice must be mailed to the subject indicating the reasons for the denial or cancellation and that the third-party testing program or third-party tester may appeal the decision as provided in subdivision 5.

Subd. 4. **Correction order.** If an audit by the commissioner identifies a situation that needs correction but does not merit suspension or cancellation, the commissioner may issue a correction order to a third-party tester or program for 30 days to correct a deficiency before the program or tester becomes subject to suspension or cancellation. The notice must include the basis for requiring the correction. The notice must notify the individual of the ability to appeal the correction order as provided in subdivision 5. The third-party testing program or third-party tester is permitted 30 days to correct the deficiency without having to reapply.

Subd. 5. **Notice of denial or cancellation; request for reconsideration and hearing.** (a) Within 20 calendar days of receiving a notice of cancellation or denial issued pursuant to subdivision 3 or correction order issued pursuant to subdivision 4, the third-party testing program or third-party tester may submit a request for reconsideration in writing to the commissioner. The commissioner shall review the request for reconsideration and issue a decision within 30 days of receipt of the request. Upon receipt of the commissioner's decision, the affected party may initiate a contested case proceeding under chapter 14.

(b) As an alternative to the process in paragraph (a), the affected party may initiate a contested case proceeding within 20 calendar days of receiving a notice of cancellation or denial issued pursuant to subdivision 3 or a correction order issued pursuant to subdivision 4.

(c) If a correction order issued pursuant to subdivision 4 is contested as provided in paragraph (a) or (b), the commissioner must not enforce the correction order until a final decision has been made following the contested case proceeding.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 70. **[171.83] THIRD-PARTY COMMERCIAL DRIVER'S LICENSE ROAD TESTS.**

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

(b) "Applicant" means the individual or entity applying to be a third-party tester program or a third-party tester.

(c) "Road test" means the actual physical demonstration of ability to exercise ordinary and reasonable control in the operation of a motor vehicle as required in section 171.13, subdivision 1, paragraph (a), clause (4).

(d) "Third-party tester" or "tester" means an individual who is an employee of a third-party testing program and is authorized by the commissioner to conduct the road test for a commercial driver's license.

(e) "Third-party testing program" or "program" means a program approved by the commissioner to administer the road test conducted by a third-party tester.

Subd. 2. **Third-party testing program; application.** (a) A third-party testing program applicant must apply in the manner specified by the commissioner for approval to administer the road test. A third-party testing program may administer the road test under this section if the program is approved by the commissioner.

(b) A program application to the commissioner must include:

(1) the business or entity name;

(2) a business registration number if a business or tax identification number if a nonprofit entity;

(3) mailing address, telephone number, and e-mail address of the administrative office;

(4) the name of an authorized official responsible for the program and application and the official's title and telephone number;

(5) a map, drawing, or written description of each test route to be used for road tests;

(6) the name, birth date, home address, and driver's license number of all individuals the applicant wants to employ as a certified third-party tester;

(7) the amount for fees, if any, that will be charged; and

(8) a surety bond, in the amount prescribed by the commissioner.

Subd. 3. Third-party testing program; office location. To qualify as a third-party testing program, the applicant must be located in Minnesota and must maintain an administrative office in at least one permanent, regularly occupied building with a permanent address.

Subd. 4. Third-party testing program; evaluation and approval. (a) The commissioner must evaluate each application submitted by a third-party testing program applicant. If the application is satisfactory, the commissioner must approve the application.

(b) Upon approval of a third-party testing program application, the commissioner must issue a letter of approval designating the third-party testing program. The letter of approval constitutes an agreement between the state and the third-party testing program that authorizes the program to administer the road test for a commercial driver's license.

(c) A letter of approval to operate a third-party testing program is not transferable.

Subd. 5. Third-party tester; authority. (a) An individual may conduct the road test for a commercial driver's license under this section if the person:

(1) is a third-party tester;

(2) possesses a valid third-party tester certificate, as provided in subdivision 6; and

(3) meets the requirements under Minnesota Rules, chapter 7410, and Code of Federal Regulations, title 49, part 383.

(b) A third-party tester is subject to the same requirements as examiners employed by the state, including but not limited to background checks. The third-party tester must pay the cost for a required background check.

Subd. 6. Third-party tester; certificates. (a) The commissioner must issue a third-party tester certificate to an individual who satisfactorily completes the required training and is authorized as a third-party tester.

(b) A third-party tester certificate is effective on the date of issuance and expires four years after issuance. A third-party tester must submit an application for renewal of the certificate to the commissioner no less than 30 days before the date the previously issued certificate expires.

(c) The third-party testing program must keep a copy of the certificate of each third-party tester employed by the program on file in the administrative office of the program.

(d) A third-party tester certificate is not transferable.

Subd. 7. Training and information. (a) The commissioner must provide a training process that allows an individual to become authorized as a third-party tester.

(b) The commissioner must provide to each third-party tester all relevant information on how to conduct the road test. At a minimum, the commissioner must provide:

(1) the criteria on which applicants for a commercial driver's license must be tested during the road test;

(2) the method of scoring and evaluating the applicant;

(3) the method and criteria for determining test routes; and

(4) the necessary documentation to conduct the road test.

Subd. 8. **Road tests.** (a) A third-party tester must conduct the commercial driver's license road test in the manner and subject to the requirements of this section; section 171.131; Minnesota Rules, chapter 7410; and Code of Federal Regulations, title 49, part 383; and as prescribed by the commissioner.

(b) If the third-party tester also provides behind-the-wheel instruction for student drivers or employees, the third-party tester must not use the same routes for training and conducting the road test.

(c) Upon passage of the road test, the third-party tester must provide the person with certification of passage of the road test. The certification must be in a form prescribed by the commissioner.

(d) The commissioner must administer the fourth or subsequent road test for a person.

Subd. 9. **Prohibited road tests.** A third-party tester must not conduct a road test for a person who is required to be examined by the commissioner under section 171.13, subdivision 3, and Minnesota Rules, part 7410.2400.

Subd. 10. **Indemnification.** The department shall be held harmless for any claims, losses, damages, costs, and other proceedings made, sustained, brought, or prosecuted in any manner based on or occasioned by or attributive to any injury, infringement, or damage rising from any act or omission of the third-party tester or the third-party testing program in the performance of testing duties.

Subd. 11. **Application.** This section does not apply to the commissioner or employees of the state that conduct the road test.

Subd. 12. **Oversight; investigations.** (a) The commissioner must monitor and audit the road tests conducted by third-party testers.

(b) The commissioner must establish a process to investigate alleged violations of the law and complaints made against third-party testers or programs. The third-party tester or program must be given notice of an investigation and be allowed to participate in the investigation. The commissioner must provide the results of an audit or investigation to the third-party program and any third-party testers.

Subd. 13. **Denial; cancellation; suspension.** (a) The commissioner may deny an application for a third-party testing program or third-party tester if the applicant does not qualify for approval

or certification under this section or Minnesota Rules, parts 7410.6000 to 7410.6540. In addition, a misstatement or misrepresentation is grounds for denying a letter of approval for a third-party program or a third-party tester certificate.

(b) The commissioner may cancel the approval of a third-party testing program or third-party tester or may suspend a program or tester for:

(1) failure to comply with or satisfy any provision of this section or Minnesota Rules, parts 7410.6000 to 7410.6540;

(2) falsification of any records or information relating to the third-party testing program;

(3) performance in a manner that compromises the integrity of the third-party testing program. The commissioner must use the same standards of integrity for state-employed testers and third-party testers; or

(4) the withdrawal of a third-party tester's driving privileges.

Subd. 14. **Commissioner's discretion.** (a) The existence of grounds for cancellation or suspension under subdivision 13 is determined at the sole discretion of the commissioner. If the commissioner determines that grounds for cancellation or suspension exist for failure to comply with or satisfy any requirement in this section or Minnesota Rules, parts 7410.6000 to 7410.6540, the commissioner may immediately cancel or suspend the third-party testing program or third-party tester from administering any further tests.

(b) When an application to be a third-party testing program or third-party tester application is denied, or when individual program approval or a tester's certificate is canceled, a notice must be mailed to the subject indicating the reasons for the denial or cancellation and that the third-party testing program or third-party tester may appeal the decision as provided in subdivision 16.

Subd. 15. **Correction order.** If an audit by the commissioner identifies a situation that needs correction but does not merit suspension or cancellation, the commissioner may issue a correction order to a third-party tester or program for 30 days to correct a deficiency before the program or tester becomes subject to suspension or cancellation. The notice must include the basis for requiring the correction. The notice must notify the individual of the ability to appeal the correction order as provided in subdivision 16. The third-party testing program or third-party tester is permitted 30 days to correct the deficiency without having to reapply.

Subd. 16. **Notice of denial or cancellation; request for reconsideration and hearing.** (a) Within 20 calendar days of receiving a notice of cancellation or denial issued pursuant to subdivision 14 or correction order issued pursuant to subdivision 15, the third-party testing program or third-party tester may submit a request for reconsideration in writing to the commissioner. The commissioner shall review the request for reconsideration and issue a decision within 30 days of receipt of the request. Upon receipt of the commissioner's decision, the affected party may request a contested case hearing under chapter 14.

(b) As an alternative to the process in paragraph (a), the affected party may initiate a contested case proceeding within 20 calendar days of receiving a notice of cancellation or denial issued pursuant to subdivision 14 or a correction order issued pursuant to subdivision 15.

(c) If a correction order issued pursuant to subdivision 15 is appealed under paragraph (a) or (b), the commissioner must not enforce the correction order until the appeal is complete.

Subd. 17. **Rulemaking.** The commissioner must not adopt new rules or amend existing rules to implement the requirements of this section. Except where otherwise provided by this section, the commissioner shall apply applicable provisions from Minnesota Rules, parts 7410.6000 to 7410.6540, to third-party testing of commercial drivers' licenses.

Sec. 71. Minnesota Statutes 2020, section 299D.03, subdivision 2a, is amended to read:

Subd. 2a. **Salary and benefits survey.** (a) By January 1 of 2021, ~~2023, 2027~~ 2024, 2027, and ~~2031~~ 2030, the legislative auditor must conduct a compensation and benefit survey of law enforcement officers in every police department:

(1) in a city with a population in excess of 25,000, located in a metropolitan county, as defined in section 473.121, subdivision 4, that is represented by a union certified by the Bureau of Mediation Services; or

(2) in a city of the first class.

The State Patrol must also be included in the survey.

(b) The legislative auditor must base the survey on compensation and benefits for the past completed calendar year. The survey must be based on full-time equivalent employees. The legislative auditor must calculate compensation using base salary, overtime wages, and premium pay. Premium pay is payment that is received by a majority of employees and includes but is not limited to education pay and longevity pay. The legislative auditor must not include any payments made to officers or troopers for work performed for an entity other than the agency that employs the officer or trooper, regardless of who makes the payment. The legislative auditor must also include in the survey all benefits, including insurance, retirement, and pension benefits. The legislative auditor must include contributions from both the employee and employer when determining benefits.

(c) The legislative auditor must compile the survey results into a report. The report must show each department separately. For each department, the survey must include:

(1) an explanation of the salary structure, and include minimum and maximum salaries for each range or step; and

(2) an explanation of benefits offered, including the options that are offered and the employee and employer contribution for each option.

Wherever possible, the report must be designed so that the data for each department is in the same table or grid format to facilitate easy comparison.

(d) By January 15 of 2021, 2023, 2027, and 2031, the legislative auditor must transmit the survey report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over the State Patrol budget.

(e) It is the legislature's intent to use the information in this study to compare salaries between the identified police departments and the State Patrol and to make appropriate increases to patrol

trooper salaries. For purposes of this paragraph, "patrol troopers" has the meaning given in subdivision 2, paragraph (a).

Sec. 72. Minnesota Statutes 2020, section 325E.15, is amended to read:

325E.15 TRANSFER OF MOTOR VEHICLE; MILEAGE DISCLOSURE.

No person shall transfer a motor vehicle without disclosing ~~in writing~~ to the transferee the true mileage registered on the odometer reading or that the actual mileage is unknown if the odometer reading is known by the transferor to be different from the true mileage. The regulations contained in Code of Federal Regulations, title 49, sections 580.1 to 580.17, ~~as amended through October 1, 1998, implementing title IV of the Federal Motor Vehicle Information and Cost Savings Act that~~ implement odometer disclosure requirements and prescribe the manner in which electronic or written disclosure must be made in this state and, are adopted by reference. No transferor shall violate any regulations adopted under this section or knowingly give a false statement to a transferee in making any disclosure required by the regulations.

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

Sec. 73. [345.16] STATE; UNCLAIMED PROPERTY; DISPOSITION; DUTY OF STATE PATROL.

Subdivision 1. **State Patrol seizure.** A State Patrol trooper may seize and retain any personal property abandoned upon any public highway right-of-way, other public premises, or other state-owned property.

Subd. 2. **Notice.** Notice by the State Patrol of lost or abandoned property in its possession must be made to the rightful owner, if the owner is known, by certified mail. The rightful owner may reclaim the property within 90 days of notice after paying any expenses incurred by the agency for processing and retaining such property.

Subd. 3. **Disposal.** Unclaimed property may be sold at public sale, disposed of as state surplus property, or destroyed based on the agency's judgment of the property's condition and value.

Subd. 4. **Money.** All lost or abandoned money and the proceeds from the sale of other abandoned or lost property retained by the State Patrol pursuant to this section must be deposited into the general fund.

Sec. 74. ADDITIONAL FUNDING FOR STATE PATROL FOR CIVIL UNREST OR RIOTING.

Any request to the legislature for additional State Patrol funding for trooper response to civil unrest or rioting must include:

- (1) a complete explanation of the need for additional troopers for the response; and
- (2) an explanation of why the response was a higher priority than patrolling highways.

This section applies to the governor's proposed budget and to any request by the Department of Public Safety. Additional funding includes funding from any source.

Sec. 75. ANIMAL-DRAWN VEHICLES; SAFETY MANUAL.

(a) The commissioner of public safety, in collaboration with the Department of Transportation, State Patrol, traffic safety organizations, and other interested parties, must develop and publish an animal-drawn vehicles safety manual. When developing the manual, the commissioner must evaluate similar manuals already published by other states.

(b) At a minimum, the safety manual must discuss and provide specific guidance with respect to:

(1) animal-drawn vehicle courtesy and conduct;

(2) relevant traffic regulations, including traffic signs, traffic signals, pavement markings, driving rules, and equipment requirements;

(3) an overview of how other vehicles and motorists interact with animal-drawn vehicles on the roadway;

(4) safety best practices;

(5) travel information; and

(6) any other information the commissioner deems necessary.

(c) The commissioner must publish the manual under this section on or before January 1, 2022.

(d) The manual under this section is not an administrative rule under Minnesota Statutes, chapter 14, including section 14.386. The commissioner is exempt from provisions of Minnesota Statutes, chapter 14, with respect to any activities taken under this section.

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

Sec. 76. DRIVER'S LICENSE SAME-DAY ISSUANCE PILOT PROJECT.

(a) The commissioner of public safety must conduct a same-day driver's license pilot project as described in this section. The pilot project must be in the cities of Lakeville and Moorhead and include any driver's license agent in either city that requests to participate in the pilot project. This section applies to driver's license agents participating in the pilot project.

(b) An applicant who submits a properly completed application for a noncompliant driver's license, instruction permit, or identification card must be provided with the license or card at the time of the application. The license or card must be processed and produced at the site of the application. The applicant must not be required to go to another location to receive the license or card. The applicant must not be provided with a temporary license or card.

(c) The commissioner must provide the participating driver's license agents with any necessary equipment to process and produce the driver's licenses and identification cards on site.

(d) By January 1, 2023, the commissioner must submit a report on the pilot project to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. At a minimum, the report must include the following:

- (1) a description of the pilot project and the locations that participated in the pilot project;
- (2) how many noncompliant drivers' licenses, instruction permits, or identification cards were processed during the pilot project;
- (3) any information or feedback from the driver's license agents about the pilot project;
- (4) a recommendation on whether the issuance of same-day noncompliant drivers' licenses, instruction permits, or identification cards should be expanded statewide.

Sec. 77. IMPLEMENTATION.

The commissioner of public safety must implement the requirements of Minnesota Statutes, sections 171.70 to 171.82, with existing resources. The commissioner must not hire additional staff to implement the requirements of Minnesota Statutes, sections 171.70 to 171.82, or to conduct audits as required by Minnesota Statutes, section 171.78.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 78. PAYABLE OFFENSES; BEST PRACTICES.

The Office of Traffic Safety, in consultation with the state court administrator's office and the State Patrol, shall confer with law enforcement officers and prosecutors to determine best practices for law enforcement agencies and prosecutorial offices to employ when processing cases where a citation is issued to ensure that the citation does not inadvertently fail to require a court appearance when one is warranted under the circumstances. The best practices must address proper levels of review for these cases and encourage cooperation between law enforcement agencies and prosecutorial offices. The office shall disseminate the best practices upon completion.

Sec. 79. SCHOOL BUS AND COMMERCIAL DRIVER'S LICENSE KNOWLEDGE TEST AVAILABILITY.

The commissioner of public safety must ensure adequate availability of time slots for knowledge tests for commercial driver's licenses and school bus endorsements. These tests must be readily available across the state. Where necessary to provide adequate time slots, the commissioner must prioritize these tests above class D driver's license knowledge tests.

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

Sec. 80. VEHICLE REGISTRATION SELF-SERVICE KIOSK REPORT.

By December 1, 2022, the commissioner of public safety must submit to the legislative committees with jurisdiction over transportation policy and finance a report on self-service kiosks authorized in Minnesota Statutes, section 168.0135. At a minimum, the report must include the following information:

- (1) the number of completed transactions at self-service kiosks;
- (2) the number of failed or canceled transactions at self-service kiosks; and
- (3) the location of each self-service kiosk and the name of the business or entity that is operating at that address; and
- (4) any recommendations to the legislature to improve the use of self-service kiosks, including proposed legislation.

Sec. 81. **REVISOR INSTRUCTION.**

(a) The revisor of statutes must renumber the subdivisions in Minnesota Statutes, section 169.011, so that the terms appear in alphabetical order. The revisor must make necessary cross-reference changes in Minnesota Statutes consistent with the renumbering.

(b) The revisor of statutes must correct cross references to the paragraphs in Minnesota Statutes, section 168.33, subdivision 7, as necessitated by the relettering of paragraphs in section 20.

Sec. 82. **REPEALER.**

(a) Minnesota Statutes 2020, sections 168.327, subdivision 5; and 169.09, subdivision 7, are repealed.

(b) Minnesota Rules, parts 7410.2610, subparts 1, 2, 3, 3a, 5a, 5b, and 6; 7411.0535; 7414.1490; 7470.0300; 7470.0400; 7470.0500; 7470.0600; and 7470.0700, are repealed.

Sec. 83. **EFFECTIVE DATE.**

Except where otherwise provided, this article is effective July 1, 2021.

ARTICLE 4

METROPOLITAN COUNCIL

Section 1. Minnesota Statutes 2020, section 473.386, is amended by adding a subdivision to read:

Subd. 9. **Fares.** The council must establish fares for special transportation services in accordance with federal law. The council must use all fares collected for special transportation services exclusively for purposes related to special transportation services.

Sec. 2. Minnesota Statutes 2020, section 473.386, is amended by adding a subdivision to read:

Subd. 10. **Forecasted funding.** (a) For purposes of this subdivision, "biennium" and "fiscal year" have the meanings given in section 16A.011, subdivisions 6 and 14, respectively.

(b) In each February and November forecast of state revenues and expenditures under section 16A.103, the commissioner of management and budget must incorporate a state obligation from the general fund for the annual net costs to the council to implement the special transportation service

under this section. Notwithstanding section 16A.11, subdivision 3, the appropriation base in each fiscal year of the upcoming biennium is as determined in this subdivision.

(c) The commissioner must determine net costs under paragraph (b) as:

(1) the amount necessary to:

(i) maintain service levels accounting for expected demand, including service area, hours of service, ride scheduling requirements, and fares per council policy;

(ii) maintain the general existing condition of the special transportation service bus fleet, including bus maintenance and replacement; and

(iii) meet the requirements of this section; plus

(2) the amount of forecast adjustments, as determined by the commissioner of management and budget in consultation with the council, necessary to match (i) actual special transportation service program costs in the prior fiscal year, and (ii) adjusted program costs forecasted for the second year of the current biennium, for a forecast prepared in the first year of the biennium; less

(3) funds identified for the special transportation service from nonstate sources.

(d) In conjunction with each February and November forecast, the council must submit a financial review of the special transportation service to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance and to the commissioner of management and budget. At a minimum, the financial review must include:

(1) a summary of special transportation service sources of funds and expenditures for the prior two fiscal years and each fiscal year of the forecast period, which must include:

(i) a breakout by expenditures categories; and

(ii) information that is sufficient to identify a conversion between state fiscal years and the fiscal years of the council;

(2) details on cost assumptions used in the forecast;

(3) information on ridership and farebox recovery rates for the prior two fiscal years and each fiscal year of the forecast period;

(4) identification of the amount of appropriations necessary for any forecast adjustments as identified under paragraph (d); and

(5) information as prescribed by the commissioner.

EFFECTIVE DATE; APPLICATION. This section is effective July 1, 2021, and applies beginning with the November 2022 forecast for each biennium beginning on or after July 1, 2023. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 3. **[473.4487] COUNTY RESPONSIBILITY FOR GUIDEWAY FUNDING.**

(a) Counties shall fund guideways, as defined in section 473.4485, subdivision 1, including current and future guideways pursuant to the requirements in this section.

(b) A host county or counties must fund:

(1) planning, design, engineering, construction, pre-revenue operations, and other costs associated with guideway development that exceed federal, state, local government, or other funds dedicated to the guideway. This requirement pertains to all costs associated with guideway development, including associated costs not eligible for federal funding;

(2) operating costs of guideway services determined by the service operator to be necessary to meet reasonable standards for access, safety, and reliability and that exceed fare revenues and federal, state, local government, or other funds dedicated to the guideway; and

(3) capital maintenance, replacement, and modernization costs determined by the operator of guideway services to be necessary to meet reasonable standards for access, safety, reliability, and upkeep of the guideway and that exceed federal, state, local government, or other funds dedicated to the guideway.

(c) For purposes of this section, "host county or counties" means those counties where the guideway is located.

(d) The distribution of costs among host counties must be delineated through a proportional methodology agreed to by the host counties.

EFFECTIVE DATE; APPLICATION. This section is effective July 1, 2021. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 4. **[473.452] TRANSIT OPERATING RESERVES; REPORT.**

(a) By February 1 each year, each replacement service provider under section 473.388 must report to the council its projected total operating expenses for the current calendar year and its projected operating reserve fund balance as of the previous December 31.

(b) By March 1 each year, the council must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report must include:

(1) the information from each provider received under paragraph (a); and

(2) the council's projected total operating expenses for the current calendar year and its projected operating reserve fund balance as of the previous December 31.

EFFECTIVE DATE; APPLICATION. This section is effective July 1, 2021. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 5. **[476.4058] BUSWAY OPERATION.**

Money from a local governmental unit, as defined in section 473.121, subdivision 6, must not be used to pay costs of operation or maintenance for a busway, as defined in section 473.4485, subdivision 1.

EFFECTIVE DATE; APPLICATION. This section is effective July 1, 2021, and applies to busways that begin revenue operations before January 1, 2023.

Sec. 6. DISTRIBUTION OF FUNDS; METROPOLITAN COUNCIL.

(a) The Metropolitan Council must distribute funds received from the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) and the American Rescue Plan (ARP) to replacement services providers according to the urbanized area formula as provided in United States Code, title 49, section 5307.

(b) The Metropolitan Council must distribute any future federal funds received pursuant to a federal coronavirus relief act to replacement service providers according to the urbanized area formula as provided in United States Code, title 49, section 5307.

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

Sec. 7. FEDERAL FUNDS REPORTING REQUIREMENTS; REPLACEMENT SERVICE PROVIDERS.

(a) For purposes of this section, "federal funds" means any funding received by the Metropolitan Council, and allocated to replacement service providers under Minnesota Statutes, section 473.388, from the federal government pursuant to any federal law, rule, grant, or loan relating to the infectious disease known as COVID-19. This includes but is not limited to the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Public Law 116-136.

(b) Replacement service providers must report all expenditures of federal funds to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy by February 15, 2022, and annually thereafter until all federal funds are expended. The report must include the total amount of each expenditure, the purpose of each expenditure, and any additional information necessary to properly document each expenditure.

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

Sec. 8. TERMINATION OF NORTHSTAR COMMUTER RAIL SERVICE.

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

(b) "Commissioner" means the commissioner of transportation.

(c) "Council" means the Metropolitan Council.

(d) "FTA" means the Federal Transit Administration.

(e) "Northstar" means the Northstar Commuter Rail line that provides rail passenger service between downtown Minneapolis and Big Lake, including stops in Fridley, Coon Rapids, Anoka, Ramsey, and Elk River.

Subd. 2. **Federal approval.** Within 30 days of the enactment of this section, the council and the commissioner must request approval from the FTA to discontinue operations of the Northstar commuter rail. As part of the request, the council and commissioner must specify that the state will not reimburse the FTA or any other federal agency for federal funds spent on Northstar. Within seven days of receiving a response to the request, the council and commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance on the outcome of the request. The report must include a copy of the request submitted to the FTA and a copy of the FTA's response. If the FTA grants the request, the report must include the plans for terminating Northstar services and how the council and commissioner will comply with subdivisions 3 to 5 of this section.

Subd. 3. **Service terminated.** Upon receiving approval from the FTA, the council shall immediately terminate all services related to Northstar, including stopping all passenger service, closing all stations, and ending law enforcement services provided by the Metropolitan Transit Police along the route.

Subd. 4. **Agreements terminated.** (a) Upon receiving approval from the FTA, the commissioner and the council shall immediately terminate all memorandums of understanding, joint powers agreements, contracts, or any other agreement entered into with any public or private entity pursuant to Minnesota Statutes, sections 174.82 and 473.4057, for the planning, development, construction, operation, or maintenance of Northstar.

(b) Upon receiving approval from the FTA and pursuant to Minnesota Statutes, section 473.4057, subdivision 5, the commissioner shall immediately terminate any lease, license, assignment, right of access, or other agreement provided to the council to develop, operate, and maintain Northstar.

Subd. 5. **Assets sold; disposition of proceeds.** (a) Upon receiving approval from the FTA, the council shall immediately convey ownership in any real or personal property related to Northstar that was previously owned and conveyed by the commissioner or Department of Transportation under Minnesota Statutes, section 473.4075, subdivision 5, back to the commissioner.

(b) Upon receiving approval from the FTA, the council and the commissioner shall immediately sell or otherwise dispose of all assets related to Northstar, including but not limited to equipment, supplies, materials, rolling stock, facilities, improvements, personal property, and real property.

(c) All sales and disposition of real and personal property under this subdivision shall be conducted pursuant to Minnesota Statutes, section 16B.2975.

Subd. 6. **Report to legislature.** If the FTA grants the request to terminate Northstar service as described in subdivision 2, the council and commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance by January 1, 2022, on how subdivisions 2 to 5 were implemented.

Subd. 7. **Appropriation cancellation.** If the FTA grants the request to terminate Northstar service as described in subdivision 2, any unspent funds remaining from the appropriation under

Laws 2019, First Special Session chapter 3, article 1, section 2, subdivision 2, paragraph (b), shall immediately cancel to the general fund.

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

Sec. 9. **REPEALER.**

Minnesota Statutes 2020, sections 473.13, subdivision 1b; and 473.4051, subdivisions 2 and 3, are repealed.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Delete the title and insert:

"A bill for an act relating to transportation; establishing a budget for transportation; appropriating money for transportation purposes, including Department of Transportation, Metropolitan Council, and Department of Public Safety; appropriating money for specific projects; limiting uses of the highway user tax distribution fund and trunk highway fund; amending various provisions relating to bicycles; amending project selection processes; amending procedures for disposing of property; amending regulation of small unmanned aircraft; dedicating a percentage of the auto parts sales taxes for transportation purposes; authorizing special vehicle permits; making various changes to vehicle registration, vehicle titles, license plates, and drivers' licenses procedures and fees; amending laws relating to animal-drawn vehicles; modifying school bus inspection criteria; authorizing online driver education; authorizing third-party driver's license testing; amending funding for guideways and busways; requiring Metro Mobility to be included in the forecast; establishing a process to terminate Northstar commuter rail; making various policy, technical, and conforming changes; amending Minnesota Statutes 2020, sections 16E.15, subdivision 2; 84.787, subdivision 7; 84.797, subdivision 7; 84.92, subdivision 8; 117.075, subdivisions 2, 3; 160.02, by adding subdivisions; 160.262, subdivision 1; 160.263, subdivision 3; 160.264; 160.266, by adding a subdivision; 160.93, subdivisions 1, 2, 4; 161.088, subdivision 5; 161.11, subdivision 2; 161.115, subdivision 27; 161.14, by adding subdivisions; 161.167; 161.19; 161.20, subdivision 3; 161.23, subdivisions 2, 2a; 161.44, subdivisions 6a, 6b; 161.465; 162.145, subdivisions 2, 3; 163.07, subdivision 2; 167.45; 168.002, subdivision 18; 168.013, subdivision 1m, by adding subdivisions; 168.12, subdivisions 1, 5; 168.183; 168.301, subdivision 1; 168.31, subdivision 4; 168.327, subdivision 6, by adding subdivisions; 168.33, subdivision 7; 168.63, subdivision 5; 168A.11, subdivisions 1, 2; 168A.151, subdivision 1; 169.011, subdivisions 27, 42, by adding subdivisions; 169.035, subdivision 3; 169.09, subdivision 13; 169.18, subdivision 10; 169.222, subdivisions 4, 6a, by adding a subdivision; 169.451, subdivision 3; 169.522, subdivision 1; 169.58, by adding a subdivision; 169.812, subdivision 2; 169.864, subdivision 4; 169.866, subdivision 3; 169.869, subdivision 1; 171.05, subdivision 2; 171.06, subdivisions 2a, 3; 171.061, subdivision 4; 171.071, by adding a subdivision; 171.12, subdivision 7b; 171.13, subdivisions 1, 6, 7, 9; 171.27; 171.29, subdivision 2; 174.03, subdivisions 1b, 8; 174.185, subdivision 3; 174.24, subdivision 7; 174.285, subdivision 5; 174.40, subdivision 5; 174.50, subdivisions 6d, 7, by adding a subdivision; 174.52, subdivision 5; 174.56, subdivision 1; 174.75, by adding a subdivision; 221.83; 296A.083, subdivision 2; 297A.94; 297A.993, by adding a subdivision; 299D.03, subdivision 2a; 325E.15; 360.012, by adding a subdivision; 360.013, by adding subdivisions; 360.55, by adding a subdivision; 360.59, subdivision 10; 473.386, by adding

subdivisions; proposing coding for new law in Minnesota Statutes, chapters 161; 168; 169; 171; 174; 345; 473; 476; repealing Minnesota Statutes 2020, sections 16A.60; 160.93, subdivisions 2a, 3; 168.327, subdivision 5; 169.09, subdivision 7; 473.13, subdivision 1b; 473.4051, subdivisions 2, 3; Laws 2000, chapter 479, article 2, section 1, as amended; Minnesota Rules, parts 7410.2610, subparts 1, 2, 3, 3a, 5a, 5b, 6; 7411.0535; 7414.1490; 7470.0300; 7470.0400; 7470.0500; 7470.0600; 7470.0700."

And when so amended the bill do pass and be re-referred to the Committee on Taxes. Amendments adopted. Report adopted.

REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the Dibble amendment to S.F. No. 1159.

There were yeas 4 and nays 6, as follows:

Those who voted in the affirmative were:

Senators Carlson, Dibble, Johnson Stewart, and McEwen.

Those who voted in the negative were:

Senators Coleman, Howe, Jasinski, Kiffmeyer, Newman, and Osmek.

The amendment was not adopted.

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the McEwen amendment to S.F. No. 1159.

There were yeas 4 and nays 6, as follows:

Those who voted in the affirmative were:

Senators Carlson, Dibble, Johnson Stewart, and McEwen.

Those who voted in the negative were:

Senators Coleman, Howe, Jasinski, Kiffmeyer, Newman, and Osmek.

The amendment was not adopted.

Senator Limmer from the Committee on Judiciary and Public Safety Finance and Policy, to which was referred

S.F. No. 970: A bill for an act relating to judiciary; amending law and appropriating money for courts, Guardian Ad Litem Board, Uniform Laws Commission, Board on Judicial Standards, Board of Public Defense, and human rights; amending Minnesota Statutes 2020, sections 363A.36, subdivision 2; 363A.44, subdivision 2; 477A.03, subdivision 2b; 611.27, subdivisions 9, 10, 11, 13, 15.

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

Delete everything after the enacting clause and insert:

**"ARTICLE 1
APPROPRIATIONS**

Section 1. **APPROPRIATIONS.**

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

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2022</u>	<u>2023</u>

Sec. 2. **SUPREME COURT**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>61,474,000</u>	<u>\$</u>	<u>60,004,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Supreme Court Operations</u>	<u>44,854,000</u>	<u>43,384,000</u>
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(a) **Contingent Account.** \$5,000 each year is for a contingent account for expenses necessary for the normal operation of the court for which no other reimbursement is provided.

(b) **Online Court Record Access.** \$795,000 the first year is to fund critical improvements to the Minnesota Court Record Online application.

(c) **Cybersecurity.** \$500,000 the first year is to fund critical improvements to the judiciary branch cyber security program.

(d) Courthouse Security Grants. \$500,000 the first year is for a competitive grant program established by the chief justice for the distribution of safe and secure courthouse fund grants to governmental entities responsible for providing or maintaining a courthouse or other facility where court proceedings are held. Grant recipients must provide a 50 percent nonstate match. This appropriation is available until June 30, 2024.

(e) Neuropsychological Examination Feasibility Study. \$30,000 the first year is for the neuropsychological examination feasibility study described in article 2, section 14.

Subd. 3. <u>Civil Legal Services</u>	<u>16,620,000</u>	<u>16,620,000</u>
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Legal Services to Low-Income Clients in Family Law Matters. \$1,017,000 each year is to improve the access of low-income clients to legal representation in family law matters. This appropriation must be distributed under Minnesota Statutes, section 480.242, to the qualified legal services program described in Minnesota Statutes, section 480.242, subdivision 2, paragraph (a). Any unencumbered balance remaining in the first year does not cancel and is available in the second year.

Sec. 3. <u>COURT OF APPEALS</u>	<u>\$ 13,490,000</u>	<u>\$ 13,574,000</u>
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Sec. 4. <u>DISTRICT COURTS</u>	<u>\$ 326,172,000</u>	<u>\$ 328,946,000</u>
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New Judgeship. \$482,000 the first year and \$449,000 the second year are for a new judge unit in the Fifth Judicial District.

Sec. 5. <u>GUARDIAN AD LITEM BOARD</u>	<u>\$ 22,576,000</u>	<u>\$ 22,815,000</u>
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Sec. 6. <u>TAX COURT</u>	<u>\$ 1,827,000</u>	<u>\$ 1,841,000</u>
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Sec. 7. <u>UNIFORM LAWS COMMISSION</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>
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	<u>Appropriations by Fund</u>	
<u>General</u>	<u>3,005,000</u>	<u>3,005,000</u>
<u>Environmental</u>	<u>73,000</u>	<u>73,000</u>

(a) Supplemental Nonprofit Security Grants

\$225,000 each year is for supplemental nonprofit security grants under this paragraph.

Nonprofit organizations whose applications for funding through the Federal Emergency Management Agency's nonprofit security grant program have been approved by the Division of Homeland Security and Emergency Management are eligible for grants under this paragraph. No additional application shall be required for grants under this paragraph, and an application for a grant from the federal program is also an application for funding from the state supplemental program.

Eligible organizations may receive grants of up to \$75,000, except that the total received by any individual from both the federal nonprofit security grant program and the state supplemental nonprofit security grant program shall not exceed \$75,000. Grants shall be awarded in an order consistent with the ranking given to applicants for the federal nonprofit security grant program. No grants under the state supplemental nonprofit security grant program shall be awarded until the announcement of the recipients and the amount of the grants awarded under the federal nonprofit security grant program.

The commissioner may use up to one percent of the appropriation received under this paragraph to pay costs incurred by the department in administering the supplemental nonprofit security grant program. These appropriations are onetime.

(b) School Safety Center

\$250,000 each year is for two school safety specialists at the Minnesota School Safety Center.

Subd. 3. Criminal Apprehension 75,981,000 74,793,000

<u>Appropriations by Fund</u>		
<u>General</u>	<u>75,974,000</u>	<u>74,786,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>7,000</u>	<u>7,000</u>

(a) DWI Lab Analysis

\$2,429,000 each year is for staff and operating costs for laboratory analysis related to driving-while-impaired cases.

(b) Use of Trunk Highway Funds; Department of Public Safety

Payment of expenses related to forensic science services and other activities of the Bureau of Criminal Apprehension do not further a highway purpose under Minnesota Statutes, section 161.20, subdivision 3, and under article 14, sections 5, 6, and 9 of the Minnesota Constitution. The commissioner of public safety must not expend money from the trunk highway fund for any purpose of the Bureau of Criminal Apprehension.

(c) Civil Unrest

\$539,000 the first year is for costs related to responding to civil unrest.

(d) Body Worn Cameras

\$397,000 the first year and \$205,000 the second year are for the purchase, implementation, and maintenance of body worn cameras.

(e) Cybersecurity

\$2,111,000 the first year and \$2,000,000 the second year are for staff, hardware, and software to upgrade critical network infrastructure and support cybersecurity compliance with standards set by the Federal

Bureau of Investigation. The base for this is \$1,002,000 in fiscal years 2024 and 2025.

(f) Rapid DNA Program

\$285,000 each year is for the Rapid DNA Program.

(g) Additional Forensic Scientist

\$128,000 the first year and \$113,000 the second year are for one additional forensic scientist.

(h) Criminal Alert Network

\$200,000 the first year is for the criminal alert network to increase membership, reduce the registration fee, and create additional alert categories, including at a minimum a dementia and Alzheimer's disease specific category.

(i) Additional Special Agent

\$160,000 each year is for one additional special agent. This is a onetime appropriation.

(j) Predatory Offender Statutory Framework Working Group

\$131,000 the first year is to convene, administer, and implement the predatory offender statutory framework working group described in article 4, section 22.

Subd. 4. Fire Marshal

8,752,000

8,818,000

Appropriations by Fund

<u>General</u>	<u>178,000</u>	<u>178,000</u>
<u>Special Revenue</u>	<u>8,574,000</u>	<u>8,640,000</u>

The special revenue fund appropriation is from the fire safety account in the special revenue fund and is for activities under Minnesota Statutes, section 299F.012.

(a) Inspections

\$300,000 each year is from the fire safety account in the special revenue fund for inspection of nursing homes and boarding care facilities.

(b) Hazmat and Chemical Assessment Teams

\$950,000 the first year and \$850,000 the second year are from the fire safety account in the special revenue fund. These amounts must be used to fund the hazardous materials and chemical assessment teams. Of this amount, \$100,000 the first year is for cases for which there is no identified responsible party. The base appropriation is \$950,000 in fiscal year 2024 and \$850,000 in fiscal year 2025.

(c) Bomb Squad Reimbursements

\$50,000 each year is from the general fund for reimbursements to local governments for bomb squad services.

(d) Emergency Response Teams

\$675,000 each year is from the fire safety account in the special revenue fund to maintain four emergency response teams: one under the jurisdiction of the St. Cloud Fire Department or a similarly located fire department if necessary; one under the jurisdiction of the Duluth Fire Department; one under the jurisdiction of the St. Paul Fire Department; and one under the jurisdiction of the Moorhead Fire Department.

<u>Subd. 5. Firefighter Training and Education Board</u>	<u>5,792,000</u>	<u>5,792,000</u>
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<u>Appropriations by Fund</u>		
<u>Special Revenue</u>	<u>5,792,000</u>	<u>5,792,000</u>

The special revenue fund appropriation is from the fire safety account in the special revenue fund and is for activities under Minnesota Statutes, section 299F.012.

(a) Firefighter Training and Education

\$4,500,000 each year is for firefighter training and education.

(b) Task Force 1

\$975,000 each year is for the Minnesota Task Force 1.

(c) Air Rescue

\$317,000 each year is for the Minnesota Air Rescue Team.

(d) Unappropriated Revenue

Any additional unappropriated money collected in fiscal year 2021 is appropriated to the commissioner of public safety for the purposes of Minnesota Statutes, section 299F.012. The commissioner may transfer appropriations and base amounts between activities in this subdivision.

<u>Subd. 6. Alcohol and Gambling Enforcement</u>	<u>2,590,000</u>	<u>2,497,000</u>
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	<u>Appropriations by Fund</u>	
<u>General</u>	<u>2,520,000</u>	<u>2,427,000</u>
<u>Special Revenue</u>	<u>70,000</u>	<u>70,000</u>

\$70,000 each year is from the lawful gambling regulation account in the special revenue fund.

(a) Legal Costs

\$93,000 the first year is for legal costs associated with Alexis Bailly Vineyard, Inc. v. Harrington.

(b) Body Worn Cameras

\$16,000 each year is for the purchase, implementation, and maintenance of body worn cameras.

<u>Subd. 7. Office of Justice Programs</u>	<u>41,196,000</u>	<u>41,046,000</u>
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	<u>Appropriations by Fund</u>	
<u>General</u>	<u>41,100,000</u>	<u>40,950,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>96,000</u>	<u>96,000</u>

(a) Administration Costs

Up to 2.5 percent of the grant funds appropriated in this subdivision may be used by the commissioner to administer the grant program.

(b) Improving Retention in Domestic Violence Programs

\$150,000 the first year is to develop an open and competitive grant process to award a grant to establish a pilot project to increase the rate at which participants voluntarily complete a person-centered, trauma-informed violence prevention program by addressing the social and economic barriers that inhibit program completion. This appropriation is available until June 30, 2024.

The grant recipient shall have an established program for individuals who have been identified as using abusive behaviors within a home or community setting. The established program must apply evidence-based interventions to equip participants with skills and techniques to stop abusive behaviors as they occur and prevent them from happening in the future.

The pilot project shall address financial, transportation, food, housing, or social support barriers in order to increase the rate of participants completing the program. Money may be used to advance program capacity, reduce the administrative burden on program staff, secure participant consent for assessment, enhance measurement and evaluation of the program, and provide other services and support to increase the rate of program completion while maintaining low recidivism rates.

By January 15, 2023, the grant recipient shall provide a report to the Office of Justice Programs identifying:

(1) the number of individuals, including the age, race, and sex of those individuals, who were admitted into the program before and after the pilot project began;

(2) the number of individuals, including the age, race, and sex of those individuals, who completed the program before and after the pilot project began;

(3) the number of individuals, including the age, race, and sex of those individuals, who left the program prior to completion before and after the pilot project began;

(4) information on whether the individuals were members of a two-parent or single-parent home; and

(5) any other relevant measurement and evaluation of the pilot project, including information related to social and economic barriers that impact program completion rates.

By January 15, 2024, the grant recipient shall provide a report to the Office of Justice Programs identifying the domestic violence recidivism rate of individuals who completed the program, including the age, race, and sex of those individuals, before and after the pilot project began.

By February 15, 2024, the Office of Justice Programs shall compile the information received from the grant recipient and provide that compilation to the senate and house of representatives committees and divisions with jurisdiction over public safety.

(c) VCETs

\$1,000,000 each year is for additional violent crime enforcement teams. The base for this is \$1,000,000 in fiscal years 2024 and 2025.

Of this amount, \$250,000 each year is a onetime appropriation for a team to address criminal activities in and around metropolitan

transit lines. This team must include members from the Hennepin County Sheriff's Office, the Ramsey County Sheriff's Office, the St. Paul Police Department, the Minneapolis Police Department, and the Metropolitan Transit Police Department. The Hennepin County Sheriff's Office shall serve as the team's fiscal agent. By February 1, 2022, the commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over criminal justice policy and funding on the activities of the team. The report must detail the impact the team had on reducing criminal activity in and around metropolitan transit lines and recommend whether to fund the team in the future or whether the money for this would be better directed towards other violent crime enforcement teams.

Subd. 8. Emergency Communication Networks

67,897,000

67,888,000

This appropriation is from the state government special revenue fund for 911 emergency telecommunications services.

This appropriation includes funds for information technology project services and support subject to the provisions of Minnesota Statutes, section 16E.0466. Any ongoing information technology costs shall be incorporated into the service level agreement and shall be paid to the Office of MN.IT Services by the Department of Public Safety under the rates and mechanism specified in that agreement.

(a) Public Safety Answering Points

\$27,328,000 the first year and \$28,011,000 the second year shall be distributed as provided in Minnesota Statutes, section 403.113, subdivision 2. The base for this is \$28,011,000 in fiscal years 2024 and 2025.

(b) Medical Resource Communication Centers

\$683,000 the first year is for grants to the Minnesota Emergency Medical Services

Regulatory Board for the Metro East and Metro West Medical Resource Communication Centers that were in operation before January 1, 2000.

(c) ARMER State Backbone Operating Costs

\$9,675,000 each year is transferred to the commissioner of transportation for costs of maintaining and operating the statewide radio system backbone.

(d) ARMER Improvements

\$1,000,000 each year is to the Statewide Emergency Communications Board for improvements to those elements of the statewide public safety radio and communication system that support mutual aid communications and emergency medical services or provide interim enhancement of public safety communication interoperability in those areas of the state where the statewide public safety radio and communication system is not yet implemented, and grants to local units of government to further the strategic goals set forth by the Statewide Emergency Communications Board strategic plan.

(e) 911 Telecommunicator Working Group

\$9,000 the first year is for the 911 Telecommunicator Working Group described in article 2, section 15.

Sec. 12. PEACE OFFICER STANDARDS AND TRAINING (POST) BOARD

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>11,401,000</u>	<u>\$</u>	<u>11,423,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Peace Officer Training Reimbursements

\$2,949,000 each year is for reimbursements to local governments for peace officer training costs.

Subd. 3. Peace Officer Training Assistance

\$6,000,000 each year is to support and strengthen law enforcement training and implement best practices. The base for this activity is \$0 in fiscal year 2024 and thereafter.

Sec. 13. <u>PRIVATE DETECTIVE BOARD</u>	<u>\$</u>	<u>282,000</u>	<u>\$</u>	<u>288,000</u>
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Sec. 14. <u>HUMAN RIGHTS</u>	<u>\$</u>	<u>5,371,000</u>	<u>\$</u>	<u>5,371,000</u>
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Sec. 15. **CORRECTIONS**

Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>631,518,000</u>	<u>\$</u>	<u>633,177,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <u>Correctional Institutions</u>	<u>463,708,000</u>	<u>465,367,000</u>
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(a) Healthy Start Act

\$100,000 each year is to implement Minnesota Statutes, section 244.065, subdivision 2, under article 3, section 4, to create a release program for pregnant women and new mothers.

(b) Identification Cards, Medications, and Homelessness Mitigation Plan

\$60,000 the first year and \$48,000 the second year are to implement the duties required in new Minnesota Statutes, sections 241.067 and 241.068.

(c) Institutions Base Budget

The general fund base for Department of Corrections institutions is \$465,368,000 in

fiscal year 2024 and \$466,044,000 in fiscal year 2025.

Subd. 3. Community Services

138,033,000

138,033,000

(a) Community Corrections Act Subsidy Increase

\$1,250,000 each year is added to the Community Corrections Act subsidy, as described in Minnesota Statutes, section 401.14.

(b) County Probation Officers Reimbursement Increase

\$350,000 each year is for county probation officers reimbursement, as described in Minnesota Statutes, section 244.19, subdivision 6.

(c) Alternatives to Incarceration Program

\$320,000 each year is for funding to Crow Wing County and Wright County to facilitate access to community treatment options under the alternatives to incarceration program described in Laws 2017, chapter 95, article 3, section 30, as amended by article 2, section 12.

Subd. 4. Operations Support

29,777,000

29,777,000

\$600,000 each year is to increase support for ongoing technology needs.

Sec. 16. OMBUDSPERSON FOR CORRECTIONS \$

659,000 \$

663,000

Sec. 17. LEGISLATIVE COORDINATING COMMISSION \$

60,000 \$

60,000

\$60,000 each year is for the Legislative Commission on Data Practices under Minnesota Statutes, section 3.8844.

Sec. 18. DISASTER CONTINGENCY ACCOUNT

\$20,000,000 the first year is to the commissioner of public safety for transfer to

the disaster assistance contingency account established under Minnesota Statutes, section 12.221, subdivision 6.

Sec. 19. **CANCELLATION; FISCAL YEAR 2021**

(a) Alcohol and Gambling Enforcement

\$132,000 of the fiscal year 2021 general fund appropriation under Laws 2019, First Special Session chapter 5, article 1, section 12, subdivision 6, is canceled.

(b) Office of Justice Programs

\$213,000 of the fiscal year 2021 general fund appropriation under Laws 2019, First Special Session chapter 5, article 1, section 12, subdivision 7, is canceled.

ARTICLE 2

BUDGET-RELATED CHANGES

Section 1. Minnesota Statutes 2020, section 299A.52, subdivision 2, is amended to read:

Subd. 2. **Expense recovery.** The commissioner shall assess the responsible person for the regional hazardous materials response team costs of response. The commissioner may bring an action for recovery of unpaid costs, reasonable attorney fees, and any additional court costs. Any funds received by the commissioner under this subdivision are appropriated to the commissioner to pay for costs for which the funds were received. Any remaining funds at the end of the biennium shall be transferred to the Fire Safety Account.

Sec. 2. Minnesota Statutes 2020, section 340A.504, subdivision 7, is amended to read:

Subd. 7. **Sales after 1:00 a.m.; permit fee.** (a) No licensee may sell intoxicating liquor or 3.2 percent malt liquor on-sale between the hours of 1:00 a.m. and 2:00 a.m. unless the licensee has obtained a permit from the commissioner. Application for the permit must be on a form the commissioner prescribes. Permits are effective for one year from date of issuance. For retailers of intoxicating liquor, the fee for the permit is based on the licensee's gross receipts from on-sales of alcoholic beverages in the 12 months prior to the month in which the permit is issued, and is at the following rates:

- (1) up to \$100,000 in gross receipts, \$300;
- (2) over \$100,000 but not over \$500,000 in gross receipts, \$750; and
- (3) over \$500,000 in gross receipts, \$1,000.

For a licensed retailer of intoxicating liquor who did not sell intoxicating liquor at on-sale for a full 12 months prior to the month in which the permit is issued, the fee is \$200. For a retailer of 3.2 percent malt liquor, the fee is \$200.

(b) The commissioner shall deposit all permit fees received under this subdivision in the alcohol enforcement account in the ~~special revenue~~ general fund.

(c) Notwithstanding any law to the contrary, the commissioner of revenue may furnish to the commissioner the information necessary to administer and enforce this subdivision.

Sec. 3. Minnesota Statutes 2020, section 363A.36, subdivision 2, is amended to read:

Subd. 2. **Filing fee; account; appropriation.** The commissioner shall collect a ~~\$150~~ \$250 fee for each certificate of compliance issued by the commissioner or the commissioner's designated agent. The proceeds of the fee must be deposited in a human rights fee special revenue account. Money in the account is appropriated to the commissioner to fund the cost of issuing certificates and investigating grievances.

EFFECTIVE DATE. This section is effective for applications received on or after July 1, 2021.

Sec. 4. Minnesota Statutes 2020, section 363A.44, subdivision 2, is amended to read:

Subd. 2. **Application.** (a) A business shall apply for an equal pay certificate by paying a ~~\$150~~ \$250 filing fee and submitting an equal pay compliance statement to the commissioner. The proceeds from the fees collected under this subdivision shall be deposited in an equal pay certificate special revenue account. Money in the account is appropriated to the commissioner for the purposes of this section. The commissioner shall issue an equal pay certificate of compliance to a business that submits to the commissioner a statement signed by the chairperson of the board or chief executive officer of the business:

(1) that the business is in compliance with Title VII of the Civil Rights Act of 1964, Equal Pay Act of 1963, Minnesota Human Rights Act, and Minnesota Equal Pay for Equal Work Law;

(2) that the average compensation for its female employees is not consistently below the average compensation for its male employees within each of the major job categories in the EEO-1 employee information report for which an employee is expected to perform work under the contract, taking into account factors such as length of service, requirements of specific jobs, experience, skill, effort, responsibility, working conditions of the job, or other mitigating factors;

(3) that the business does not restrict employees of one sex to certain job classifications and makes retention and promotion decisions without regard to sex;

(4) that wage and benefit disparities are corrected when identified to ensure compliance with the laws cited in clause (1) and with clause (2); and

(5) how often wages and benefits are evaluated to ensure compliance with the laws cited in clause (1) and with clause (2).

(b) The equal pay compliance statement shall also indicate whether the business, in setting compensation and benefits, utilizes:

- (1) a market pricing approach;
- (2) state prevailing wage or union contract requirements;
- (3) a performance pay system;
- (4) an internal analysis; or

(5) an alternative approach to determine what level of wages and benefits to pay its employees. If the business uses an alternative approach, the business must provide a description of its approach.

(c) Receipt of the equal pay compliance statement by the commissioner does not establish compliance with the laws set forth in paragraph (a), clause (1).

EFFECTIVE DATE. This section is effective for applications received on or after July 1, 2021.

Sec. 5. Minnesota Statutes 2020, section 403.11, subdivision 1, is amended to read:

Subdivision 1. **Emergency telecommunications service fee; account.** (a) Each customer of a wireless or wire-line switched or packet-based telecommunications service provider connected to the public switched telephone network that furnishes service capable of originating a 911 emergency telephone call is assessed a fee based upon the number of wired or wireless telephone lines, or their equivalent, to cover the costs of ongoing maintenance and related improvements for trunking and central office switching equipment for 911 emergency telecommunications service, to offset administrative and staffing costs of the commissioner related to managing the 911 emergency telecommunications service program, to make distributions provided for in section 403.113, and to offset the costs, including administrative and staffing costs, incurred by the State Patrol Division of the Department of Public Safety in handling 911 emergency calls made from wireless phones.

(b) Money remaining in the 911 emergency telecommunications service account after all other obligations are paid must not cancel and is carried forward to subsequent years and may be appropriated from time to time to the commissioner to provide financial assistance to counties for the improvement of local emergency telecommunications services.

(c) The fee may not be ~~less than eight cents nor more than 65 cents a month until June 30, 2008, not less than eight cents nor more than 75 cents a month until June 30, 2009, not less than eight cents nor more than 85 cents a month until June 30, 2010, and not less than eight cents nor more than 95 cents a month on or after July 1, 2010,~~ for each customer access line or other basic access service, including trunk equivalents as designated by the Public Utilities Commission for access charge purposes and including wireless telecommunications services. With the approval of the commissioner of management and budget, the commissioner of public safety shall establish the amount of the fee within the limits specified and inform the companies and carriers of the amount to be collected. When the revenue bonds authorized under section 403.27, subdivision 1, have been fully paid or defeased, the commissioner shall reduce the fee to reflect that debt service on the bonds is no longer needed. The commissioner shall provide companies and carriers a minimum of 45 days' notice of each fee change. The fee must be the same for all customers, except that the fee imposed under this subdivision does not apply to prepaid wireless telecommunications service, which is instead subject to the fee imposed under section 403.161, subdivision 1, paragraph (a).

(d) The fee must be collected by each wireless or wire-line telecommunications service provider subject to the fee. Fees are payable to and must be submitted to the commissioner monthly before the 25th of each month following the month of collection, except that fees may be submitted quarterly if less than \$250 a month is due, or annually if less than \$25 a month is due. Receipts must be deposited in the state treasury and credited to a 911 emergency telecommunications service account in the special revenue fund. The money in the account may only be used for 911 telecommunications services.

(e) Competitive local exchanges carriers holding certificates of authority from the Public Utilities Commission are eligible to receive payment for recurring 911 services.

Sec. 6. Minnesota Statutes 2020, section 477A.03, subdivision 2b, is amended to read:

Subd. 2b. **Counties.** (a) For aids payable in 2018 and 2019, the total aid payable under section 477A.0124, subdivision 3, is \$103,795,000, of which \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2020, the total aid payable under section 477A.0124, subdivision 3, is \$116,795,000, of which \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2021 through 2024, the total aid payable under section 477A.0124, subdivision 3, is \$118,795,000, of which \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2025 and thereafter, the total aid payable under section 477A.0124, subdivision 3, is \$115,795,000. ~~Each calendar year, On or before the first installment date provided in section 477A.015, paragraph (a), \$500,000 of this appropriation shall be retained~~ transferred each year by the commissioner of revenue to ~~make reimbursements to the commissioner of management and budget~~ the Board of Public Defense for payments made the payment of service under section 611.27. ~~The reimbursements shall be to defray the additional costs associated with court-ordered counsel under section 611.27.~~ Any ~~retained~~ transferred amounts not ~~used for reimbursement~~ expended or encumbered in a fiscal year shall be certified by the Board of Public Defense to the commissioner of revenue on or before October 1 and shall be included in the next distribution certification of county need aid ~~that is certified to the county auditors for the purpose of property tax reduction for the next taxes payable year.~~

(b) For aids payable in 2018 and 2019, the total aid under section 477A.0124, subdivision 4, is \$130,873,444. For aids payable in 2020, the total aid under section 477A.0124, subdivision 4, is \$143,873,444. For aids payable in 2021 and thereafter, the total aid under section 477A.0124, subdivision 4, is \$145,873,444. The commissioner of revenue shall transfer to the commissioner of management and budget \$207,000 annually for the cost of preparation of local impact notes as required by section 3.987, and other local government activities. The commissioner of revenue shall transfer to the commissioner of education \$7,000 annually for the cost of preparation of local impact notes for school districts as required by section 3.987. The commissioner of revenue shall deduct the amounts transferred under this paragraph from the appropriation under this paragraph. The amounts transferred are appropriated to the commissioner of management and budget and the commissioner of education respectively.

Sec. 7. Minnesota Statutes 2020, section 611.27, subdivision 9, is amended to read:

Subd. 9. **Request for other appointment of counsel.** The chief district public defender ~~with the approval of~~ may request that the state public defender ~~may request that the chief judge of the~~

district court, or a district court judge designated by the chief judge, authorize appointment of counsel other than the district public defender in such cases.

Sec. 8. Minnesota Statutes 2020, section 611.27, subdivision 10, is amended to read:

Subd. 10. **Addition of permanent staff.** The chief public defender may not request ~~the court~~ nor may the ~~court order~~ state public defender approve the addition of permanent staff under subdivision 7.

Sec. 9. Minnesota Statutes 2020, section 611.27, subdivision 11, is amended to read:

Subd. 11. **Appointment of counsel.** If the ~~court~~ state public defender finds that the provision of adequate legal representation, including associated services, is beyond the ability of the district public defender to provide, the ~~court shall order~~ state public defender may approve counsel to be appointed, with compensation and expenses to be paid under the provisions of this subdivision and subdivision 7. Counsel in such cases shall be appointed by the chief district public defender. ~~If the court issues an order denying the request, the court shall make written findings of fact and conclusions of law. Upon denial, the chief district public defender may immediately appeal the order denying the request to the court of appeals and may request an expedited hearing.~~

Sec. 10. Minnesota Statutes 2020, section 611.27, subdivision 13, is amended to read:

Subd. 13. **Correctional facility inmates.** All billings for services rendered and ordered under subdivision 7 shall require the approval of the chief district public defender before being forwarded ~~on a monthly basis~~ to the state public defender. In cases where adequate representation cannot be provided by the district public defender and where counsel has been ~~appointed under a court order~~ approved by the state public defender, the ~~state public defender~~ Board of Public Defense shall ~~forward to the commissioner of management and budget~~ pay all billings for services rendered ~~under the court order~~. The ~~commissioner shall pay for services~~ from county program aid ~~retained~~ transferred by the commissioner of revenue for that purpose under section 477A.03, subdivision 2b, paragraph (a).

The costs of appointed counsel and associated services in cases arising from new criminal charges brought against indigent inmates who are incarcerated in a Minnesota state correctional facility are the responsibility of the state Board of Public Defense. In such cases the state public defender may follow the procedures outlined in this section for obtaining court-ordered counsel.

Sec. 11. Minnesota Statutes 2020, section 611.27, subdivision 15, is amended to read:

Subd. 15. **Costs of transcripts.** In appeal cases and postconviction cases where the appellate public defender's office does not have sufficient funds to pay for transcripts and other necessary expenses because it has spent or committed all of the transcript funds in its annual budget, the ~~state public defender may forward to the commissioner of management and budget all billings for transcripts and other necessary expenses. The commissioner shall~~ Board of Public Defense may pay for these transcripts and other necessary expenses from county program aid ~~retained~~ transferred by the commissioner of revenue for that purpose under section 477A.03, subdivision 2b, paragraph (a).

Sec. 12. Laws 2017, chapter 95, article 3, section 30, is amended to read:

Sec. 30. **ALTERNATIVES TO INCARCERATION PILOT PROGRAM FUND.**

(a) Agencies providing supervision to offenders on probation, parole, or supervised release are eligible for grants funding to facilitate access to community options including, but not limited to, inpatient chemical dependency treatment for nonviolent controlled substance offenders to address and correct behavior that is, or is likely to result in, a technical violation of the conditions of release. For purposes of this section, "nonviolent controlled substance offender" is a person who meets the criteria described under Minnesota Statutes, section 244.0513, subdivision 2, clauses (1), (2), and (5), and "technical violation" means a violation of a court order of probation, condition of parole, or condition of supervised release, except an allegation of a subsequent criminal act that is alleged in a formal complaint, citation, or petition.

(b) The Department of Corrections shall ~~establish criteria for selecting grant recipients and the amount awarded to each grant recipient~~ issue annual funding of \$160,000 to each recipient.

(c) ~~By January 15, 2019,~~ The commissioner of corrections shall submit ~~a~~ an annual report to the chairs of the house of representatives and senate committees with jurisdiction over public safety policy and finance by January 15 of each year. At a minimum, the report must include:

~~(1) the total number of grants issued under this program;~~

~~(2) the average amount of each grant;~~

~~(3)~~ (1) the community services accessed as a result of the grants funding;

~~(4)~~ (2) a summary of the type of supervision offenders were under when a grant funding was used to help access a community option;

~~(5)~~ (3) the number of individuals who completed, and the number who failed to complete, programs accessed as a result of this grant funding; and

~~(6)~~ (4) the number of individuals who violated the terms of release following participation in a program accessed as a result of this grant funding, separating technical violations and new criminal offenses;

(5) the number of individuals who completed or were discharged from probation after participating in the program;

(6) the number of individuals identified in clause (5) who committed a new offense after discharge from the program;

(7) identification of barriers nonviolent controlled substance offenders face in accessing community services and a description of how the program navigates those barriers; and

(8) identification of gaps in existing community services for nonviolent controlled substance offenders.

Sec. 13. Laws 2020, Seventh Special Session chapter 2, article 2, section 4, is amended to read:

Sec. 4. **TRANSFER; ALCOHOL ENFORCEMENT ACCOUNT.**

~~(a) By July 15, 2021, the commissioner of public safety must certify to the commissioner of management and budget the amount of permit fees waived under section 3, clause (2), during the period from January 1, 2021, to June 30, 2021, and the commissioner of management and budget must transfer the certified amount from the general fund to the alcohol enforcement account in the special revenue fund established under Minnesota Statutes, section 299A.706.~~

~~(b) By January 15, 2022, the commissioner of public safety must certify to the commissioner of management and budget the amount of permit fees waived under section 3, clause (2), during the period from July 1, 2021, to December 31, 2021, and the commissioner of management and budget must transfer the certified amount from the general fund to the alcohol enforcement account in the special revenue fund established under Minnesota Statutes, section 299A.706.~~

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

Sec. 14. NEUROPSYCHOLOGICAL EXAMINATION FEASIBILITY STUDY.

(a) The state court administrator shall conduct a feasibility study on requiring courts to order that individuals convicted of felony-level criminal offenses undergo a neuropsychological examination to determine whether, due to a stroke, traumatic brain injury, or fetal alcohol spectrum disorder, the individual had a mental impairment that caused the individual to lack substantial capacity for judgment when the offense was committed.

(b) In conducting the study, the administrator shall consult with interested parties, including but not limited to prosecutors, public defenders, private criminal defense attorneys, law enforcement officials, probation officers, judges and employees of the judiciary, corrections officials, mental health practitioners and treatment providers, individuals with experience in conducting neuropsychological examinations, and individuals who have experience in the criminal justice system with people who have suffered strokes, traumatic brain injuries, and fetal alcohol spectrum disorder.

(c) The study must make recommendations on whether the law should be changed to require these examinations and, if so, the situations and conditions under which the examinations should be required, including but not limited to:

- (1) the types of offenses the requirement should apply to;
- (2) how best to screen individuals to determine whether an examination should be required;
- (3) situations in which an examination would not be required, potentially including where a recent examination had been conducted;
- (4) the costs involved with requiring examinations and how best to pay for these costs; and
- (5) the effect examination results should have on future proceedings involving the individual, including sentencing and providing treatment.

(d) By February 15, 2022, the state court administrator shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over criminal justice policy and funding on the results of the study.

Sec. 15. **911 TELECOMMUNICATOR WORKING GROUP.**

Subdivision 1. **Membership.** (a) The commissioner of public safety shall convene a 911 telecommunicator working group that consists of the commissioner or a designee and one representative of each of the following organizations:

- (1) the Minnesota Chiefs of Police Association;
- (2) the Minnesota Sheriffs' Association;
- (3) the Minnesota Police and Peace Officers Association;
- (4) the Emergency Communications Network;
- (5) the Minnesota State Fire Chiefs Association;
- (6) the Association of Minnesota Counties;
- (7) the League of Minnesota Cities;
- (8) Tribal dispatchers;
- (9) the Metropolitan Emergency Services Board;
- (10) the Emergency Medical Services Regulatory Board;
- (11) the Statewide Emergency Communications Board;
- (12) each of the Statewide Emergency Communications Board's seven regional boards;
- (13) mental health crisis team providers; and
- (14) the Minnesota Association of Public Safety Communications Officials (MN APCO) and the National Emergency Number Association of Minnesota (NENA of MN).

(b) The organizations specified in paragraph (a) shall provide the commissioner with a designated member to serve on the working group by June 15, 2021. The commissioner shall appoint these members to the working group. Appointments to the working group must be made by July 1, 2021.

Subd. 2. **Duties; report.** The working group must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety policy and finance by January 15, 2022. The report must:

- (1) recommend a statutory definition of 911 telecommunicators;
- (2) recommend minimum training and continuing education standards for certification of 911 telecommunicators;
- (3) recommend standards for certification of 911 telecommunicators;
- (4) recommend funding options for mandated 911 telecommunicators training; and

(5) provide other recommendations the working group deems appropriate.

Subd. 3. **First meeting; chair.** The commissioner of public safety must convene the first meeting of the working group by August 1, 2021. At the first meeting, the members must elect a chair. The working group may conduct meetings remotely. The chair shall be responsible for document management of materials for the working group.

Subd. 4. **Compensation; reimbursement.** Members serve without compensation.

Subd. 5. **Administrative support.** The commissioner of public safety must provide administrative support to the working group.

Subd. 6. **Expiration.** The working group expires January 15, 2022.

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

Sec. 16. **REVISOR INSTRUCTION.**

In the next edition of Minnesota Statutes, the revisor of statutes shall codify the alternatives to incarceration pilot project under section 12 to reflect that it is a permanent program. The revisor may make editorial and other nonsubstantive language changes to accomplish this.

ARTICLE 3

CRIMINAL AND PUBLIC SAFETY POLICY CHANGES RELATING TO THE BUDGET

Section 1. **[3.8844] LEGISLATIVE COMMISSION ON DATA PRACTICES.**

Subdivision 1. **Established.** The Legislative Commission on Data Practices and Personal Data Privacy is created to study issues relating to government data practices and individuals' personal data privacy rights and to review legislation impacting data practices, data security, and personal data privacy. The commission is a continuation of the commission that was established by Laws 2014, chapter 193, as amended, and which expired June 30, 2019.

Subd. 2. **Membership.** The commission consists of two senators appointed by the senate majority leader, two senators appointed by the minority leader in the senate, two members of the house of representatives appointed by the speaker, and two members of the house of representatives appointed by the minority leader in the house. Two members from each chamber must be from the majority party in that chamber and two members from each chamber must be from the minority party in that chamber. Each appointing authority must make appointments as soon as possible after the beginning of the regular legislative session in the odd-numbered year. The ranking senator from the majority party appointed to the commission must convene the first meeting of a biennium by February 15 in the odd-numbered year. The commission may elect up to four former legislators who have demonstrated an interest in, or have a history of working in, the areas of government data practices and personal data privacy to serve as nonvoting members of the commission. The former legislators must not be registered lobbyists and shall be compensated as provided under section 15.0575, subdivision 3.

Subd. 3. **Terms; vacancies.** Members of the commission serve for terms beginning upon appointment and ending at the beginning of the regular legislative session in the next odd-numbered year. The appropriate appointing authority must fill a vacancy for a seat of a current legislator for the remainder of the unexpired term.

Subd. 4. **Officers.** The commission must elect a chair and may elect other officers as it determines are necessary. The chair alternates between a member of the senate and a member of the house of representatives in January of each odd-numbered year.

Subd. 5. **Staff.** Legislative staff must provide administrative and research assistance to the commission. The Legislative Coordinating Commission may, if funding is available, appoint staff to provide research assistance.

Subd. 6. **Duties.** The commission shall:

(1) review and provide the legislature with research and analysis of emerging issues relating to government data practices and security and privacy of personal data;

(2) review and make recommendations on legislative proposals relating to the Minnesota Government Data Practices Act; and

(3) review and make recommendations on legislative proposals impacting personal data privacy rights, data security, and other related issues.

EFFECTIVE DATE. This section is effective the day following final enactment. Initial members of the commission serve for a term ending in January 2023. A member of the house of representatives shall serve as the first chair of the commission. A member of the senate shall serve as chair of the commission beginning in January 2023.

Sec. 2. **[241.067] RELEASE OF INMATES; DUTIES OF COMMISSIONER.**

Subdivision 1. **Assistance relating to identification cards.** (a) Upon the request of an inmate, the commissioner, in collaboration with the Department of Public Safety, shall facilitate the provision of a state identification card to an inmate at no cost to the inmate, provided the inmate possesses the necessary qualifying documents to obtain the card. This assistance does not apply to inmates who (1) upon intake have six months or less remaining in their term of imprisonment, (2) already have other valid identification, (3) already have a valid photograph on file with the Department of Public Safety that may be used as proof of identity for renewing an identification document, or (4) are being imprisoned for a release violation.

(b) The commissioner shall inform inmates of the commissioner's duties under paragraph (a) upon intake and again upon the initiation of release planning.

Subd. 2. **Medications.** (a) When releasing an inmate from prison, the commissioner shall provide the inmate with a one-month supply of any non-narcotic medications that have been prescribed to the inmate and a prescription for a 30-day supply of these medications that may be refilled twice.

(b) Paragraph (a) applies only to the extent the requirement is consistent with clinical guidelines and permitted under state and federal law.

(c) Nothing in this subdivision overrides the requirements in section 244.054.

EFFECTIVE DATE. This section is effective September 1, 2021.

Sec. 3. **[241.068] HOMELESSNESS MITIGATION PLAN; ANNUAL REPORTING ON HOMELESSNESS.**

Subdivision 1. **Homelessness mitigation plan; report.** (a) The commissioner of corrections shall develop and implement a homelessness mitigation plan for individuals released from prison. At minimum, the plan must include:

(1) redesigning of business practices and policies to boost efforts to prevent homelessness for all persons released from prison;

(2) efforts to increase interagency and intergovernmental collaboration between state and local governmental units to identify and leverage shared resources; and

(3) development of internal metrics for the agency to report on its progress towards implementing the plan and achieving the plan's goals.

(b) The commissioner shall submit the plan to the chairs and ranking minority members of the legislative committees having jurisdiction over criminal justice policy and finance by October 31, 2022.

Subd. 2. **Reporting on individuals released to homelessness.** (a) By February 15 of each year beginning in 2022, the commissioner shall report to the chairs and ranking minority members of the legislative committees having jurisdiction over criminal justice policy and finance the following information on adults, disaggregated by race, gender, and county of release:

(1) the total number released to homelessness from prison;

(2) the total number released to homelessness by each Minnesota correctional facility;

(3) the total number released to homelessness by county of release; and

(4) the total number under supervised, intensive supervised, or conditional release following release from prison who reported experiencing homelessness or a lack of housing stability.

(b) Beginning with the 2024 report and continuing until the 2033 report, the commissioner shall include in the report required under paragraph (a), information detailing progress, measures, and challenges to the implementation of the homelessness mitigation plan required by subdivision 1.

EFFECTIVE DATE. This section is effective July, 1, 2021.

Sec. 4. Minnesota Statutes 2020, section 244.065, is amended to read:

244.065 PRIVATE EMPLOYMENT OF INMATES OR SPECIALIZED PROGRAMMING FOR PREGNANT INMATES OF STATE CORRECTIONAL INSTITUTIONS IN COMMUNITY.

Subdivision 1. **Work.** When consistent with the public interest and the public safety, the commissioner of corrections may conditionally release an inmate to work at paid employment, seek employment, or participate in a vocational training or educational program, as provided in section 241.26, if the inmate has served at least one half of the term of imprisonment.

Subd. 2. **Pregnancy.** (a) In the furtherance of public interest and community safety, the commissioner of corrections may conditionally release:

(1) for up to one year postpartum, an inmate who gave birth within eight months of the date of commitment; and

(2) for the duration of the pregnancy and up to one year postpartum, an inmate who is pregnant.

(b) The commissioner may conditionally release an inmate under paragraph (a) to community-based programming for the purpose of participation in prenatal or postnatal care programming and to promote mother-child bonding in addition to other programming requirements as established by the commissioner, including evidence-based parenting skills programming; working at paid employment; seeking employment; or participating in vocational training, an educational program, or chemical dependency or mental health treatment services.

(c) The commissioner shall develop policy and criteria to implement this subdivision according to public safety and generally accepted correctional practice.

(d) By April 1 of each year, the commissioner shall report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over corrections on the number of inmates released and the duration of the release under this subdivision for the prior calendar year.

Sec. 5. Minnesota Statutes 2020, section 299C.80, subdivision 3, is amended to read:

Subd. 3. **Additional duty.** (a) The unit shall investigate all criminal sexual conduct cases:

(1) involving peace officers, including criminal sexual conduct cases involving chief law enforcement officers; and

(2) where a member of the Minnesota National Guard is the victim, the accused is a member of the Minnesota National Guard, and the incident occurred in Minnesota.

(b) The unit shall assist the agency investigating an alleged sexual assault of a member of the Minnesota National Guard by another member of the Minnesota National Guard that occurred in a jurisdiction outside of the state, if the investigating agency requests assistance from the unit.

(c) The unit may also investigate conflict of interest cases involving peace officers.

Sec. 6. Minnesota Statutes 2020, section 609.1095, subdivision 1, is amended to read:

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

(b) "Conviction" means any of the following accepted and recorded by the court: a plea of guilty, a verdict of guilty by a jury, or a finding of guilty by the court. The term includes a conviction by any court in Minnesota or another jurisdiction.

(c) "Prior conviction" means a conviction that occurred before the offender committed the next felony resulting in a conviction and before the offense for which the offender is being sentenced under this section.

(d) "Violent crime" means a violation of or an attempt or conspiracy to violate any of the following laws of this state or any similar laws of the United States or any other state: sections 152.137; 609.165; 609.185; 609.19; 609.195; 609.20; 609.205; 609.2112; 609.2113; 609.2114; 609.221; 609.222; 609.223; 609.228; 609.235; 609.24; 609.245; 609.25; 609.255; 609.2661; 609.2662; 609.2663; 609.2664; 609.2665; 609.267; 609.2671; 609.268; 609.322; 609.342; 609.343; 609.344; 609.345; 609.498, subdivision 1; 609.561; 609.562; 609.582, subdivision 1; 609.66, subdivision 1e; 609.687; and 609.855, subdivision 5; any provision of sections 609.229; 609.377; 609.378; 609.749; and 624.713 that is punishable by a felony penalty; or any provision of chapter 152 that is punishable by a maximum sentence of 15 years or more; or Minnesota Statutes 2012, section 609.21.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 7. Minnesota Statutes 2020, section 609.131, subdivision 2, is amended to read:

Subd. 2. **Certain violations excepted.** Subdivision 1 does not apply to a misdemeanor violation of section 169A.20; 171.09, subdivision 1, paragraph (g); 171.306, subdivision 6; 609.224; 609.2242; 609.226; ~~609.324, subdivision 3~~; 609.52; or 617.23, or an ordinance that conforms in substantial part to any of those sections. A violation described in this subdivision must be treated as a misdemeanor unless the defendant consents to the certification of the violation as a petty misdemeanor.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 8. Minnesota Statutes 2020, section 609.322, subdivision 1, is amended to read:

Subdivision 1. **Solicitation, inducement, and promotion of prostitution; sex trafficking in the first degree.** (a) Whoever, while acting other than as a prostitute or patron, intentionally does any of the following may be sentenced to imprisonment for not more than ~~20~~ 25 years or to payment of a fine of not more than \$50,000, or both:

- (1) solicits or induces an individual under the age of 18 years to practice prostitution;
- (2) promotes the prostitution of an individual under the age of 18 years;
- (3) receives profit, knowing or having reason to know that it is derived from the prostitution, or the promotion of the prostitution, of an individual under the age of 18 years; or
- (4) engages in the sex trafficking of an individual under the age of 18 years.

(b) Whoever violates paragraph (a) or subdivision 1a may be sentenced to imprisonment for not more than ~~25~~ 30 years or to payment of a fine of not more than \$60,000, or both, if one or more of the following aggravating factors are present:

- (1) the offender has committed a prior qualified human trafficking-related offense;
- (2) the offense involved a sex trafficking victim who suffered bodily harm during the commission of the offense;
- (3) the time period that a sex trafficking victim was held in debt bondage or forced labor or services exceeded 180 days; or
- (4) the offense involved more than one sex trafficking victim.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 9. Minnesota Statutes 2020, section 609.322, subdivision 1a, is amended to read:

Subd. 1a. **Solicitation, inducement, and promotion of prostitution; sex trafficking in the second degree.** Whoever, while acting other than as a prostitute or patron, intentionally does any of the following may be sentenced to imprisonment for not more than ~~15~~ 20 years or to payment of a fine of not more than \$40,000, or both:

- (1) solicits or induces an individual to practice prostitution;
- (2) promotes the prostitution of an individual;
- (3) receives profit, knowing or having reason to know that it is derived from the prostitution, or the promotion of the prostitution, of an individual; or
- (4) engages in the sex trafficking of an individual.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 10. Minnesota Statutes 2020, section 609.324, subdivision 2, is amended to read:

Subd. 2. **Patrons of prostitution in public place; penalty for patrons.** (a) Whoever, while acting as a patron, intentionally does any of the following ~~while in a public place~~ is guilty of a gross misdemeanor:

- (1) engages in prostitution with an individual 18 years of age or older; or
- (2) hires, offers to hire, or agrees to hire an individual 18 years of age or older to engage in sexual penetration or sexual contact.

Except as otherwise provided in subdivision 4, a person who is convicted of violating this subdivision must, at a minimum, be sentenced to pay a fine of at least \$1,500.

(b) Whoever violates the provisions of this subdivision within ten years of a previous conviction for violating this section or section 609.322 is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 11. Minnesota Statutes 2020, section 609.324, subdivision 4, is amended to read:

Subd. 4. **Community service in lieu of minimum fine.** The court may order a person convicted of violating subdivision 2 ~~or 3~~ to perform community work service in lieu of all or a portion of the minimum fine required under those subdivisions if the court makes specific, written findings that the convicted person is indigent or that payment of the fine would create undue hardship for the convicted person or that person's immediate family. Community work service ordered under this subdivision is in addition to any mandatory community work service ordered under subdivision 3.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 12. Minnesota Statutes 2020, section 609.3241, is amended to read:

609.3241 PENALTY ASSESSMENT AUTHORIZED.

(a) When a court sentences an adult convicted of violating section 609.27, 609.282, 609.283, 609.322, 609.324, 609.33, 609.352, 617.246, 617.247, or 617.293, while acting other than as a prostitute, the court shall impose an assessment of not less than \$500 and not more than \$750 for a misdemeanor violation of section 609.27, a violation of section 609.324, subdivision 2, ~~a misdemeanor violation of section 609.324, subdivision 3,~~ a violation of section 609.33, or a violation of section 617.293; otherwise the court shall impose an assessment of not less than \$750 and not more than \$1,000. The assessment shall be distributed as provided in paragraph (c) and is in addition to the surcharge required by section 357.021, subdivision 6.

(b) The court may not waive payment of the minimum assessment required by this section. If the defendant qualifies for the services of a public defender or the court finds on the record that the convicted person is indigent or that immediate payment of the assessment would create undue hardship for the convicted person or that person's immediate family, the court may reduce the amount of the minimum assessment to not less than \$100. The court also may authorize payment of the assessment in installments.

(c) The assessment collected under paragraph (a) must be distributed as follows:

(1) 40 percent of the assessment shall be forwarded to the political subdivision that employs the arresting officer for use in enforcement, training, and education activities related to combating sexual exploitation of youth, or if the arresting officer is an employee of the state, this portion shall be forwarded to the commissioner of public safety for those purposes identified in clause (3);

(2) 20 percent of the assessment shall be forwarded to the prosecuting agency that handled the case for use in training and education activities relating to combating sexual exploitation activities of youth; and

(3) 40 percent of the assessment must be forwarded to the commissioner of health to be deposited in the safe harbor for youth account in the special revenue fund and are appropriated to the commissioner for distribution to crime victims services organizations that provide services to sexually exploited youth, as defined in section 260C.007, subdivision 31.

(d) A safe harbor for youth account is established as a special account in the state treasury.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 13. Minnesota Statutes 2020, section 609.3459, is amended to read:

609.3459 LAW ENFORCEMENT; REPORTS OF SEXUAL ASSAULTS.

(a) A victim of any violation of sections 609.342 to 609.3453 may initiate a law enforcement investigation by contacting any law enforcement agency, regardless of where the crime may have occurred. The agency must prepare a summary of the allegation and provide the person with a copy of it. The agency must begin an investigation of the facts, or, if the suspected crime was committed in a different jurisdiction, refer the matter along with the summary to the law enforcement agency where the suspected crime was committed for an investigation of the facts. If the agency learns that both the victim and the accused are members of the Minnesota National Guard, the agency receiving the report must refer the matter along with the summary to the Bureau of Criminal Apprehension for investigation pursuant to section 299C.80.

(b) If a law enforcement agency refers the matter to the law enforcement agency where the crime was committed, it need not include the allegation as a crime committed in its jurisdiction for purposes of information that the agency is required to provide to the commissioner of public safety pursuant to section 299C.06, but must confirm that the other law enforcement agency has received the referral.

Sec. 14. Minnesota Statutes 2020, section 609.352, subdivision 4, is amended to read:

Subd. 4. **Penalty.** A person convicted under subdivision 2 or 2a is guilty of a felony and may be sentenced to imprisonment for not more than ~~three~~ five years, or to payment of a fine of not more than ~~\$5,000~~ \$10,000, or both.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 15. **[609.3775] CHILD TORTURE.**

Subdivision 1. **Definition.** As used in this section, "torture" means the intentional infliction of extreme mental anguish, or extreme psychological or physical abuse, when committed in an especially depraved manner.

Subd. 2. **Crime.** A person who tortures a child is guilty of a felony and may be sentenced to imprisonment for not more than 25 years or to payment of a fine of not more than \$35,000, or both.

Subd. 3. **Proof; evidence.** (a) Expert testimony as to the existence or extent of mental anguish or psychological abuse is not a requirement for a conviction under this section.

(b) A child's special susceptibility to mental anguish or psychological abuse does not constitute an independent cause of the condition so that a defendant is exonerated from criminal liability.

(c) Proof that a victim suffered pain is not an element of a violation of this section.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 16. Minnesota Statutes 2020, section 609.605, subdivision 2, is amended to read:

Subd. 2. **Gross misdemeanor.** Whoever trespasses upon the grounds of a facility providing emergency shelter services for battered women, as defined under section 611A.31, subdivision 3, or providing comparable services for sex trafficking victims, as defined under section 609.321, subdivision 7b, or of a facility providing transitional housing for battered women and their children or sex trafficking victims and their children, without claim of right or consent of one who has right to give consent, and refuses to depart from the grounds of the facility on demand of one who has right to give consent, is guilty of a gross misdemeanor.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 17. **INITIAL APPOINTMENTS AND MEETINGS.**

Appointing authorities for the Legislative Commission on Data Practices under Minnesota Statutes, section 3.8844, must make initial appointments by June 1, 2021. The speaker of the house of representatives must designate one member of the commission to convene the first meeting of the commission by June 15, 2021.

Sec. 18. **SENTENCING GUIDELINES COMPREHENSIVE REVIEW.**

The Sentencing Guidelines Commission shall comprehensively review and consider modifying how the Sentencing Guidelines and the sex offender grid address the crimes described in Minnesota Statutes, section 609.322.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 19. **SENTENCING GUIDELINES COMMISSION DIRECTED TO INCREASE THE RANKINGS FOR CERTAIN CHILD PORNOGRAPHY CRIMES.**

The Sentencing Guidelines Commission is directed to increase the severity rankings on the sex offender grid for a violation of Minnesota Statutes, section 617.247, subdivision 3, paragraph (b), from severity level D to C, and subdivision 4, paragraph (b), from severity level F to E, consistent with the recommendations contained in the minority report in the commission's 2021 report to the

legislature. The other modifications to the grid relating to child pornography crimes proposed in the main report are adopted.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 20. **REPEALER.**

Minnesota Statutes 2020, section 609.324, subdivision 3, is repealed.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

ARTICLE 4

CRIMINAL SEXUAL CONDUCT CHANGES

Section 1. Minnesota Statutes 2020, section 2.722, subdivision 1, is amended to read:

Subdivision 1. **Description.** Effective July 1, 1959, the state is divided into ten judicial districts composed of the following named counties, respectively, in each of which districts judges shall be chosen as hereinafter specified:

1. Goodhue, Dakota, Carver, Le Sueur, McLeod, Scott, and Sibley; 36 judges; and four permanent chambers shall be maintained in Red Wing, Hastings, Shakopee, and Glencoe and one other shall be maintained at the place designated by the chief judge of the district;

2. Ramsey; 26 judges;

3. Wabasha, Winona, Houston, Rice, Olmsted, Dodge, Steele, Waseca, Freeborn, Mower, and Fillmore; 23 judges; and permanent chambers shall be maintained in Faribault, Albert Lea, Austin, Rochester, and Winona;

4. Hennepin; 60 judges;

5. Blue Earth, Watonwan, Lyon, Redwood, Brown, Nicollet, Lincoln, Cottonwood, Murray, Nobles, Pipestone, Rock, Faribault, Martin, and Jackson; ~~46~~ 17 judges; and permanent chambers shall be maintained in Marshall, Windom, Fairmont, New Ulm, and Mankato;

6. Carlton, St. Louis, Lake, and Cook; 15 judges;

7. Benton, Douglas, Mille Lacs, Morrison, Otter Tail, Stearns, Todd, Clay, Becker, and Wadena; 30 judges; and permanent chambers shall be maintained in Moorhead, Fergus Falls, Little Falls, and St. Cloud;

8. Chippewa, Kandiyohi, Lac qui Parle, Meeker, Renville, Swift, Yellow Medicine, Big Stone, Grant, Pope, Stevens, Traverse, and Wilkin; 11 judges; and permanent chambers shall be maintained in Morris, Montevideo, and Willmar;

9. Norman, Polk, Marshall, Kittson, Red Lake, Roseau, Mahnomen, Pennington, Aitkin, Itasca, Crow Wing, Hubbard, Beltrami, Lake of the Woods, Clearwater, Cass and Koochiching; 24 judges; and permanent chambers shall be maintained in Crookston, Thief River Falls, Bemidji, Brainerd, Grand Rapids, and International Falls; and

10. Anoka, Isanti, Wright, Sherburne, Kanabec, Pine, Chisago, and Washington; 45 judges; and permanent chambers shall be maintained in Anoka, Stillwater, and other places designated by the chief judge of the district.

Sec. 2. Minnesota Statutes 2020, section 243.166, subdivision 1b, is amended to read:

Subd. 1b. **Registration required.** (a) A person shall register under this section if:

(1) the person was charged with or petitioned for a felony violation of or attempt to violate, or aiding, abetting, or conspiracy to commit, any of the following, and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances:

(i) murder under section 609.185, paragraph (a), clause (2);

(ii) kidnapping under section 609.25;

(iii) criminal sexual conduct under section 609.342; 609.343; 609.344; 609.345; 609.3451, subdivision 3; or 609.3453;

(iv) indecent exposure under section 617.23, subdivision 3; or

(v) surreptitious intrusion under the circumstances described in section 609.746, subdivision 1, paragraph (f);

(2) the person was charged with or petitioned for a violation of, or attempt to violate, or aiding, abetting, or conspiring to commit any of the following and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances:

(i) criminal abuse in violation of section 609.2325, subdivision 1, paragraph (b);

(ii) false imprisonment in violation of section 609.255, subdivision 2;

(iii) solicitation, inducement, or promotion of the prostitution of a minor or engaging in the sex trafficking of a minor in violation of section 609.322;

(iv) a prostitution offense in violation of section 609.324, subdivision 1, paragraph (a);

(v) soliciting a minor to engage in sexual conduct in violation of section 609.352, subdivision 2 or 2a, clause (1);

(vi) using a minor in a sexual performance in violation of section 617.246; or

(vii) possessing pornographic work involving a minor in violation of section 617.247;

(3) the person was sentenced as a patterned sex offender under section 609.3455, subdivision 3a; or

(4) the person was charged with or petitioned for, including pursuant to a court martial, violating a law of the United States, including the Uniform Code of Military Justice, similar to the offenses described in clause (1), (2), or (3), and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances.

Notwithstanding clause (1), item (iii), a person is not required to register based on conduct described in section 609.3451, subdivision 3, paragraph (a), unless the person has previously been convicted of violating section 609.342; 609.343; 609.344; 609.345; 609.3451; 609.3453; 617.23, subdivision 2, clause (2), or 3; or 617.247.

(b) A person also shall register under this section if:

(1) the person was charged with or petitioned for an offense in another state that would be a violation of a law described in paragraph (a) if committed in this state and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances;

(2) the person enters this state to reside, work, or attend school, or enters this state and remains for 14 days or longer or for an aggregate period of time exceeding 30 days during any calendar year; and

(3) ten years have not elapsed since the person was released from confinement or, if the person was not confined, since the person was convicted of or adjudicated delinquent for the offense that triggers registration, unless the person is subject to a longer registration period under the laws of another state in which the person has been convicted or adjudicated, or is subject to lifetime registration.

If a person described in this paragraph is subject to a longer registration period in another state or is subject to lifetime registration, the person shall register for that time period regardless of when the person was released from confinement, convicted, or adjudicated delinquent.

(c) A person also shall register under this section if the person was committed pursuant to a court commitment order under Minnesota Statutes 2012, section 253B.185, chapter 253D, Minnesota Statutes 1992, section 526.10, or a similar law of another state or the United States, regardless of whether the person was convicted of any offense.

(d) A person also shall register under this section if:

(1) the person was charged with or petitioned for a felony violation or attempt to violate any of the offenses listed in paragraph (a), clause (1), or a similar law of another state or the United States, or the person was charged with or petitioned for a violation of any of the offenses listed in paragraph (a), clause (2), or a similar law of another state or the United States;

(2) the person was found not guilty by reason of mental illness or mental deficiency after a trial for that offense, or found guilty but mentally ill after a trial for that offense, in states with a guilty but mentally ill verdict; and

(3) the person was committed pursuant to a court commitment order under section 253B.18 or a similar law of another state or the United States.

Sec. 3. Minnesota Statutes 2020, section 609.2325, is amended to read:

609.2325 CRIMINAL ABUSE.

Subdivision 1. **Crimes.** ~~(a)~~ A caregiver who, with intent to produce physical or mental pain or injury to a vulnerable adult, subjects a vulnerable adult to any aversive or deprivation procedure, unreasonable confinement, or involuntary seclusion, is guilty of criminal abuse and may be sentenced as provided in subdivision 3.

This ~~paragraph~~ subdivision does not apply to therapeutic conduct.

~~(b) A caregiver, facility staff person, or person providing services in a facility who engages in sexual contact or penetration, as defined in section 609.341, under circumstances other than those described in sections 609.342 to 609.345, with a resident, patient, or client of the facility is guilty of criminal abuse and may be sentenced as provided in subdivision 3.~~

Subd. 2. **Exemptions.** For the purposes of this section, a vulnerable adult is not abused for the sole reason that:

(1) the vulnerable adult or a person with authority to make health care decisions for the vulnerable adult under sections 144.651, 144A.44, chapter 145B, 145C, or 252A, or sections 253B.03 or 524.5-101 to 524.5-502, refuses consent or withdraws consent, consistent with that authority and within the boundary of reasonable medical practice, to any therapeutic conduct, including any care, service, or procedure to diagnose, maintain, or treat the physical or mental condition of the vulnerable adult or, where permitted under law, to provide nutrition and hydration parenterally or through intubation; this paragraph does not enlarge or diminish rights otherwise held under law by:

(i) a vulnerable adult or a person acting on behalf of a vulnerable adult, including an involved family member, to consent to or refuse consent for therapeutic conduct; or

(ii) a caregiver to offer or provide or refuse to offer or provide therapeutic conduct; or

(2) the vulnerable adult, a person with authority to make health care decisions for the vulnerable adult, or a caregiver in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the vulnerable adult in lieu of medical care, provided that this is consistent with the prior practice or belief of the vulnerable adult or with the expressed intentions of the vulnerable adult; ~~or.~~

~~(3) the vulnerable adult, who is not impaired in judgment or capacity by mental or emotional dysfunction or undue influence, engages in consensual sexual contact with: (i) a person, including a facility staff person, when a consensual sexual personal relationship existed prior to the caregiving relationship; or (ii) a personal care attendant, regardless of whether the consensual sexual personal relationship existed prior to the caregiving relationship.~~

Subd. 3. **Penalties.** ~~(a)~~ A person who violates subdivision 1, ~~paragraph (a)~~, may be sentenced as follows:

(1) if the act results in the death of a vulnerable adult, imprisonment for not more than 15 years or payment of a fine of not more than \$30,000, or both;

(2) if the act results in great bodily harm, imprisonment for not more than ten years or payment of a fine of not more than \$20,000, or both;

(3) if the act results in substantial bodily harm or the risk of death, imprisonment for not more than five years or payment of a fine of not more than \$10,000, or both; or

(4) in other cases, imprisonment for not more than one year or payment of a fine of not more than \$3,000, or both.

~~(b) A person who violates subdivision 1, paragraph (b), may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.~~

Sec. 4. Minnesota Statutes 2020, section 609.341, subdivision 3, is amended to read:

Subd. 3. **Force.** "Force" means either: (1) the infliction, by the actor of bodily harm; or (2) the attempted infliction, or threatened infliction by the actor of bodily harm or commission or threat of any other crime by the actor against the complainant or another, which (a) causes the complainant to reasonably believe that the actor has the present ability to execute the threat and (b) if the actor does not have a significant relationship to the complainant, also causes the complainant to submit.

Sec. 5. Minnesota Statutes 2020, section 609.341, subdivision 7, is amended to read:

Subd. 7. **Mentally incapacitated.** "Mentally incapacitated" means:

(1) that a person under the influence of alcohol, a narcotic, anesthetic, or any other substance, administered to that person without the person's agreement, lacks the judgment to give a reasoned consent to sexual contact or sexual penetration; or

(2) that a person is under the influence of any substance or substances to a degree that renders them incapable of consenting or incapable of appreciating, understanding, or controlling the person's conduct.

Sec. 6. Minnesota Statutes 2020, section 609.341, subdivision 11, is amended to read:

Subd. 11. **Sexual contact.** (a) "Sexual contact," for the purposes of sections 609.343, subdivision 1, clauses (a) to ~~(f)~~ (e), and subdivision 1a, clauses (a) to (f) and (i), and 609.345, subdivision 1, clauses (a) to ~~(e)~~, (d) and ~~(h) to (p)~~ (i), and subdivision 1a, clauses (a) to (e), (h), and (i), includes any of the following acts committed without the complainant's consent, except in those cases where consent is not a defense, and committed with sexual or aggressive intent:

(i) the intentional touching by the actor of the complainant's intimate parts, or

(ii) the touching by the complainant of the actor's, the complainant's, or another's intimate parts effected by a person in a current or recent position of authority, or by coercion, or by inducement if the complainant is under ~~13~~ 14 years of age or mentally impaired, or

(iii) the touching by another of the complainant's intimate parts effected by coercion or by a person in a current or recent position of authority, or

(iv) in any of the cases above, the touching of the clothing covering the immediate area of the intimate parts, or

(v) the intentional touching with seminal fluid or sperm by the actor of the complainant's body or the clothing covering the complainant's body.

(b) "Sexual contact," for the purposes of sections 609.343, subdivision ~~1~~ 1a, clauses (g) and (h), and 609.345, subdivision ~~1~~ 1a, clauses (f) and (g), includes any of the following acts committed with sexual or aggressive intent:

(i) the intentional touching by the actor of the complainant's intimate parts;

(ii) the touching by the complainant of the actor's, the complainant's, or another's intimate parts;

(iii) the touching by another of the complainant's intimate parts;

(iv) in any of the cases listed above, touching of the clothing covering the immediate area of the intimate parts; or

(v) the intentional touching with seminal fluid or sperm by the actor of the complainant's body or the clothing covering the complainant's body.

(c) "Sexual contact with a person under ~~13~~ 14" means the intentional touching of the complainant's bare genitals or anal opening by the actor's bare genitals or anal opening with sexual or aggressive intent or the touching by the complainant's bare genitals or anal opening of the actor's or another's bare genitals or anal opening with sexual or aggressive intent.

Sec. 7. Minnesota Statutes 2020, section 609.341, subdivision 12, is amended to read:

Subd. 12. **Sexual penetration.** "Sexual penetration" means any of the following acts committed without the complainant's consent, except in those cases where consent is not a defense, whether or not emission of semen occurs:

(1) sexual intercourse, cunnilingus, fellatio, or anal intercourse; or

(2) any intrusion however slight into the genital or anal openings:

(i) of the complainant's body by any part of the actor's body or any object used by the actor for this purpose;

(ii) of the complainant's body by any part of the body of the complainant, by any part of the body of another person, or by any object used by the complainant or another person for this purpose, when effected by a person in a current or recent position of authority, or by coercion, or by inducement if the child is under ~~13~~ 14 years of age or mentally impaired; or

(iii) of the body of the actor or another person by any part of the body of the complainant or by any object used by the complainant for this purpose, when effected by a person in a current or recent position of authority, or by coercion, or by inducement if the child is under ~~13~~ 14 years of age or mentally impaired.

Sec. 8. Minnesota Statutes 2020, section 609.341, subdivision 14, is amended to read:

Subd. 14. **Coercion.** "Coercion" means the use by the actor of words or circumstances that cause the complainant reasonably to fear ~~that the actor will inflict~~ the infliction of bodily harm upon the complainant or another, or the use by the actor of confinement, or superior size or strength, against the complainant ~~that causes the complainant to submit to sexual penetration or contact against the complainant's will~~ to accomplish the act. Proof of coercion does not require proof of a specific act or threat.

Sec. 9. Minnesota Statutes 2020, section 609.341, subdivision 15, is amended to read:

Subd. 15. **Significant relationship.** "Significant relationship" means a situation in which the actor is:

- (1) the complainant's parent, stepparent, or guardian;
- (2) any of the following persons related to the complainant by blood, marriage, or adoption: brother, sister, stepbrother, stepsister, first cousin, aunt, uncle, nephew, niece, grandparent, great-grandparent, great-uncle, great-aunt; ~~or~~
- (3) an adult who jointly resides intermittently or regularly in the same dwelling as the complainant and who is not the complainant's spouse; or
- (4) an adult who is or was involved in a significant romantic or sexual relationship with the parent of a complainant.

Sec. 10. Minnesota Statutes 2020, section 609.341, is amended by adding a subdivision to read:

Subd. 24. **Prohibited occupational relationship.** A "prohibited occupational relationship" exists when the actor is in one of the following occupations and the act takes place under the specified circumstances:

- (1) the actor performed massage or other bodywork for hire, the sexual penetration or sexual contact occurred during or immediately before or after the actor performed or was hired to perform one of those services for the complainant, and the sexual penetration or sexual contact was nonconsensual; or
- (2) the actor and the complainant were in one of the following occupational relationships at the time of the act. Consent by the complainant is not a defense:
 - (i) the actor was a psychotherapist, the complainant was the actor's patient, and the sexual penetration or sexual contact occurred during a psychotherapy session or during a period of time when the psychotherapist-patient relationship was ongoing;
 - (ii) the actor was a psychotherapist and the complainant was the actor's former patient who was emotionally dependent on the actor;
 - (iii) the actor was or falsely impersonated a psychotherapist, the complainant was the actor's patient or former patient, and the sexual penetration or sexual contact occurred by means of therapeutic deception;

(iv) the actor was or falsely impersonated a provider of medical services to the complainant and the sexual penetration or sexual contact occurred by means of deception or false representation that the sexual penetration or sexual contact was for a bona fide medical purpose;

(v) the actor was or falsely impersonated a member of the clergy, the complainant was not married to the actor, the complainant met with the actor in private seeking or receiving religious or spiritual advice, aid, or comfort from the actor, and the sexual penetration or sexual contact occurred during the course of the meeting or during a period of time when the meetings were ongoing;

(vi) the actor provided special transportation service to the complainant and the sexual penetration or sexual contact occurred during or immediately before or after the actor transported the complainant;

(vii) the actor was or falsely impersonated a peace officer, as defined in section 626.84, the actor physically or constructively restrained the complainant or the complainant did not reasonably feel free to leave the actor's presence, and the sexual penetration or sexual contact was not pursuant to a lawful search or lawful use of force;

(viii) the actor was an employee, independent contractor, or volunteer of a state, county, city, or privately operated adult or juvenile correctional system, or secure treatment facility, or treatment facility providing services to clients civilly committed as mentally ill and dangerous, sexually dangerous persons, or sexual psychopathic personalities, including but not limited to jails, prisons, detention centers, or work release facilities, and the complainant was a resident of a facility or under supervision of the correctional system;

(ix) the complainant was enrolled in a secondary school and:

(A) the actor was a licensed educator employed or contracted to provide service for the school at which the complainant was a student;

(B) the actor was age 18 or older and at least 48 months older than the complainant and was employed or contracted to provide service for the secondary school at which the complainant was a student; or

(C) the actor was age 18 or older and at least 48 months older than the complainant, and was a licensed educator employed or contracted to provide services for an elementary, middle, or secondary school;

(x) the actor was a caregiver, facility staff person, or person providing services in a facility, as defined under section 609.232, subdivision 3, and the complainant was a vulnerable adult who was a resident, patient, or client of the facility who was impaired in judgment or capacity by mental or emotional dysfunction or undue influence; or

(xi) the actor was a caregiver, facility staff person, or person providing services in a facility, and the complainant was a resident, patient, or client of the facility. This clause does not apply if a consensual sexual personal relationship existed prior to the caregiving relationship or if the actor was a personal care attendant.

Sec. 11. Minnesota Statutes 2020, section 609.341, is amended by adding a subdivision to read:

Subd. 25. **Caregiver.** "Caregiver" has the meaning given in section 609.232, subdivision 2.

Sec. 12. Minnesota Statutes 2020, section 609.341, is amended by adding a subdivision to read:

Subd. 26. **Facility.** "Facility" has the meaning given in section 609.232, subdivision 3.

Sec. 13. Minnesota Statutes 2020, section 609.341, is amended by adding a subdivision to read:

Subd. 27. **Vulnerable adult.** "Vulnerable adult" has the meaning given in section 609.232, subdivision 11.

Sec. 14. Minnesota Statutes 2020, section 609.342, is amended to read:

609.342 CRIMINAL SEXUAL CONDUCT IN THE FIRST DEGREE.

Subdivision 1. **Adult victim; crime defined.** A person who engages in sexual penetration with another person, ~~or in sexual contact with a person under 13 years of age as defined in section 609.341, subdivision 11, paragraph (e),~~ is guilty of criminal sexual conduct in the first degree if any of the following circumstances exists:

~~(a) the complainant is under 13 years of age and the actor is more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;~~

~~(b) the complainant is at least 13 years of age but less than 16 years of age and the actor is more than 48 months older than the complainant and in a current or recent position of authority over the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;~~

~~(c)~~ (a) circumstances existing at the time of the act cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;

~~(d)~~ (b) the actor is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

~~(e)~~ (c) the actor causes personal injury to the complainant, and ~~either~~ any of the following circumstances exist:

(i) the actor uses ~~force or~~ coercion to accomplish the act; ~~or~~

(ii) the actor uses force, as defined in section 609.341, subdivision 3, clause (2); or

~~(iii)~~ (iii) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(d) the actor uses force as defined in section 609.341, subdivision 3, clause (1); or

~~(e)~~ (e) the actor is aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances exists:

(i) the actor or an accomplice uses force or coercion to cause the complainant to submit; or

(ii) the actor or an accomplice is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant reasonably to believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

~~(g) the actor has a significant relationship to the complainant and the complainant was under 16 years of age at the time of the act. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or~~

~~(h) the actor has a significant relationship to the complainant, the complainant was under 16 years of age at the time of the act, and:~~

~~(i) the actor or an accomplice used force or coercion to accomplish the act;~~

~~(ii) the complainant suffered personal injury; or~~

~~(iii) the sexual abuse involved multiple acts committed over an extended period of time.~~

~~Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.~~

Subd. 1a. **Victim under the age of 18; crime defined.** A person who engages in penetration with anyone under 18 years of age or sexual contact with a person under 14 years of age as defined in section 609.341, subdivision 11, paragraph (c), is guilty of criminal sexual conduct in the first degree if any of the following circumstances exists:

(a) circumstances existing at the time of the act cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;

(b) the actor is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(c) the actor causes personal injury to the complainant, and any of the following circumstances exist:

(i) the actor uses coercion to accomplish the act;

(ii) the actor uses force, as defined in section 609.341, subdivision 3, clause (2); or

(iii) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(d) the actor is aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances exists:

(i) the actor or an accomplice uses force or coercion to cause the complainant to submit; or

(ii) the actor or an accomplice is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(e) the complainant is under 14 years of age and the actor is more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the complainant is at least 14 years of age but less than 16 years of age and:

(i) the actor is more than 36 months older than the complainant; and

(ii) the actor is in a current or recent position of authority over the complainant.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the complainant was under 16 years of age at the time of the act and the actor has a significant relationship to the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) the complainant was under 16 years of age at the time of the act, and the actor has a significant relationship to the complainant and any of the following circumstances exist:

(i) the actor or an accomplice used force or coercion to accomplish the act;

(ii) the complainant suffered personal injury; or

(iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;
or

(i) the actor uses force, as defined in section 609.341, subdivision 3, clause (1).

Subd. 2. **Penalty.** (a) Except as otherwise provided in section 609.3455; or Minnesota Statutes 2004, section 609.109, a person convicted under subdivision 1 or subdivision 1a may be sentenced to imprisonment for not more than 30 years or to a payment of a fine of not more than \$40,000, or both.

(b) Unless a longer mandatory minimum sentence is otherwise required by law or the Sentencing Guidelines provide for a longer presumptive executed sentence, the court shall presume that an executed sentence of 144 months must be imposed on an offender convicted of violating this section. Sentencing a person in a manner other than that described in this paragraph is a departure from the Sentencing Guidelines.

(c) A person convicted under this section is also subject to conditional release under section 609.3455.

Subd. 3. **Stay.** Except when imprisonment is required under section 609.3455; or Minnesota Statutes 2004, section 609.109, if a person is convicted under subdivision ~~4~~ 1a, clause (g), the court may stay imposition or execution of the sentence if it finds that:

- (a) a stay is in the best interest of the complainant or the family unit; and
- (b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

- (1) incarceration in a local jail or workhouse;
- (2) a requirement that the offender complete a treatment program; and
- (3) a requirement that the offender have no unsupervised contact with the complainant until the offender has successfully completed the treatment program unless approved by the treatment program and the supervising correctional agent.

Sec. 15. Minnesota Statutes 2020, section 609.343, is amended to read:

609.343 CRIMINAL SEXUAL CONDUCT IN THE SECOND DEGREE.

Subdivision 1. **Adult victim; crime defined.** A person who engages in sexual contact with another person is guilty of criminal sexual conduct in the second degree if any of the following circumstances exists:

~~(a) the complainant is under 13 years of age and the actor is more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense. In a prosecution under this clause, the state is not required to prove that the sexual contact was coerced;~~

~~(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant and in a current or recent position of authority over the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;~~

~~(c)~~ (a) circumstances existing at the time of the act cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;

~~(d)~~ (b) the actor is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the dangerous weapon to cause the complainant to submit;

~~(e)~~ (c) the actor causes personal injury to the complainant, and ~~either~~ any of the following circumstances exist:

- (i) the actor uses ~~force or~~ coercion to accomplish the sexual contact; ~~or~~

(ii) the actor uses force, as defined in section 609.341, subdivision 3, clause (2); or

~~(ii)~~ (iii) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(d) the actor uses force as defined in section 609.341, subdivision 3, clause (1); or

~~(f)~~ (e) the actor is aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances exists:

(i) the actor or an accomplice uses force or coercion to cause the complainant to submit; or

(ii) the actor or an accomplice is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

~~(g) the actor has a significant relationship to the complainant and the complainant was under 16 years of age at the time of the sexual contact. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or~~

~~(h) the actor has a significant relationship to the complainant, the complainant was under 16 years of age at the time of the sexual contact, and:~~

~~(i) the actor or an accomplice used force or coercion to accomplish the contact;~~

~~(ii) the complainant suffered personal injury; or~~

~~(iii) the sexual abuse involved multiple acts committed over an extended period of time.~~

~~Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.~~

Subd. 1a. **Victim under the age of 18; crime defined.** A person who engages in sexual contact with anyone under 18 years of age is guilty of criminal sexual conduct in the second degree if any of the following circumstances exists:

(a) circumstances existing at the time of the act cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;

(b) the actor is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the dangerous weapon to cause the complainant to submit;

(c) the actor causes personal injury to the complainant, and any of the following circumstances exist:

(i) the actor uses coercion to accomplish the sexual contact;

(ii) the actor uses force, as defined in section 609.341, subdivision 3, clause (2); or

(iii) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(d) the actor is aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances exists:

(i) the actor or an accomplice uses force or coercion to cause the complainant to submit; or

(ii) the actor or an accomplice is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(e) the complainant is under 14 years of age and the actor is more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense. In a prosecution under this clause, the state is not required to prove that the sexual contact was coerced;

(f) the complainant is at least 14 but less than 16 years of age and the actor is more than 36 months older than the complainant and in a current or recent position of authority over the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the complainant was under 16 years of age at the time of the sexual contact and the actor has a significant relationship to the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) the actor has a significant relationship to the complainant, the complainant was under 16 years of age at the time of the sexual contact, and:

(i) the actor or an accomplice used force or coercion to accomplish the contact;

(ii) the complainant suffered personal injury; or

(iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;
or

(i) the actor uses force, as defined in section 609.341, subdivision 3, clause (1).

Subd. 2. **Penalty.** (a) Except as otherwise provided in section 609.3455; or Minnesota Statutes 2004, section 609.109, a person convicted under subdivision 1 or subdivision 1a may be sentenced to imprisonment for not more than 25 years or to a payment of a fine of not more than \$35,000, or both.

(b) Unless a longer mandatory minimum sentence is otherwise required by law or the Sentencing Guidelines provide for a longer presumptive executed sentence, the court shall presume that an executed sentence of 90 months must be imposed on an offender convicted of violating subdivision 1, clause (a), (b), (c), (d), or (e), ~~(f)~~, or subdivision 1a, clause (a), (b), (c), (d), ~~or (h)~~, or (i). Sentencing a person in a manner other than that described in this paragraph is a departure from the Sentencing Guidelines.

(c) A person convicted under this section is also subject to conditional release under section 609.3455.

Subd. 3. **Stay.** Except when imprisonment is required under section 609.3455; or Minnesota Statutes 2004, section 609.109, if a person is convicted under subdivision ~~4~~ 1a, clause (g), the court may stay imposition or execution of the sentence if it finds that:

(a) a stay is in the best interest of the complainant or the family unit; and

(b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse;

(2) a requirement that the offender complete a treatment program; and

(3) a requirement that the offender have no unsupervised contact with the complainant until the offender has successfully completed the treatment program unless approved by the treatment program and the supervising correctional agent.

Sec. 16. Minnesota Statutes 2020, section 609.344, is amended to read:

609.344 CRIMINAL SEXUAL CONDUCT IN THE THIRD DEGREE.

Subdivision 1. **Adult victim; crime defined.** A person who engages in sexual penetration with another person is guilty of criminal sexual conduct in the third degree if any of the following circumstances exists:

~~(a) the complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant shall be a defense;~~

~~(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 24 months older than the complainant. In any such case if the actor is no more than 120 months older than the complainant, it shall be an affirmative defense, which must be proved by a preponderance of the evidence, that the actor reasonably believes the complainant to be 16 years of age or older. In all other cases, mistake as to the complainant's age shall not be a defense. Consent by the complainant is not a defense;~~

~~(c)~~ (a) the actor uses ~~force~~ or coercion to accomplish the penetration;

~~(d)~~ (b) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(c) the actor uses force, as defined in section 609.341, subdivision 3, clause (2); or

(d) at the time of the act, the actor is in a prohibited occupational relationship with the complainant.

Subd. 1a. **Victim under the age of 18; crime defined.** A person who engages in sexual penetration with anyone under 18 years of age is guilty of criminal sexual conduct in the third degree if any of the following circumstances exists:

(a) the complainant is under 14 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant shall be a defense;

(b) the complainant is at least 14 but less than 16 years of age and the actor is more than 36 months older than the complainant. In any such case if the actor is no more than 60 months older than the complainant, it shall be an affirmative defense, which must be proved by a preponderance of the evidence, that the actor reasonably believes the complainant to be 16 years of age or older. In all other cases, mistake as to the complainant's age shall not be a defense. Consent by the complainant is not a defense;

(c) the actor uses coercion to accomplish the penetration;

(d) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(e) the complainant is at least 16 but less than 18 years of age and the actor is more than 48 36 months older than the complainant and in a current or recent position of authority over the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the sexual penetration. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual penetration, and:

(i) the actor or an accomplice used force or coercion to accomplish the penetration;

(ii) the complainant suffered personal injury; or

(iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) ~~the actor is a psychotherapist and the complainant is a patient of the psychotherapist and the sexual penetration occurred;~~ the actor uses force, as defined in section 609.341, subdivision 3, clause (2); or

(i) at the time of the act, the actor is in a prohibited occupational relationship with the complainant.

~~(i) during the psychotherapy session; or~~

~~(ii) outside the psychotherapy session if an ongoing psychotherapist-patient relationship exists.~~

~~Consent by the complainant is not a defense;~~

~~(i) the actor is a psychotherapist and the complainant is a former patient of the psychotherapist and the former patient is emotionally dependent upon the psychotherapist;~~

~~(j) the actor is a psychotherapist and the complainant is a patient or former patient and the sexual penetration occurred by means of therapeutic deception. Consent by the complainant is not a defense;~~

~~(k) the actor accomplishes the sexual penetration by means of deception or false representation that the penetration is for a bona fide medical purpose. Consent by the complainant is not a defense;~~

~~(l) the actor is or purports to be a member of the clergy, the complainant is not married to the actor, and:~~

~~(i) the sexual penetration occurred during the course of a meeting in which the complainant sought or received religious or spiritual advice, aid, or comfort from the actor in private; or~~

~~(ii) the sexual penetration occurred during a period of time in which the complainant was meeting on an ongoing basis with the actor to seek or receive religious or spiritual advice, aid, or comfort in private. Consent by the complainant is not a defense;~~

~~(m) the actor is an employee, independent contractor, or volunteer of a state, county, city, or privately operated adult or juvenile correctional system, or secure treatment facility, or treatment facility providing services to clients civilly committed as mentally ill and dangerous, sexually dangerous persons, or sexual psychopathic personalities, including, but not limited to, jails, prisons, detention centers, or work release facilities, and the complainant is a resident of a facility or under supervision of the correctional system. Consent by the complainant is not a defense;~~

~~(n) the actor provides or is an agent of an entity that provides special transportation service, the complainant used the special transportation service, and the sexual penetration occurred during or immediately before or after the actor transported the complainant. Consent by the complainant is not a defense;~~

~~(o) the actor performs massage or other bodywork for hire, the complainant was a user of one of those services, and nonconsensual sexual penetration occurred during or immediately before or after the actor performed or was hired to perform one of those services for the complainant; or~~

~~(p) the actor is a peace officer, as defined in section 626.84, and the officer physically or constructively restrains the complainant or the complainant does not reasonably feel free to leave the officer's presence. Consent by the complainant is not a defense. This paragraph does not apply to any penetration of the mouth, genitals, or anus during a lawful search.~~

Subd. 2. **Penalty.** Except as otherwise provided in section 609.3455, a person convicted under subdivision 1 or subdivision 1a may be sentenced:

(1) to imprisonment for not more than 15 years or to a payment of a fine of not more than \$30,000, or both; or

(2) if the person was convicted under subdivision ~~+~~ 1a, paragraph (b), and if the actor was no more than 48 months but more than 24 months older than the complainant, to imprisonment for not more than five years or a fine of not more than \$30,000, or both.

A person convicted under this section is also subject to conditional release under section 609.3455.

Subd. 3. **Stay.** Except when imprisonment is required under section 609.3455; or Minnesota Statutes 2004, section 609.109, if a person is convicted under subdivision ~~+~~ 1a, clause (f), the court may stay imposition or execution of the sentence if it finds that:

(a) a stay is in the best interest of the complainant or the family unit; and

(b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse;

(2) a requirement that the offender complete a treatment program; and

(3) a requirement that the offender have no unsupervised contact with the complainant until the offender has successfully completed the treatment program unless approved by the treatment program and the supervising correctional agent.

Sec. 17. Minnesota Statutes 2020, section 609.345, is amended to read:

609.345 CRIMINAL SEXUAL CONDUCT IN THE FOURTH DEGREE.

Subdivision 1. **Adult victim; crime defined.** A person who engages in sexual contact with another person is guilty of criminal sexual conduct in the fourth degree if any of the following circumstances exists:

~~(a) the complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age or consent to the act by the complainant is a defense. In a prosecution under this clause, the state is not required to prove that the sexual contact was coerced;~~

~~(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant or in a current or recent position of authority over the complainant. Consent by the complainant to the act is not a defense. In any such case, if the actor is no more than 120 months older than the complainant, it shall be an affirmative defense which must be proved by a preponderance of the evidence that the actor reasonably believes the complainant to be 16 years of age or older. In all other cases, mistake as to the complainant's age shall not be a defense;~~

~~(e)~~ (a) the actor uses ~~force or~~ coercion to accomplish the sexual contact;

~~(d)~~ (b) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(c) the actor uses force, as defined in section 609.341, subdivision 3, clause (2); or

(d) at the time of the act, the actor is in a prohibited occupational relationship with the complainant.

Subd. 1a. **Victim under the age of 18; crime defined.** A person who engages in sexual contact with anyone under 18 years of age is guilty of criminal sexual conduct in the fourth degree if any of the following circumstances exists:

(a) the complainant is under 14 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age or consent to the act by the complainant is a defense. In a prosecution under this clause, the state is not required to prove that the sexual contact was coerced;

(b) the complainant is at least 14 but less than 16 years of age and the actor is more than 36 months older than the complainant or in a current or recent position of authority over the complainant. Consent by the complainant to the act is not a defense.

Mistake of age is not a defense unless actor is less than 60 months older. In any such case, if the actor is no more than 60 months older than the complainant, it shall be an affirmative defense which must be proved by a preponderance of the evidence that the actor reasonably believes the complainant to be 16 years of age or older. In all other cases, mistake as to the complainant's age shall not be a defense;

(c) the actor uses coercion to accomplish the sexual contact;

(d) The actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(e) the complainant is at least 16 but less than 18 years of age and the actor is more than ~~48~~ 36 months older than the complainant and in a current or recent position of authority over the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the sexual contact. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual contact, and:

(i) the actor or an accomplice used force or coercion to accomplish the contact;

(ii) the complainant suffered personal injury; or

(iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

~~(h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist and the sexual contact occurred: the actor uses force, as defined in section 609.341, subdivision 3, clause (2); or~~

~~(i) at the time of the act, the actor is in a prohibited occupational relationship with the complainant.~~

~~(i) during the psychotherapy session; or~~

~~(ii) outside the psychotherapy session if an ongoing psychotherapist-patient relationship exists. Consent by the complainant is not a defense;~~

~~(i) the actor is a psychotherapist and the complainant is a former patient of the psychotherapist and the former patient is emotionally dependent upon the psychotherapist;~~

~~(j) the actor is a psychotherapist and the complainant is a patient or former patient and the sexual contact occurred by means of therapeutic deception. Consent by the complainant is not a defense;~~

~~(k) the actor accomplishes the sexual contact by means of deception or false representation that the contact is for a bona fide medical purpose. Consent by the complainant is not a defense;~~

~~(l) the actor is or purports to be a member of the clergy, the complainant is not married to the actor, and:~~

~~(i) the sexual contact occurred during the course of a meeting in which the complainant sought or received religious or spiritual advice, aid, or comfort from the actor in private; or~~

~~(ii) the sexual contact occurred during a period of time in which the complainant was meeting on an ongoing basis with the actor to seek or receive religious or spiritual advice, aid, or comfort in private. Consent by the complainant is not a defense;~~

~~(m) the actor is an employee, independent contractor, or volunteer of a state, county, city, or privately operated adult or juvenile correctional system, or secure treatment facility, or treatment facility providing services to clients civilly committed as mentally ill and dangerous, sexually dangerous persons, or sexual psychopathic personalities, including, but not limited to, jails, prisons, detention centers, or work release facilities, and the complainant is a resident of a facility or under supervision of the correctional system. Consent by the complainant is not a defense;~~

~~(n) the actor provides or is an agent of an entity that provides special transportation service, the complainant used the special transportation service, the complainant is not married to the actor, and the sexual contact occurred during or immediately before or after the actor transported the complainant. Consent by the complainant is not a defense;~~

~~(o) the actor performs massage or other bodywork for hire, the complainant was a user of one of those services, and nonconsensual sexual contact occurred during or immediately before or after the actor performed or was hired to perform one of those services for the complainant; or~~

~~(p) the actor is a peace officer, as defined in section 626.84, and the officer physically or constructively restrains the complainant or the complainant does not reasonably feel free to leave the officer's presence. Consent by the complainant is not a defense.~~

Subd. 2. **Penalty.** Except as otherwise provided in section 609.3455, a person convicted under subdivision 1 or subdivision 1a may be sentenced to imprisonment for not more than ten years or to a payment of a fine of not more than \$20,000, or both. A person convicted under this section is also subject to conditional release under section 609.3455.

Subd. 3. **Stay.** Except when imprisonment is required under section 609.3455; or Minnesota Statutes 2004, section 609.109, if a person is convicted under subdivision ~~1~~ 1a, clause (f), the court may stay imposition or execution of the sentence if it finds that:

- (a) a stay is in the best interest of the complainant or the family unit; and
- (b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

- (1) incarceration in a local jail or workhouse;
- (2) a requirement that the offender complete a treatment program; and
- (3) a requirement that the offender have no unsupervised contact with the complainant until the offender has successfully completed the treatment program unless approved by the treatment program and the supervising correctional agent.

Sec. 18. Minnesota Statutes 2020, section 609.3451, is amended to read:

609.3451 CRIMINAL SEXUAL CONDUCT IN THE FIFTH DEGREE.

Subdivision 1. **Sexual penetration; crime defined.** A person is guilty of criminal sexual conduct in the fifth degree: if the person engages in nonconsensual sexual penetration.

Subd. 1a. **Sexual contact; child present; crime defined.** A person is guilty of criminal sexual conduct in the fifth degree if:

- (1) ~~if~~ the person engages in nonconsensual sexual contact; or
- (2) the person engages in masturbation or lewd exhibition of the genitals in the presence of a minor under the age of 16, knowing or having reason to know the minor is present.

For purposes of this section, "sexual contact" has the meaning given in section 609.341, subdivision 11, paragraph (a), clauses (i), (iv), and (v). Sexual contact also includes the intentional removal or attempted removal of clothing covering the complainant's intimate parts or undergarments, and the nonconsensual touching by the complainant of the actor's intimate parts, effected by the actor, if the action is performed with sexual or aggressive intent.

Subd. 2. **Gross misdemeanor.** A person convicted under subdivision ~~+~~ 1a may be sentenced to imprisonment for not more than one year or to a payment of a fine of not more than \$3,000, or both.

Subd. 3. **Felony.** (a) A person is guilty of a felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$10,000, or both, if the person violates subdivision 1.

(b) A person is guilty of a felony and may be sentenced to imprisonment for not more than seven years or to payment of a fine of not more than \$14,000, or both, if the person violates ~~this section~~ subdivision 1 or 1a within ~~seven~~ ten years of:

(1) conviction or adjudication under subdivision 1; or

(2) a previous conviction or adjudication for violating subdivision ~~+~~ 1a, clause (2), a crime described in paragraph (b), or a statute from another state in conformity with any of these offenses; or

~~(2)~~ (3) the first of two or more previous convictions for violating subdivision ~~+~~ 1a, clause (1), or a statute from another state in conformity with this offense.

~~(b)~~ (c) A previous conviction for violating section 609.342; 609.343; 609.344; 609.345; 609.3453; 617.23, subdivision 2, clause (2), or subdivision 3; or 617.247 may be used to enhance a criminal penalty as provided in paragraph (a).

Sec. 19. Minnesota Statutes 2020, section 609.3455, is amended to read:

609.3455 DANGEROUS SEX OFFENDERS; LIFE SENTENCES; CONDITIONAL RELEASE.

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

(b) "Conviction" includes a conviction as an extended jurisdiction juvenile under section 260B.130 for a violation of, or an attempt to violate, section 609.342, 609.343, 609.344, ~~or~~ 609.3453, or 609.3458, if the adult sentence has been executed.

(c) "Extreme inhumane conditions" mean situations where, either before or after the sexual penetration or sexual contact, the offender knowingly causes or permits the complainant to be placed in a situation likely to cause the complainant severe ongoing mental, emotional, or psychological harm, or causes the complainant's death.

(d) A "heinous element" includes:

(1) the offender tortured the complainant;

(2) the offender intentionally inflicted great bodily harm upon the complainant;

(3) the offender intentionally mutilated the complainant;

(4) the offender exposed the complainant to extreme inhumane conditions;

(5) the offender was armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and used or threatened to use the weapon or article to cause the complainant to submit;

(6) the offense involved sexual penetration or sexual contact with more than one victim;

(7) the offense involved more than one perpetrator engaging in sexual penetration or sexual contact with the complainant; or

(8) the offender, without the complainant's consent, removed the complainant from one place to another and did not release the complainant in a safe place.

(e) "Mutilation" means the intentional infliction of physical abuse designed to cause serious permanent disfigurement or permanent or protracted loss or impairment of the functions of any bodily member or organ, where the offender relishes the infliction of the abuse, evidencing debasement or perversion.

(f) A conviction is considered a "previous sex offense conviction" if the offender was convicted and sentenced for a sex offense before the commission of the present offense.

(g) A conviction is considered a "prior sex offense conviction" if the offender was convicted of committing a sex offense before the offender has been convicted of the present offense, regardless of whether the offender was convicted for the first offense before the commission of the present offense, and the convictions involved separate behavioral incidents.

(h) "Sex offense" means any violation of, or attempt to violate, section 609.342, 609.343, 609.344, 609.345, 609.3451, 609.3453, 609.3458, or any similar statute of the United States, this state, or any other state.

(i) "Torture" means the intentional infliction of extreme mental anguish, or extreme psychological or physical abuse, when committed in an especially depraved manner.

(j) An offender has "two previous sex offense convictions" only if the offender was convicted and sentenced for a sex offense committed after the offender was earlier convicted and sentenced for a sex offense and both convictions preceded the commission of the present offense of conviction.

Subd. 2. Mandatory life sentence without release; egregious first-time and repeat offenders.

(a) Notwithstanding the statutory maximum penalty otherwise applicable to the offense, the court shall sentence a person convicted under section 609.342, subdivision 1, paragraph (a), (b), (c), (d), or (e), (f), or (h); ~~or~~ 609.342, subdivision 1a, clause (a), (b), (c), (d), (h), or (i); 609.343, subdivision 1, paragraph (a), (b), (c), (d), or (e), (f); ~~or (h)~~ 609.343, subdivision 1a, clause (a), (b), (c), (d), (h), or (i), to life without the possibility of release if:

(1) the fact finder determines that two or more heinous elements exist; or

(2) the person has a previous sex offense conviction for a violation of section 609.342, 609.343, ~~or~~ 609.344, or 609.3458, and the fact finder determines that a heinous element exists for the present offense.

(b) A fact finder may not consider a heinous element if it is an element of the underlying specified violation of section 609.342 or 609.343. In addition, when determining whether two or more heinous elements exist, the fact finder may not use the same underlying facts to support a determination that more than one element exists.

Subd. 3. **Mandatory life sentence for egregious first-time offenders.** (a) Notwithstanding the statutory maximum penalty otherwise applicable to the offense, the court shall sentence a person to imprisonment for life if the person is convicted under section 609.342, subdivision 1, paragraph (a), (b), (c), (d), or (e), ~~(f), or (h)~~; 609.342, subdivision 1a, clause (a), (b), (c), (d), (h), or (i); 609.343, subdivision 1, paragraph (a), (b), (c), (d), or (e), ~~(f), or (h)~~; or 609.343, subdivision 1a, clause (a), (b), (c), (d), (h), or (i); and the fact finder determines that a heinous element exists.

(b) The fact finder may not consider a heinous element if it is an element of the underlying specified violation of section 609.342 or 609.343.

Subd. 3a. **Mandatory sentence for certain engrained offenders.** (a) A court shall commit a person to the commissioner of corrections for a period of time that is not less than double the presumptive sentence under the sentencing guidelines and not more than the statutory maximum, or if the statutory maximum is less than double the presumptive sentence, for a period of time that is equal to the statutory maximum, if:

(1) the court is imposing an executed sentence on a person convicted of committing or attempting to commit a violation of section 609.342, 609.343, 609.344, 609.345, ~~or 609.3453~~, or 609.3458;

(2) the fact finder determines that the offender is a danger to public safety; and

(3) the fact finder determines that the offender's criminal sexual behavior is so engrained that the risk of reoffending is great without intensive psychotherapeutic intervention or other long-term treatment or supervision extending beyond the presumptive term of imprisonment and supervised release.

(b) The fact finder shall base its determination that the offender is a danger to public safety on any of the following factors:

(1) the crime involved an aggravating factor that would justify a durational departure from the presumptive sentence under the sentencing guidelines;

(2) the offender previously committed or attempted to commit a predatory crime or a violation of section 609.224 or 609.2242, including:

(i) an offense committed as a juvenile that would have been a predatory crime or a violation of section 609.224 or 609.2242 if committed by an adult; or

(ii) a violation or attempted violation of a similar law of any other state or the United States; or

(3) the offender planned or prepared for the crime prior to its commission.

(c) As used in this section, "predatory crime" has the meaning given in section 609.341, subdivision 22.

Subd. 4. **Mandatory life sentence; repeat offenders.** (a) Notwithstanding the statutory maximum penalty otherwise applicable to the offense, the court shall sentence a person to imprisonment for life if the person is convicted of violating section 609.342, 609.343, 609.344, 609.345, ~~or 609.3453,~~ or 609.3458 and:

(1) the person has two previous sex offense convictions;

(2) the person has a previous sex offense conviction and:

(i) the fact finder determines that the present offense involved an aggravating factor that would provide grounds for an upward durational departure under the sentencing guidelines other than the aggravating factor applicable to repeat criminal sexual conduct convictions;

(ii) the person received an upward durational departure from the sentencing guidelines for the previous sex offense conviction; or

(iii) the person was sentenced under this section or Minnesota Statutes 2004, section 609.108, for the previous sex offense conviction; or

(3) the person has two prior sex offense convictions, and the fact finder determines that the prior convictions and present offense involved at least three separate victims, and:

(i) the fact finder determines that the present offense involved an aggravating factor that would provide grounds for an upward durational departure under the sentencing guidelines other than the aggravating factor applicable to repeat criminal sexual conduct convictions;

(ii) the person received an upward durational departure from the sentencing guidelines for one of the prior sex offense convictions; or

(iii) the person was sentenced under this section or Minnesota Statutes 2004, section 609.108, for one of the prior sex offense convictions.

(b) Notwithstanding paragraph (a), a court may not sentence a person to imprisonment for life for a violation of section 609.345, unless the person's previous or prior sex offense convictions that are being used as the basis for the sentence are for violations of section 609.342, 609.343, 609.344, ~~or 609.3453,~~ or 609.3458, or any similar statute of the United States, this state, or any other state.

Subd. 5. **Life sentences; minimum term of imprisonment.** At the time of sentencing under subdivision 3 or 4, the court shall specify a minimum term of imprisonment, based on the sentencing guidelines or any applicable mandatory minimum sentence, that must be served before the offender may be considered for supervised release.

Subd. 6. **Mandatory ten-year conditional release term.** Notwithstanding the statutory maximum sentence otherwise applicable to the offense and unless a longer conditional release term is required in subdivision 7, when a court commits an offender to the custody of the commissioner of corrections for a violation of section 609.342, 609.343, 609.344, 609.345, ~~or 609.3453,~~ or 609.3458, the court shall provide that, after the offender has been released from prison, the commissioner shall place the offender on conditional release for ten years.

Subd. 7. **Mandatory lifetime conditional release term.** (a) When a court sentences an offender under subdivision 3 or 4, the court shall provide that, if the offender is released from prison, the commissioner of corrections shall place the offender on conditional release for the remainder of the offender's life.

(b) Notwithstanding the statutory maximum sentence otherwise applicable to the offense, when the court commits an offender to the custody of the commissioner of corrections for a violation of section 609.342, 609.343, 609.344, 609.345, ~~or~~ 609.3453, or 609.3458, and the offender has a previous or prior sex offense conviction, the court shall provide that, after the offender has been released from prison, the commissioner shall place the offender on conditional release for the remainder of the offender's life.

(c) Notwithstanding paragraph (b), an offender may not be placed on lifetime conditional release for a violation of section 609.345, unless the offender's previous or prior sex offense conviction is for a violation of section 609.342, 609.343, 609.344, ~~or~~ 609.3453, or 609.3458, or any similar statute of the United States, this state, or any other state.

Subd. 8. **Terms of conditional release; applicable to all sex offenders.** (a) The provisions of this subdivision relating to conditional release apply to all sex offenders sentenced to prison for a violation of section 609.342, 609.343, 609.344, 609.345, ~~or~~ 609.3453, or 609.3458. Except as provided in this subdivision, conditional release of sex offenders is governed by provisions relating to supervised release. The commissioner of corrections may not dismiss an offender on conditional release from supervision until the offender's conditional release term expires.

(b) The conditions of release may include successful completion of treatment and aftercare in a program approved by the commissioner, satisfaction of the release conditions specified in section 244.05, subdivision 6, and any other conditions the commissioner considers appropriate. The commissioner shall develop a plan to pay the cost of treatment of a person released under this subdivision. The plan may include co-payments from offenders, third-party payers, local agencies, or other funding sources as they are identified. This section does not require the commissioner to accept or retain an offender in a treatment program. Before the offender is placed on conditional release, the commissioner shall notify the sentencing court and the prosecutor in the jurisdiction where the offender was sentenced of the terms of the offender's conditional release. The commissioner also shall make reasonable efforts to notify the victim of the offender's crime of the terms of the offender's conditional release.

(c) If the offender fails to meet any condition of release, the commissioner may revoke the offender's conditional release and order that the offender serve all or a part of the remaining portion of the conditional release term in prison. An offender, while on supervised release, is not entitled to credit against the offender's conditional release term for time served in confinement for a violation of release.

Subd. 9. **Applicability.** The provisions of this section do not affect the applicability of Minnesota Statutes 2004, section 609.108, to crimes committed before August 1, 2005, or the validity of sentences imposed under Minnesota Statutes 2004, section 609.108.

Subd. 10. **Presumptive executed sentence for repeat sex offenders.** Except as provided in subdivision 2, 3, 3a, or 4, if a person is convicted under sections 609.342 to 609.345 or 609.3453

within 15 years of a previous sex offense conviction, the court shall commit the defendant to the commissioner of corrections for not less than three years, nor more than the maximum sentence provided by law for the offense for which convicted, notwithstanding sections 242.19, 243.05, 609.11, 609.12, and 609.135. The court may stay the execution of the sentence imposed under this subdivision only if it finds that a professional assessment indicates the offender is accepted by and can respond to treatment at a long-term inpatient program exclusively treating sex offenders and approved by the commissioner of corrections. If the court stays the execution of a sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse; and

(2) a requirement that the offender successfully complete the treatment program and aftercare as directed by the court.

Sec. 20. [609.3458] SEXUAL EXTORTION.

Subdivision 1. Crime defined. (a) A person who engages in sexual contact with another person and compels the other person to submit to the contact by making any of the following threats, directly or indirectly, is guilty of sexual extortion:

(1) a threat to withhold or harm the complainant's trade, business, profession, position, employment, or calling;

(2) a threat to make or cause to be made a criminal charge against the complainant, whether true or false;

(3) a threat to report the complainant's immigration status to immigration or law enforcement authorities;

(4) a threat to disseminate private sexual images of the complainant as specified in section 617.261, nonconsensual dissemination of private sexual images;

(5) a threat to expose information that the actor knows the complainant wishes to keep confidential; or

(6) a threat to withhold complainant's housing, or to cause complainant a loss or disadvantage in the complainant's housing, or a change in the cost of complainant's housing.

(b) A person who engages in sexual penetration with another person and compels the other person to submit to such penetration by making any of the following threats, directly or indirectly, is guilty of sexual extortion:

(1) a threat to withhold or harm the complainant's trade, business, profession, position, employment, or calling;

(2) a threat to make or cause to be made a criminal charge against the complainant, whether true or false;

(3) a threat to report the complainant's immigration status to immigration or law enforcement authorities;

(4) a threat to disseminate private sexual images of the complainant as specified in section 617.261, nonconsensual dissemination of private sexual images;

(5) a threat to expose information that the actor knows the complainant wishes to keep confidential; or

(6) a threat to withhold complainant's housing, or to cause complainant a loss or disadvantage in the complainant's housing, or a change in the cost of complainant's housing.

Subd. 2. **Penalty.** (a) A person is guilty of a felony and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the person violates subdivision 1, paragraph (a).

(b) A person is guilty of a felony and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than \$30,000, or both, if the person violates subdivision 1, paragraph (b).

(c) A person convicted under this section is also subject to conditional release under section 609.3455.

Subd. 3. **No attempt charge.** Notwithstanding section 609.17, no person may be charged with or convicted of an attempt to commit a violation of this section.

Sec. 21. Minnesota Statutes 2020, section 609.347, is amended by adding a subdivision to read:

Subd. 8. **Voluntary intoxication defense for certain mentally incapacitated cases; clarification of applicability.** (a) The "knows or has reason to know" mental state requirement for violations of sections 609.342 to 609.345 involving a complainant who is mentally incapacitated, as defined in section 609.341, subdivision 7, clause (2), is a specific intent crime for purposes of determining the applicability of the voluntary intoxication defense described in section 609.075. This defense may be raised by a defendant if the defense is otherwise applicable under section 609.075 and related case law.

(b) Nothing in paragraph (a) may be interpreted to change the application of the defense to other crimes.

(c) Nothing in paragraph (a) is intended to change the scope or limitations of the defense or case law interpreting it beyond clarifying that the defense is available to a defendant described in paragraph (a).

EFFECTIVE DATE. The section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 22. **PREDATORY OFFENDER STATUTORY FRAMEWORK WORKING GROUP; REPORT.**

Subdivision 1. **Direction.** By September 1, 2021, the commissioner of public safety shall convene a working group to comprehensively assess the predatory offender statutory framework. The commissioner shall invite representatives from the Department of Corrections with specific expertise on juvenile justice reform, city and county prosecuting agencies, statewide crime victim coalitions,

the Minnesota judicial branch, the Minnesota Board of Public Defense, private criminal defense attorneys, the Department of Public Safety, the Department of Human Services, the Sentencing Guidelines Commission, state and local law enforcement agencies, and other interested parties to participate in the working group. The commissioner shall ensure that the membership of the working group is balanced among the various representatives and reflects a broad spectrum of viewpoints, and is inclusive of marginalized communities as well as victim and survivor voices.

Subd. 2. **Duties.** The working group must examine and assess the predatory offender registration (POR) laws, including, but not limited to, the requirements placed on offenders, the crimes for which POR is required, the method by which POR requirements are applied to offenders, and the effectiveness of the POR system in achieving its stated purpose. Governmental agencies that hold POR data shall provide the working group with public POR data upon request. The working group is encouraged to request the assistance of the state court administrator's office to obtain relevant POR data maintained by the court system.

Subd. 3. **Report to legislature.** The commissioner shall file a report detailing the working group's findings and recommendations with the chairs and ranking minority members of the house of representatives and senate committees and divisions having jurisdiction over public safety and judiciary policy and finance by January 15, 2022.

Sec. 23. REVISOR INSTRUCTION.

(a) The revisor of statutes shall make necessary cross-reference changes and remove statutory cross-references in Minnesota Statutes to conform with this act. The revisor may make technical and other necessary changes to language and sentence structure to preserve the meaning of the text.

(b) In Minnesota Statutes, the revisor of statutes shall modify the headnote to Minnesota Statutes, section 609.347, to reflect the amendment to that section contained in this act."

Delete the title and insert:

"A bill for an act relating to public safety; amending law and appropriating money for courts, Guardian Ad Litem Board, Uniform Laws Commission, Board on Judicial Standards, Board of Public Defense, human rights, Sentencing Guidelines Commission, public safety, Peace Officers Standards and Training Board, Private Detective Board, corrections, ombudsperson for corrections, and other related matters; authorizing the placement of pregnant and postpartum female inmates in community-based programs; expanding the duties of the commissioner of corrections relating to releasing offenders; reestablishing a Legislative Commission on Data Practices and Personal Data Privacy; establishing a 911 telecommunicator working group to establish statewide standards for training and certification; directing the Sentencing Guidelines Commission to increase the rankings for certain child pornography crimes in a specified manner; establishing the crime of child torture; increasing penalties for certain human trafficking offenses; increasing penalties for patrons of prostitutes; increasing penalties for certain trespassing offenses; modifying and clarifying criminal sexual conduct provisions; creating a new crime of sexual extortion; imposing criminal penalties; requiring reports and studies; amending Minnesota Statutes 2020, sections 2.722, subdivision 1; 243.166, subdivision 1b; 244.065; 299A.52, subdivision 2; 299C.80, subdivision 3; 340A.504, subdivision 7; 363A.36, subdivision 2; 363A.44, subdivision 2; 403.11, subdivision 1; 477A.03, subdivision 2b; 609.1095, subdivision 1; 609.131, subdivision 2; 609.2325; 609.322, subdivisions

1, 1a; 609.324, subdivisions 2, 4; 609.3241; 609.341, subdivisions 3, 7, 11, 12, 14, 15, by adding subdivisions; 609.342; 609.343; 609.344; 609.345; 609.3451; 609.3455; 609.3459; 609.347, by adding a subdivision; 609.352, subdivision 4; 609.605, subdivision 2; 611.27, subdivisions 9, 10, 11, 13, 15; Laws 2017, chapter 95, article 3, section 30; Laws 2020, Seventh Special Session chapter 2, article 2, section 4; proposing coding for new law in Minnesota Statutes, chapters 3; 241; 609; repealing Minnesota Statutes 2020, section 609.324, subdivision 3."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the Pappas amendment to S.F. No. 970.

There were yeas 3 and nays 6, as follows:

Those who voted in the affirmative were:

Senators Bigham, Latz, and Pappas.

Those who voted in the negative were:

Senators Anderson, Ingebrigtsen, Johnson, Kiffmeyer, Limmer, and Mathews.

The amendment was not adopted.

Senator Benson from the Committee on Health and Human Services Finance and Policy, to which was referred

S.F. No. 2360: A bill for an act relating to health; modifying provisions governing health care, human services, and licensing and background studies; establishing a budget for health and human services; making technical and conforming changes; transferring money; appropriating money; amending Minnesota Statutes 2020, sections 62J.495, subdivisions 1, 2, 3, 4; 62J.498; 62J.4981; 62J.4982; 62V.05, by adding a subdivision; 122A.18, subdivision 8; 144.1205, subdivisions 2, 4, 8, 9, by adding a subdivision; 144.125, subdivision 1; 145.901; 174.30, subdivision 3; 245A.10, subdivision 4; 245C.02, by adding subdivisions; 245C.03; 245C.05, subdivisions 1, 2, 2a, 2b, 4; 245C.08, by adding subdivisions; 245C.10, subdivision 15, by adding subdivisions; 245C.13, subdivision 2; 245C.14, by adding a subdivision; 245C.16, subdivisions 1, 2; 245C.17, subdivision 1, by adding a subdivision; 245C.18; 256.9695, subdivision 1; 256.983; 256B.04, subdivisions 12, 14; 256B.057, subdivision 3; 256B.0622, subdivision 7a; 256B.0625, subdivisions 3b, 9, 13, 13e, 17, 17b, 18, 18b, 58; 256B.0947, subdivision 6; 256B.0949, subdivision 13, by adding a subdivision; 256B.69, subdivision 6d; 256B.75; 256B.76, subdivisions 2, 4; 256B.766; 256B.767; 256B.79, subdivisions 1, 3; 256L.01, subdivision 5; 256L.04, subdivision 7b; 256L.05, subdivision 3a; 256L.11, subdivision 7; 326.71, subdivision 4; 326.75, subdivisions 1, 2, 3; Laws 2017, chapter 13, article 1, section 15, as amended; Laws 2019, First Special Session chapter 9, article 14, section 3, as amended; proposing coding for new law in Minnesota Statutes, chapters 145; 245C; 256B; repealing Minnesota Statutes 2020, sections 245C.10, subdivisions 2, 2a, 3, 4, 5, 6, 7, 8, 9, 9a, 10, 11, 12, 13, 14, 16; 256B.0625, subdivisions 18c, 18d, 18e, 18h; 256L.11, subdivision 6a.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

HEALTH CARE; DEPARTMENT OF HUMAN SERVICES

Section 1. Minnesota Statutes 2020, section 245F.03, is amended to read:

245F.03 APPLICATION.

(a) This chapter establishes minimum standards for withdrawal management programs licensed by the commissioner that serve one or more unrelated persons.

(b) This chapter does not apply to a withdrawal management program licensed as a hospital under sections 144.50 to 144.581. A withdrawal management program located in a hospital licensed under sections 144.50 to 144.581 that chooses to be licensed under this chapter is deemed to be in compliance with section 245F.13. This chapter does not apply when a license holder is providing pre-treatment coordination services under section 254B.05, subdivision 4a.

(c) Minnesota Rules, parts 9530.6600 to 9530.6655, do not apply to withdrawal management programs licensed under this chapter.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 2. Minnesota Statutes 2020, section 245G.02, subdivision 2, is amended to read:

Subd. 2. **Exemption from license requirement.** This chapter does not apply to a county or recovery community organization that is providing a service for which the county or recovery community organization is an eligible vendor under section 254B.05. This chapter does not apply to an organization whose primary functions are information, referral, diagnosis, case management, and assessment for the purposes of client placement, education, support group services, or self-help programs. This chapter does not apply to the activities of a licensed professional in private practice. A license holder providing the initial set of substance use disorder services allowable under section 254A.03, subdivision 3, paragraph (c), to an individual referred to a licensed nonresidential substance use disorder treatment program after a positive screen for alcohol or substance misuse is exempt from sections 245G.05; 245G.06, subdivisions 1, 2, and 4; 245G.07, subdivisions 1, paragraph (a), clauses (2) to (4), and 2, clauses (1) to (7); and 245G.17. This chapter does not apply when a license holder is providing pretreatment coordination services under section 254B.05, subdivision 4a.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 3. Minnesota Statutes 2020, section 245G.06, subdivision 3, is amended to read:

Subd. 3. **Documentation of treatment services and pretreatment services; treatment plan review.** (a) A review of all treatment services must be documented weekly and include a review of:

(1) ~~care~~ treatment coordination activities, including any pretreatment coordination services;

(2) medical and other appointments the client attended;

(3) issues related to medications that are not documented in the medication administration record; and

(4) issues related to attendance for treatment services, including the reason for any client absence from a treatment service.

(b) A note must be entered immediately following any significant event. A significant event is an event that impacts the client's relationship with other clients, staff, the client's family, or the client's treatment plan.

(c) A treatment plan review must be entered in a client's file weekly or after each treatment service, whichever is less frequent, by the staff member providing the service. The review must indicate the span of time covered by the review and each of the six dimensions listed in section 245G.05, subdivision 2, paragraph (c). The review must:

(1) indicate the date, type, and amount of each treatment service provided and the client's response to each service;

(2) address each goal in the treatment plan and whether the methods to address the goals are effective;

(3) include monitoring of any physical and mental health problems;

(4) document the participation of others;

(5) document staff recommendations for changes in the methods identified in the treatment plan and whether the client agrees with the change; and

(6) include a review and evaluation of the individual abuse prevention plan according to section 245A.65.

(d) Each entry in a client's record must be accurate, legible, signed, and dated. A late entry must be clearly labeled "late entry." A correction to an entry must be made in a way in which the original entry can still be read.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 4. Minnesota Statutes 2020, 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;

(4) has either:

(i) a bachelor's degree in one of the behavioral sciences or related fields; or

(ii) 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.

(c) County staff who conduct chemical use assessments under Minnesota Rules, part 9530.6615, and are employed as of July 1, 2022, are qualified to provide treatment coordination under section 245G.07, subdivision 1, paragraph (a), clause (5). County staff who conduct chemical use assessments under Minnesota Rules, part 9530.6615, and are employed after July 1, 2021, are qualified to provide treatment coordination under section 245G.07, subdivision 1, paragraph (a), clause (5), if the county staff person completes the classroom instruction in paragraph (a), clause (3).

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 5. Minnesota Statutes 2020, section 254B.05, subdivision 1, is amended to read:

Subdivision 1. **Licensure required.** (a) Programs licensed by the commissioner are eligible vendors. Hospitals may apply for and receive licenses to be eligible vendors, notwithstanding the provisions of section 245A.03. American Indian programs that provide substance use disorder treatment, extended care, transitional residence, or outpatient treatment services, and are licensed by tribal government are eligible vendors. American Indian programs are eligible vendors of peer support services according to section 245G.07, subdivision 2, clause (8). An alcohol and drug counselor as defined in section 245G.11, subdivision 5, must be available to recovery peers for ongoing consultation, as needed.

(b) A licensed professional in private practice as defined in section 245G.01, subdivision 17, who meets the requirements of section 245G.11, subdivisions 1 and 4, is an eligible vendor of a comprehensive assessment and assessment summary provided according to section 245G.05, and treatment services provided according to sections 245G.06 and 245G.07, subdivision 1, paragraphs (a), clauses (1) to (5), and (b); and subdivision 2, clauses (1) to (6).

(c) A county is an eligible vendor for a comprehensive assessment and assessment summary when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 5, and completed according to the requirements of section 245G.05. A county is an eligible vendor of ~~care~~ treatment coordination services when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 7, and provided according to the requirements of section 245G.07, subdivision 1, paragraph (a), clause (5). A county is an eligible

vendor of peer recovery support services according to section 245G.07, subdivision 2, clause (8). An alcohol and drug counselor as defined in section 245G.11, subdivision 5, must be available to recovery peers for ongoing consultation, as needed.

(d) Nonresidential programs licensed under chapter 245G, withdrawal management programs licensed under chapter 245F, American Indian programs described in paragraph (a), and counties are eligible vendors of pretreatment coordination services as defined under section 254B.05, subdivision 4a, when the individual providing the services meets the staffing credentials in section 245G.11, subdivisions 1 and 7.

(e) A recovery community organization that meets certification requirements identified by the commissioner is an eligible vendor of peer support services.

(f) Detoxification programs licensed under Minnesota Rules, parts 9530.6510 to 9530.6590, are not eligible vendors. Programs that are not licensed as a residential or nonresidential substance use disorder treatment or withdrawal management program by the commissioner or by tribal government or do not meet the requirements of subdivisions 1a and 1b are not eligible vendors.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 6. Minnesota Statutes 2020, section 254B.05, is amended by adding a subdivision to read:

Subd. 4a. **Pretreatment coordination services.** (a) An enrolled provider may provide pretreatment coordination services to an individual prior to the individual's comprehensive assessment under section 245G.05, to facilitate an individual's access to a comprehensive assessment. The total pretreatment coordination services must not exceed 36 units per eligibility determination.

(b) An individual providing pretreatment coordination services must meet the staff qualifications in section 245G.11, subdivision 7. Section 245G.05 and Minnesota Rules, parts 9530.6600 to 9530.6655, do not apply to pretreatment coordination services.

(c) To be eligible for pretreatment coordination services, an individual must screen positive for alcohol or substance misuse using a screening tool approved by the commissioner. The provider may bill the screening as a pretreatment coordination service.

(d) Pretreatment coordination services include:

(1) assisting with connecting an individual with a qualified comprehensive assessment provider;

(2) identifying barriers that might inhibit an individual's ability to participate in a comprehensive assessment; and

(3) assisting with connecting an individual with resources to mitigate an individual's immediate safety risks.

(e) A license holder is authorized to provide up to 36 units of pretreatment coordination services, excluding travel time, and must document the following information in the client's case file:

(1) the dates, number of units, and description of pretreatment coordination services provided;

(2) identifying an individual's safety concerns and developing a plan to address those concerns;

(3) assisting an individual with scheduling an appointment for a comprehensive assessment and confirming that the individual and provider keep the appointment; and

(4) assisting an individual with accessing resources for obtaining a comprehensive assessment authorizing substance use disorder treatment services.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 7. Minnesota Statutes 2020, section 254B.05, subdivision 5, is amended to read:

Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for substance use disorder services and service enhancements funded under this chapter.

(b) Eligible substance use disorder treatment services include:

(1) outpatient treatment services that are licensed according to sections 245G.01 to 245G.17, or applicable tribal license;

(2) comprehensive assessments provided according to sections 245.4863, paragraph (a), and 245G.05;

(3) ~~care~~ treatment coordination services provided according to section 245G.07, subdivision 1, paragraph (a), clause (5);

(4) peer recovery support services provided according to section 245G.07, subdivision 2, clause (8);

(5) on July 1, 2019, or upon federal approval, whichever is later, withdrawal management services provided according to chapter 245F;

(6) medication-assisted therapy services that are licensed according to sections 245G.01 to 245G.17 and 245G.22, or applicable tribal license;

(7) medication-assisted therapy plus enhanced treatment services that meet the requirements of clause (6) and provide nine hours of clinical services each week;

(8) high, medium, and low intensity residential treatment services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable tribal license which provide, respectively, 30, 15, and five hours of clinical services each week;

(9) hospital-based treatment services that are licensed according to sections 245G.01 to 245G.17 or applicable tribal license and licensed as a hospital under sections 144.50 to 144.56;

(10) adolescent treatment programs that are licensed as outpatient treatment programs according to sections 245G.01 to 245G.18 or as residential treatment programs according to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430 to 2960.0490, or applicable tribal license;

(11) high-intensity residential treatment services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable tribal license, which provide 30 hours of clinical services each week provided by a state-operated vendor or to clients who have been civilly committed to the commissioner, present the most complex and difficult care needs, and are a potential threat to the community; ~~and~~

(12) room and board facilities that meet the requirements of subdivision 1a; and

(13) pretreatment coordination services provided according to subdivision 4a.

(c) The commissioner shall establish higher rates for programs that meet the requirements of paragraph (b) and one of the following additional requirements:

(1) programs that serve parents with their children if the program:

(i) provides on-site child care during the hours of treatment activity that:

(A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter 9503; or

(B) meets the licensure exclusion criteria of section 245A.03, subdivision 2, paragraph (a), clause (6), and meets the requirements under section 245G.19, subdivision 4; or

(ii) arranges for off-site child care during hours of treatment activity at a facility that is licensed under chapter 245A as:

(A) a child care center under Minnesota Rules, chapter 9503; or

(B) a family child care home under Minnesota Rules, chapter 9502;

(2) culturally specific programs as defined in section 254B.01, subdivision 4a, or programs or subprograms serving special populations, if the program or subprogram meets the following requirements:

(i) is designed to address the unique needs of individuals who share a common language, racial, ethnic, or social background;

(ii) is governed with significant input from individuals of that specific background; and

(iii) employs individuals to provide individual or group therapy, at least 50 percent of whom are of that specific background, except when the common social background of the individuals served is a traumatic brain injury or cognitive disability and the program employs treatment staff who have the necessary professional training, as approved by the commissioner, to serve clients with the specific disabilities that the program is designed to serve;

(3) programs that offer medical services delivered by appropriately credentialed health care staff in an amount equal to two hours per client per week if the medical needs of the client and the nature and provision of any medical services provided are documented in the client file; and

(4) programs that offer services to individuals with co-occurring mental health and chemical dependency problems if:

(i) the program meets the co-occurring requirements in section 245G.20;

(ii) 25 percent of the counseling staff are licensed mental health professionals, as defined in section 245.462, subdivision 18, clauses (1) to (6), or are students or licensing candidates under the supervision of a licensed alcohol and drug counselor supervisor and licensed mental health professional, except that no more than 50 percent of the mental health staff may be students or licensing candidates with time documented to be directly related to provisions of co-occurring services;

(iii) clients scoring positive on a standardized mental health screen receive a mental health diagnostic assessment within ten days of admission;

(iv) the program has standards for multidisciplinary case review that include a monthly review for each client that, at a minimum, includes a licensed mental health professional and licensed alcohol and drug counselor, and their involvement in the review is documented;

(v) family education is offered that addresses mental health and substance abuse disorders and the interaction between the two; and

(vi) co-occurring counseling staff shall receive eight hours of co-occurring disorder training annually.

(d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program that provides arrangements for off-site child care must maintain current documentation at the chemical dependency facility of the child care provider's current licensure to provide child care services. Programs that provide child care according to paragraph (c), clause (1), must be deemed in compliance with the licensing requirements in section 245G.19.

(e) Adolescent residential programs that meet the requirements of Minnesota Rules, parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements in paragraph (c), clause (4), items (i) to (iv).

(f) Subject to federal approval, chemical dependency services that are otherwise covered as direct face-to-face services may be provided via two-way interactive video. The use of two-way interactive video must be medically appropriate to the condition and needs of the person being served. Reimbursement shall be at the same rates and under the same conditions that would otherwise apply to direct face-to-face services. The interactive video equipment and connection must comply with Medicare standards in effect at the time the service is provided.

(g) For the purpose of reimbursement under this section, substance use disorder treatment services provided in a group setting without a group participant maximum or maximum client to staff ratio under chapter 245G shall not exceed a client to staff ratio of 48 to one. At least one of the attending staff must meet the qualifications as established under this chapter for the type of treatment service provided. A recovery peer may not be included as part of the staff ratio.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 8. Minnesota Statutes 2020, section 256.01, subdivision 28, is amended to read:

Subd. 28. **Statewide health information exchange.** (a) The commissioner has the authority to join and participate as a member in a legal entity developing and operating a statewide health information exchange or to develop and operate an encounter alerting service that shall meet the following criteria:

(1) the legal entity must meet all constitutional and statutory requirements to allow the commissioner to participate; and

(2) the commissioner or the commissioner's designated representative must have the right to participate in the governance of the legal entity under the same terms and conditions and subject to the same requirements as any other member in the legal entity and in that role shall act to advance state interests and lessen the burdens of government.

(b) Notwithstanding chapter 16C, the commissioner may pay the state's prorated share of development-related expenses of the legal entity retroactively from October 29, 2007, regardless of the date the commissioner joins the legal entity as a member.

Sec. 9. Minnesota Statutes 2020, section 256.01, is amended by adding a subdivision to read:

Subd. 42. **Expiration of report mandates.** (a) If the submission of a report by the commissioner of human services 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 committee with jurisdiction over human services 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.

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

Sec. 10. Minnesota Statutes 2020, section 256.042, subdivision 4, is amended to read:

Subd. 4. **Grants.** (a) The commissioner of human services shall submit a report ~~of the grants proposed by the advisory council to be awarded for the upcoming fiscal year~~ to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance, by March 1 of each year, beginning March 1, 2020, describing the priorities and

specific activities the advisory council intends to address for the upcoming fiscal year based on the projected funds available for grant distribution.

(b) ~~The commissioner of human services shall award grants from the opiate epidemic response fund under section 256.043.~~ The grants shall be awarded to proposals selected by the advisory council that address the priorities in subdivision 1, paragraph (a), clauses (1) to (4), unless otherwise appropriated by the legislature. The advisory council shall determine grant awards and funding amounts based on the funds appropriated to the commissioner under section 256.043, subdivision 3, paragraph (e). The commissioner shall award the grants from the opiate epidemic response fund and administer the grants in compliance with section 16B.97. No more than three percent of the grant amount may be used by a grantee for administration.

Sec. 11. Minnesota Statutes 2020, section 256.043, subdivision 4, is amended to read:

Subd. 4. **Settlement; sunset.** (a) If the state receives a total sum of \$250,000,000 either as a result of a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state, or resulting from a court order in litigation brought by the attorney general of the state on behalf of the state or a state agency, against one or more opioid manufacturers or opioid wholesale drug distributors or consulting firms working for an opioid manufacturer or opioid wholesale drug distributor related to alleged violations of consumer fraud laws in the marketing, sale, or distribution of opioids in this state, or other alleged illegal actions that contributed to the excessive use of opioids, or from the fees collected under sections 151.065, subdivisions 1 and 3, and 151.066, that are deposited into the opiate epidemic response fund established in this section, or from a combination of both, the fees specified in section 151.065, subdivisions 1, clause (16), and 3, clause (14), shall be reduced to \$5,260, and the opiate registration fee in section 151.066, subdivision 3, shall be repealed.

(b) The commissioner of management and budget shall inform the Board of Pharmacy, the governor, and the legislature when the amount specified in paragraph (a) has been reached. The board shall apply the reduced license fee for the next licensure period.

(c) Notwithstanding paragraph (a), the reduction of the license fee in section 151.065, subdivisions 1 and 3, and the repeal of the registration fee in section 151.066 shall not occur before July 1, 2024.

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

Sec. 12. Minnesota Statutes 2020, section 256.969, is amended by adding a subdivision to read:

Subd. 2f. **Alternate inpatient payment rate.** Effective January 1, 2022, for a hospital eligible to receive disproportionate share hospital payments under subdivision 9, paragraph (d), clause (6), the commissioner shall reduce the amount calculated under subdivision 9, paragraph (d), clause (6), by 99 percent and compute an alternate inpatient payment rate. The alternate payment rate shall be structured to target a total aggregate reimbursement amount equal to what the hospital would have received for providing fee-for-service inpatient services under this section to patients enrolled in medical assistance had the hospital received the entire amount calculated under subdivision 9, paragraph (d), clause (6).

EFFECTIVE DATE. This section is effective January 1, 2022.

Sec. 13. Minnesota Statutes 2020, section 256.9695, subdivision 1, is amended to read:

Subdivision 1. **Appeals.** A hospital may appeal a decision arising from the application of standards or methods under section 256.9685, 256.9686, or 256.969, if an appeal would result in a change to the hospital's payment rate or payments. Both overpayments and underpayments that result from the submission of appeals shall be implemented. Regardless of any appeal outcome, relative values, Medicare wage indexes, Medicare cost-to-charge ratios, and policy adjusters shall not be changed. The appeal shall be heard by an administrative law judge according to sections 14.57 to 14.62, or upon agreement by both parties, according to a modified appeals procedure established by the commissioner and the Office of Administrative Hearings. In any proceeding under this section, the appealing party must demonstrate by a preponderance of the evidence that the commissioner's determination is incorrect or not according to law.

To appeal a payment rate or payment determination or a determination made from base year information, the hospital shall file a written appeal request to the commissioner within 60 days of the date the preliminary payment rate determination was mailed. The appeal request shall specify: (i) the disputed items; (ii) the authority in federal or state statute or rule upon which the hospital relies for each disputed item; and (iii) the name and address of the person to contact regarding the appeal. Facts to be considered in any appeal of base year information are limited to those in existence ~~12~~ 18 months after the last day of the calendar year that is the base year for the payment rates in dispute.

Sec. 14. Minnesota Statutes 2020, section 256.983, is amended to read:

256.983 FRAUD PREVENTION INVESTIGATIONS.

Subdivision 1. **Programs established.** Within the limits of available appropriations, the commissioner of human services shall require the maintenance of budget neutral fraud prevention investigation programs in the counties or tribal agencies participating in the fraud prevention investigation project established under this section. If funds are sufficient, the commissioner may also extend fraud prevention investigation programs to other counties or tribal agencies provided the expansion is budget neutral to the state. Under any expansion, the commissioner has the final authority in decisions regarding the creation and realignment of individual county, tribal agency, or regional operations.

Subd. 2. **County and tribal agency proposals.** Each participating county and tribal agency shall develop and submit an annual staffing and funding proposal to the commissioner no later than April 30 of each year. Each proposal shall include, but not be limited to, the staffing and funding of the fraud prevention investigation program, a job description for investigators involved in the fraud prevention investigation program, and the organizational structure of the county or tribal agency unit, training programs for case workers, and the operational requirements which may be directed by the commissioner. The proposal shall be approved, to include any changes directed or negotiated by the commissioner, no later than June 30 of each year.

Subd. 3. **Department responsibilities.** The commissioner shall establish training programs which shall be attended by all investigative and supervisory staff of the involved county and tribal agencies. The commissioner shall also develop the necessary operational guidelines, forms, and reporting mechanisms, which shall be used by the involved county or tribal agencies. An individual's

application or redetermination form for public assistance benefits, including child care assistance programs and medical care programs, must include an authorization for release by the individual to obtain documentation for any information on that form which is involved in a fraud prevention investigation. The authorization for release is effective for six months after public assistance benefits have ceased.

Subd. 4. **Funding.** (a) County and tribal agency reimbursement shall be made through the settlement provisions applicable to the Supplemental Nutrition Assistance Program (SNAP), MFIP, child care assistance programs, the medical assistance program, and other federal and state-funded programs.

(b) The commissioner will maintain program compliance if for any three consecutive month period, a county or tribal agency fails to comply with fraud prevention investigation program guidelines, or fails to meet the cost-effectiveness standards developed by the commissioner. This result is contingent on the commissioner providing written notice, including an offer of technical assistance, within 30 days of the end of the third or subsequent month of noncompliance. The county or tribal agency shall be required to submit a corrective action plan to the commissioner within 30 days of receipt of a notice of noncompliance. Failure to submit a corrective action plan or, continued deviation from standards of more than ten percent after submission of a corrective action plan, will result in denial of funding for each subsequent month, or billing the county or tribal agency for fraud prevention investigation (FPI) service provided by the commissioner, or reallocation of program grant funds, or investigative resources, or both, to other counties or tribal agencies. The denial of funding shall apply to the general settlement received by the county or tribal agency on a quarterly basis and shall not reduce the grant amount applicable to the FPI project.

Subd. 5. **Child care providers; financial misconduct.** (a) A county or tribal agency may conduct investigations of financial misconduct by child care providers as described in chapter 245E. Prior to opening an investigation, a county or tribal agency must contact the commissioner to determine whether an investigation under this chapter may compromise an ongoing investigation.

(b) If, upon investigation, a preponderance of evidence shows a provider committed an intentional program violation, intentionally gave the county or tribe materially false information on the provider's billing forms, provided false attendance records to a county, tribe, or the commissioner, or committed financial misconduct as described in section 245E.01, subdivision 8, the county or tribal agency may suspend a provider's payment pursuant to chapter 245E, or deny or revoke a provider's authorization pursuant to section 119B.13, subdivision 6, paragraph (d), clause (2), prior to pursuing other available remedies. The county or tribe must send notice in accordance with the requirements of section 119B.161, subdivision 2. If a provider's payment is suspended under this section, the payment suspension shall remain in effect until: (1) the commissioner, county, tribe, or a law enforcement authority determines that there is insufficient evidence warranting the action and a county, tribe, or the commissioner does not pursue an additional administrative remedy under chapter 119B or 245E, or section 256.046 or 256.98; or (2) all criminal, civil, and administrative proceedings related to the provider's alleged misconduct conclude and any appeal rights are exhausted.

(c) For the purposes of this section, an intentional program violation includes intentionally making false or misleading statements; intentionally misrepresenting, concealing, or withholding facts; and repeatedly and intentionally violating program regulations under chapters 119B and 245E.

(d) A provider has the right to administrative review under section 119B.161 if: (1) payment is suspended under chapter 245E; or (2) the provider's authorization was denied or revoked under section 119B.13, subdivision 6, paragraph (d), clause (2).

Sec. 15. Minnesota Statutes 2020, section 256B.055, subdivision 6, is amended to read:

Subd. 6. **Pregnant women; needy unborn child.** Medical assistance may be paid for a pregnant woman who meets the other eligibility criteria of this section and whose unborn child would be eligible as a needy child under subdivision 10 if born and living with the woman. In accordance with Code of Federal Regulations, title 42, section 435.956, the commissioner must accept self-attestation of pregnancy unless the agency has information that is not reasonably compatible with such attestation. For purposes of this subdivision, a woman is considered pregnant for ~~60 days~~ six months postpartum.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner shall notify the revisor of statutes when federal approval has been obtained.

Sec. 16. Minnesota Statutes 2020, 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 ~~60-day~~ six months 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 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 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.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner shall notify the revisor of statutes when federal approval has been obtained.

Sec. 17. Minnesota Statutes 2020, section 256B.057, subdivision 3, is amended to read:

Subd. 3. **Qualified Medicare beneficiaries.** ~~(a) A person who is entitled to Part A Medicare benefits, whose income is equal to or less than 100 percent of the federal poverty guidelines, and whose assets are no more than \$10,000 for a single individual and \$18,000 for a married couple or family of two or more, is eligible for medical assistance reimbursement of Medicare Part A and Part B premiums, Part A and Part B coinsurance and deductibles, and cost-effective premiums for enrollment with a health maintenance organization or a competitive medical plan under section 1876 of the Social Security Act: if:~~

(1) the person is entitled to Medicare Part A benefits;

(2) the person's income is equal to or less than 100 percent of the federal poverty guidelines;
and

(3) the person's assets are no more than (i) \$10,000 for a single individual, or (ii) \$18,000 for a married couple or family of two or more; or, when the resource limits for eligibility for the Medicare Part D extra help low income subsidy (LIS) exceed either amount in item (i) or (ii), the person's assets are no more than the LIS resource limit in United States Code, title 42, section 1396d, subsection (p).

(b) Reimbursement of the Medicare coinsurance and deductibles, when added to the amount paid by Medicare, must not exceed the total rate the provider would have received for the same service or services if the person were a medical assistance recipient with Medicare coverage. 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 DATE. This section is effective the day following final enactment.

Sec. 18. Minnesota Statutes 2020, section 256B.06, subdivision 4, is amended to read:

Subd. 4. **Citizenship requirements.** (a) Eligibility for medical assistance is limited to citizens of the United States, qualified noncitizens as defined in this subdivision, and other persons residing lawfully in the United States. Citizens or nationals of the United States must cooperate in obtaining satisfactory documentary evidence of citizenship or nationality according to the requirements of the federal Deficit Reduction Act of 2005, Public Law 109-171.

(b) "Qualified noncitizen" means a person who meets one of the following immigration criteria:

(1) admitted for lawful permanent residence according to United States Code, title 8;

(2) admitted to the United States as a refugee according to United States Code, title 8, section 1157;

- (3) granted asylum according to United States Code, title 8, section 1158;
- (4) granted withholding of deportation according to United States Code, title 8, section 1253(h);
- (5) paroled for a period of at least one year according to United States Code, title 8, section 1182(d)(5);
- (6) granted conditional entrant status according to United States Code, title 8, section 1153(a)(7);
- (7) determined to be a battered noncitizen by the United States Attorney General according to the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, title V of the Omnibus Consolidated Appropriations Bill, Public Law 104-200;
- (8) is a child of a noncitizen determined to be a battered noncitizen by the United States Attorney General according to the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, title V, of the Omnibus Consolidated Appropriations Bill, Public Law 104-200; or
- (9) determined to be a Cuban or Haitian entrant as defined in section 501(e) of Public Law 96-422, the Refugee Education Assistance Act of 1980.

(c) All qualified noncitizens who were residing in the United States before August 22, 1996, who otherwise meet the eligibility requirements of this chapter, are eligible for medical assistance with federal financial participation.

(d) Beginning December 1, 1996, qualified noncitizens who entered the United States on or after August 22, 1996, and who otherwise meet the eligibility requirements of this chapter are eligible for medical assistance with federal participation for five years if they meet one of the following criteria:

- (1) refugees admitted to the United States according to United States Code, title 8, section 1157;
- (2) persons granted asylum according to United States Code, title 8, section 1158;
- (3) persons granted withholding of deportation according to United States Code, title 8, section 1253(h);
- (4) veterans of the United States armed forces with an honorable discharge for a reason other than noncitizen status, their spouses and unmarried minor dependent children; or
- (5) persons on active duty in the United States armed forces, other than for training, their spouses and unmarried minor dependent children.

Beginning July 1, 2010, children and pregnant women who are noncitizens described in paragraph (b) or who are lawfully present in the United States as defined in Code of Federal Regulations, title 8, section 103.12, and who otherwise meet eligibility requirements of this chapter, are eligible for medical assistance with federal financial participation as provided by the federal Children's Health Insurance Program Reauthorization Act of 2009, Public Law 111-3.

(e) Nonimmigrants who otherwise meet the eligibility requirements of this chapter are eligible for the benefits as provided in paragraphs (f) to (h). For purposes of this subdivision, a

"nonimmigrant" is a person in one of the classes listed in United States Code, title 8, section 1101(a)(15).

(f) Payment shall also be made for care and services that are furnished to noncitizens, regardless of immigration status, who otherwise meet the eligibility requirements of this chapter, if such care and services are necessary for the treatment of an emergency medical condition.

(g) For purposes of this subdivision, the term "emergency medical condition" means a medical condition that meets the requirements of United States Code, title 42, section 1396b(v).

(h)(1) Notwithstanding paragraph (g), services that are necessary for the treatment of an emergency medical condition are limited to the following:

(i) services delivered in an emergency room or by an ambulance service licensed under chapter 144E that are directly related to the treatment of an emergency medical condition;

(ii) services delivered in an inpatient hospital setting following admission from an emergency room or clinic for an acute emergency condition; and

(iii) follow-up services that are directly related to the original service provided to treat the emergency medical condition and are covered by the global payment made to the provider.

(2) Services for the treatment of emergency medical conditions do not include:

(i) services delivered in an emergency room or inpatient setting to treat a nonemergency condition;

(ii) organ transplants, stem cell transplants, and related care;

(iii) services for routine prenatal care;

(iv) continuing care, including long-term care, nursing facility services, home health care, adult day care, day training, or supportive living services;

(v) elective surgery;

(vi) outpatient prescription drugs, unless the drugs are administered or dispensed as part of an emergency room visit;

(vii) preventative health care and family planning services;

(viii) rehabilitation services;

(ix) physical, occupational, or speech therapy;

(x) transportation services;

(xi) case management;

(xii) prosthetics, orthotics, durable medical equipment, or medical supplies;

(xiii) dental services;

- (xiv) hospice care;
- (xv) audiology services and hearing aids;
- (xvi) podiatry services;
- (xvii) chiropractic services;
- (xviii) immunizations;
- (xix) vision services and eyeglasses;
- (xx) waiver services;
- (xxi) individualized education programs; or
- (xxii) chemical dependency treatment.

(i) Pregnant noncitizens who are ineligible for federally funded medical assistance because of immigration status, are not covered by a group health plan or health insurance coverage according to Code of Federal Regulations, title 42, section 457.310, and who otherwise meet the eligibility requirements of this chapter, are eligible for medical assistance through the period of pregnancy, including labor and delivery, and 60 days six months postpartum, ~~to the extent federal funds are available under title XXI of the Social Security Act, and the state children's health insurance program.~~

(j) Beginning October 1, 2003, persons who are receiving care and rehabilitation services from a nonprofit center established to serve victims of torture and are otherwise ineligible for medical assistance under this chapter are eligible for medical assistance without federal financial participation. These individuals are eligible only for the period during which they are receiving services from the center. Individuals eligible under this paragraph shall not be required to participate in prepaid medical assistance. The nonprofit center referenced under this paragraph may establish itself as a provider of mental health targeted case management services through a county contract under section 256.0112, subdivision 6. If the nonprofit center is unable to secure a contract with a lead county in its service area, then, notwithstanding the requirements of section 256B.0625, subdivision 20, the commissioner may negotiate a contract with the nonprofit center for provision of mental health targeted case management services. When serving clients who are not the financial responsibility of their contracted lead county, the nonprofit center must gain the concurrence of the county of financial responsibility prior to providing mental health targeted case management services for those clients.

(k) Notwithstanding paragraph (h), clause (2), the following services are covered as emergency medical conditions under paragraph (f) except where coverage is prohibited under federal law for services under clauses (1) and (2):

- (1) dialysis services provided in a hospital or freestanding dialysis facility;
- (2) surgery and the administration of chemotherapy, radiation, and related services necessary to treat cancer if the recipient has a cancer diagnosis that is not in remission and requires surgery, chemotherapy, or radiation treatment; and

(3) kidney transplant if the person has been diagnosed with end stage renal disease, is currently receiving dialysis services, and is a potential candidate for a kidney transplant.

(l) Effective July 1, 2013, recipients of emergency medical assistance under this subdivision are eligible for coverage of the elderly waiver services provided under chapter 256S, and coverage of rehabilitative services provided in a nursing facility. The age limit for elderly waiver services does not apply. In order to qualify for coverage, a recipient of emergency medical assistance is subject to the assessment and reassessment requirements of section 256B.0911. Initial and continued enrollment under this paragraph is subject to the limits of available funding.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner shall notify the revisor of statutes when federal approval has been obtained.

Sec. 19. Minnesota Statutes 2020, section 256B.0625, subdivision 3c, is amended to read:

Subd. 3c. **Health Services ~~Policy Committee~~ Advisory Council.** (a) The commissioner, after receiving recommendations from professional physician associations, professional associations representing licensed nonphysician health care professionals, and consumer groups, shall establish a ~~13-member~~ 14-member Health Services ~~Policy Committee~~ Advisory Council, which consists of ~~12~~ 13 voting members and one nonvoting member. The Health Services ~~Policy Committee~~ Advisory Council shall advise the commissioner regarding (1) health services pertaining to the administration of health care benefits covered under the medical assistance and MinnesotaCare programs Minnesota health care programs (MHCP); and (2) evidence-based decision-making and health care benefit and coverage policies for MHCP. The Health Services Advisory Council shall consider available evidence regarding quality, safety, and cost-effectiveness when advising the commissioner. The Health Services ~~Policy Committee~~ Advisory Council shall meet at least quarterly. The Health Services ~~Policy Committee~~ Advisory Council shall annually ~~elect~~ select a ~~physician~~ chair from among its members; who shall work directly with the commissioner's medical director; to establish the agenda for each meeting. The Health Services ~~Policy Committee~~ Advisory Council may recommend criteria for verifying centers of excellence for specific aspects of medical care where a specific set of combined services, a volume of patients necessary to maintain a high level of competency, or a specific level of technical capacity is associated with improved health outcomes.

(b) The commissioner shall establish a dental ~~subcommittee~~ subcouncil to operate under the Health Services ~~Policy Committee~~ Advisory Council. The dental ~~subcommittee~~ subcouncil consists of general dentists, dental specialists, safety net providers, dental hygienists, health plan company and county and public health representatives, health researchers, consumers, and a designee of the commissioner of health. The dental ~~subcommittee~~ subcouncil shall advise the commissioner regarding:

(1) the critical access dental program under section 256B.76, subdivision 4, including but not limited to criteria for designating and terminating critical access dental providers;

(2) any changes to the critical access dental provider program necessary to comply with program expenditure limits;

(3) dental coverage policy based on evidence, quality, continuity of care, and best practices;

(4) the development of dental delivery models; and

(5) dental services to be added or eliminated from subdivision 9, paragraph (b).

~~(e) The Health Services Policy Committee shall study approaches to making provider reimbursement under the medical assistance and MinnesotaCare programs contingent on patient participation in a patient-centered decision-making process, and shall evaluate the impact of these approaches on health care quality, patient satisfaction, and health care costs. The committee shall present findings and recommendations to the commissioner and the legislative committees with jurisdiction over health care by January 15, 2010.~~

~~(d) (c) The Health Services Policy Committee shall~~ Advisory Council may monitor and track the practice patterns of ~~physicians providing services to medical assistance and MinnesotaCare enrollees~~ health care providers who serve MHCP recipients under fee-for-service, managed care, and county-based purchasing. ~~The committee monitoring and tracking~~ shall focus on services or specialties for which there is a high variation in utilization or quality across ~~physicians providers~~, or which are associated with high medical costs. The commissioner, based upon the findings of the ~~committee~~ Health Services Advisory Council, shall ~~regularly~~ may notify ~~physicians providers~~ whose practice patterns indicate below average quality or higher than average utilization or costs. Managed care and county-based purchasing plans shall provide the commissioner with utilization and cost data necessary to implement this paragraph, and the commissioner shall make ~~this~~ these data available to the ~~committee~~ Health Services Advisory Council.

~~(e) The Health Services Policy Committee shall review caesarean section rates for the fee-for-service medical assistance population. The committee may develop best practices policies related to the minimization of caesarean sections, including but not limited to standards and guidelines for health care providers and health care facilities.~~

Sec. 20. Minnesota Statutes 2020, section 256B.0625, subdivision 3d, is amended to read:

Subd. 3d. **Health Services ~~Policy Committee~~ Advisory Council members.** (a) The Health Services ~~Policy Committee~~ Advisory Council consists of:

(1) ~~seven~~ six voting members who are licensed physicians actively engaged in the practice of medicine in Minnesota, ~~one of whom must be actively engaged in the treatment of persons with mental illness, and~~ three of whom must represent health plans currently under contract to serve ~~medical assistance~~ MHCP recipients;

(2) two voting members who are licensed physician specialists actively practicing their specialty in Minnesota;

(3) two voting members who are nonphysician health care professionals licensed or registered in their profession and actively engaged in their practice of their profession in Minnesota;

(4) one voting member who is a health care or mental health professional licensed or registered in the member's profession, actively engaged in the practice of the member's profession in Minnesota, and actively engaged in the treatment of persons with mental illness;

~~(4) one consumer~~ (5) two consumers who shall serve as a voting ~~member~~ members; and

~~(5)~~ (6) the commissioner's medical director who shall serve as a nonvoting member.

(b) Members of the Health Services ~~Policy Committee~~ Advisory Council shall not be employed by the ~~Department of Human Services~~ state of Minnesota, except for the medical director. A quorum shall comprise a simple majority of the voting members. Vacant seats shall not count toward a quorum.

Sec. 21. Minnesota Statutes 2020, section 256B.0625, subdivision 3e, is amended to read:

Subd. 3e. **Health Services ~~Policy Committee~~ Advisory Council terms and compensation.** ~~Committee~~ Members shall serve staggered three-year terms, with one-third of the voting members' terms expiring annually. Members may be reappointed by the commissioner. The commissioner may require more frequent Health Services ~~Policy Committee~~ Advisory Council meetings as needed. An honorarium of \$200 per meeting and reimbursement for mileage and parking shall be paid to each ~~committee~~ council member in attendance except the medical director. The Health Services ~~Policy Committee~~ Advisory Council does not expire as provided in section 15.059, subdivision 6.

Sec. 22. Minnesota Statutes 2020, section 256B.0625, subdivision 9, is amended to read:

Subd. 9. **Dental services.** (a) Medical assistance covers dental services.

(b) Medical assistance dental coverage for nonpregnant adults is limited to the following services:

(1) comprehensive exams, limited to once every five years;

(2) periodic exams, limited to one per year;

(3) limited exams;

(4) bitewing x-rays, limited to one per year;

(5) periapical x-rays;

(6) panoramic x-rays, limited to one every five years except (1) when medically necessary for the diagnosis and follow-up of oral and maxillofacial pathology and trauma or (2) once every two years for patients who cannot cooperate for intraoral film due to a developmental disability or medical condition that does not allow for intraoral film placement;

(7) prophylaxis, limited to one per year;

(8) application of fluoride varnish, limited to one per year;

(9) posterior fillings, all at the amalgam rate;

(10) anterior fillings;

(11) endodontics, limited to root canals on the anterior and premolars only;

(12) removable prostheses, each dental arch limited to one every six years;

(13) oral surgery, limited to extractions, biopsies, and incision and drainage of abscesses;

(14) palliative treatment and sedative fillings for relief of pain; ~~and~~

(15) full-mouth debridement, limited to one every five years; and

(16) nonsurgical treatment for periodontal disease, including scaling and root planing once every two years for each quadrant, and routine periodontal maintenance procedures.

(c) In addition to the services specified in paragraph (b), medical assistance covers the following services for adults, if provided in an outpatient hospital setting or freestanding ambulatory surgical center as part of outpatient dental surgery:

(1) periodontics, limited to periodontal scaling and root planing once every two years;

(2) general anesthesia; and

(3) full-mouth survey once every five years.

(d) Medical assistance covers medically necessary dental services for children and pregnant women. The following guidelines apply:

(1) posterior fillings are paid at the amalgam rate;

(2) application of sealants are covered once every five years per permanent molar for children only;

(3) application of fluoride varnish is covered once every six months; and

(4) orthodontia is eligible for coverage for children only.

(e) In addition to the services specified in paragraphs (b) and (c), medical assistance covers the following services for adults:

(1) house calls or extended care facility calls for on-site delivery of covered services;

(2) behavioral management when additional staff time is required to accommodate behavioral challenges and sedation is not used;

(3) oral or IV sedation, if the covered dental service cannot be performed safely without it or would otherwise require the service to be performed under general anesthesia in a hospital or surgical center; and

(4) prophylaxis, in accordance with an appropriate individualized treatment plan, but no more than four times per year.

(f) The commissioner shall not require prior authorization for the services included in paragraph (e), clauses (1) to (3), and shall prohibit managed care and county-based purchasing plans from requiring prior authorization for the services included in paragraph (e), clauses (1) to (3), when provided under sections 256B.69, 256B.692, and 256L.12.

Sec. 23. Minnesota Statutes 2020, section 256B.0625, is amended by adding a subdivision to read:

Subd. 9c. **Uniform prior authorization for dental services.** (a) For purposes of this subdivision, "dental benefits administrator" means an organization licensed under chapter 62C or 62D that contracts with a managed care plan or county-based purchasing plan to provide covered dental care services to enrollees of the plan.

(b) By January 1, 2022, the commissioner, in consultation with interested stakeholders, shall develop uniform prior authorization criteria for all dental services requiring prior authorization. The commissioner shall publish a list of the dental services requiring prior authorization and the process for obtaining prior authorization on the department's website. Dental services on the list and the process for obtaining prior authorization approval must be consistent. The commissioner shall require that dental providers, managed care plans, county-based purchasing plans, and dental benefit administrators use the dental services on the list regardless of whether the services are provided through a fee-for-service system or through a prepaid medical assistance program.

(c) Managed care plans and county-based purchasing plans may require prior authorization for additional dental services not on the list described in paragraph (b) if a uniform process for obtaining prior approvals is applied, including a process for reconsideration when a prior approval request is denied that can be utilized by both the patient and the patient's dental provider.

Sec. 24. Minnesota Statutes 2020, section 256B.0625, is amended by adding a subdivision to read:

Subd. 9d. **Uniform credentialing process.** (a) For purposes of this subdivision, "dental benefits administrator" has the meaning given in subdivision 9c.

(b) By January 1, 2022, the commissioner, in consultation with interested stakeholders, shall develop a uniform credentialing process for dental providers. Upon federal approval, the credentialing process must be accepted by all managed care plans, county-based purchasing plans, and dental benefits administrators that contract with the commissioner or subcontract with plans to provide dental services to medical assistance or MinnesotaCare enrollees.

(c) The process developed in this subdivision must include a uniform credentialing application that must be available in electronic format and accessible on the department's website. The process developed under this subdivision must include an option to submit a completed application electronically. The uniform credentialing application must be available to providers for free.

(d) If applicable, a managed care plan, county-based purchasing plan, dental benefits administrator, contractor, or vendor that reviews and approves a credentialing application must notify a provider regarding a deficiency on a submitted credentialing application form no later than 30 business days after receiving the application form from the provider.

Sec. 25. Minnesota Statutes 2020, section 256B.0625, subdivision 13, is amended to read:

Subd. 13. **Drugs.** (a) Medical assistance covers drugs, except for fertility drugs when specifically used to enhance fertility, if prescribed by a licensed practitioner and dispensed by a licensed pharmacist, by a physician enrolled in the medical assistance program as a dispensing physician, or by a physician, a physician assistant, or an advanced practice registered nurse employed by or under contract with a community health board as defined in section 145A.02, subdivision 5, for the purposes of communicable disease control.

(b) The dispensed quantity of a prescription drug must not exceed a 34-day supply, unless authorized by the commissioner; or the drug appears on the 90-day supply list published by the commissioner. The 90-day supply list shall be published by the commissioner on the department's website. The commissioner may add to, delete from, and otherwise modify the 90-day supply list after providing public notice and the opportunity for a 15-day public comment period. The 90-day supply list may include cost-effective generic drugs and shall not include controlled substances.

(c) For the purpose of this subdivision and subdivision 13d, an "active pharmaceutical ingredient" is defined as a substance that is represented for use in a drug and when used in the manufacturing, processing, or packaging of a drug becomes an active ingredient of the drug product. An "excipient" is defined as an inert substance used as a diluent or vehicle for a drug. The commissioner shall establish a list of active pharmaceutical ingredients and excipients which are included in the medical assistance formulary. Medical assistance covers selected active pharmaceutical ingredients and excipients used in compounded prescriptions when the compounded combination is specifically approved by the commissioner or when a commercially available product:

(1) is not a therapeutic option for the patient;

(2) does not exist in the same combination of active ingredients in the same strengths as the compounded prescription; and

(3) cannot be used in place of the active pharmaceutical ingredient in the compounded prescription.

(d) Medical assistance covers the following over-the-counter drugs when prescribed by a licensed practitioner or by a licensed pharmacist who meets standards established by the commissioner, in consultation with the board of pharmacy: antacids, acetaminophen, family planning products, aspirin, insulin, products for the treatment of lice, vitamins for adults with documented vitamin deficiencies, vitamins for children under the age of seven and pregnant or nursing women, and any other over-the-counter drug identified by the commissioner, in consultation with the Formulary Committee, as necessary, appropriate, and cost-effective for the treatment of certain specified chronic diseases, conditions, or disorders, and this determination shall not be subject to the requirements of chapter 14. A pharmacist may prescribe over-the-counter medications as provided under this paragraph for purposes of receiving reimbursement under Medicaid. When prescribing over-the-counter drugs under this paragraph, licensed pharmacists must consult with the recipient to determine necessity, provide drug counseling, review drug therapy for potential adverse interactions, and make referrals as needed to other health care professionals.

(e) Effective January 1, 2006, medical assistance shall not cover drugs that are coverable under Medicare Part D as defined in the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, Public Law 108-173, section 1860D-2(e), for individuals eligible for drug coverage as defined in the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, Public Law 108-173, section 1860D-1(a)(3)(A). For these individuals, medical assistance may cover drugs from the drug classes listed in United States Code, title 42, section 1396r-8(d)(2), subject to this subdivision and subdivisions 13a to 13g, except that drugs listed in United States Code, title 42, section 1396r-8(d)(2)(E), shall not be covered.

(f) Medical assistance covers drugs acquired through the federal 340B Drug Pricing Program and dispensed by 340B covered entities and ambulatory pharmacies under common ownership of the 340B covered entity. Medical assistance does not cover drugs acquired through the federal 340B Drug Pricing Program and dispensed by 340B contract pharmacies.

(g) Notwithstanding paragraph (a), medical assistance covers self-administered hormonal contraceptives prescribed and dispensed by a licensed pharmacist in accordance with section 151.37, subdivision 14; nicotine replacement medications prescribed and dispensed by a licensed pharmacist in accordance with section 151.37, subdivision 15; and opiate antagonists used for the treatment of an acute opiate overdose prescribed and dispensed by a licensed pharmacist in accordance with section 151.37, subdivision 16.

Sec. 26. Minnesota Statutes 2020, section 256B.0625, subdivision 13c, is amended to read:

Subd. 13c. **Formulary Committee.** The commissioner, after receiving recommendations from professional medical associations and professional pharmacy associations, and consumer groups shall designate a Formulary Committee to carry out duties as described in subdivisions 13 to 13g. The Formulary Committee shall be comprised of four licensed physicians actively engaged in the practice of medicine in Minnesota, one of whom must be actively engaged in the treatment of persons with mental illness; at least three licensed pharmacists actively engaged in the practice of pharmacy in Minnesota; and one consumer representative; the remainder to be made up of health care professionals who are licensed in their field and have recognized knowledge in the clinically appropriate prescribing, dispensing, and monitoring of covered outpatient drugs. Members of the Formulary Committee shall not be employed by the Department of Human Services, but the committee shall be staffed by an employee of the department who shall serve as an ex officio, nonvoting member of the committee. The department's medical director shall also serve as an ex officio, nonvoting member for the committee. Committee members shall serve three-year terms and may be reappointed by the commissioner. The Formulary Committee shall meet at least twice per year. The commissioner may require more frequent Formulary Committee meetings as needed. An honorarium of \$100 per meeting and reimbursement for mileage shall be paid to each committee member in attendance. The Formulary Committee ~~expires June 30, 2022~~ does not expire as provided in section 15.059, subdivision 6.

Sec. 27. Minnesota Statutes 2020, section 256B.0625, subdivision 13e, 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 ~~\$10.48~~ \$10.77 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 ~~\$10.48~~ \$10.77 per ~~bag~~ claim. The professional dispensing fee for prescriptions filled with over-the-counter drugs

meeting the definition of covered outpatient drugs shall be ~~\$10.48~~ \$10.77 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 members of the legislative committees with jurisdiction over medical assistance pharmacy reimbursement.

(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.

Sec. 28. Minnesota Statutes 2020, section 256B.0625, subdivision 13g, is amended to read:

Subd. 13g. **Preferred drug list.** (a) The commissioner shall adopt and implement a preferred drug list by January 1, 2004. The commissioner may enter into a contract with a vendor for the purpose of participating in a preferred drug list and supplemental rebate program. The commissioner shall ensure that any contract meets all federal requirements and maximizes federal financial participation. The commissioner shall publish the preferred drug list annually in the State Register and shall maintain an accurate and up-to-date list on the agency website.

(b) The commissioner may add to, delete from, and otherwise modify the preferred drug list, after consulting with the Formulary Committee and appropriate medical specialists and providing public notice and the opportunity for public comment.

(c) The commissioner shall adopt and administer the preferred drug list as part of the administration of the supplemental drug rebate program. Reimbursement for prescription drugs not on the preferred drug list may be subject to prior authorization.

(d) For purposes of this subdivision, "preferred drug list" means a list of prescription drugs within designated therapeutic classes selected by the commissioner, for which prior authorization based on the identity of the drug or class is not required.

(e) The commissioner shall seek any federal waivers or approvals necessary to implement this subdivision.

(f) Notwithstanding paragraph (b), before the commissioner may delete a drug from the preferred drug list or modify the inclusion of a drug on the preferred drug list, the commissioner, in consultation with the commissioner of health, shall consider any implications the deletion or modification may have on state public health policies or initiatives and any impact the deletion or modification may have on increasing health disparities in the state. Prior to deleting a drug or modifying the inclusion of a drug, the commissioner shall also conduct a public hearing. The commissioner shall provide adequate notice to the public prior to the hearing that specifies the drug the commissioner is proposing to delete or modify, any medical or clinical analysis that the commissioner has relied on in proposing the deletion or modification, and evidence that the commissioner has consulted with the commissioner of health and has evaluated the impact of the proposed deletion or modification on public health and health disparities.

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

Sec. 29. Minnesota Statutes 2020, section 256B.0625, is amended by adding a subdivision to read:

Subd. 13k. **Eligible providers.** (a) To be eligible to dispense prescription drugs under this section as an enrolled dispensing provider, the dispensing provider must be a:

(1) pharmacy located within the state that is licensed by the Board of Pharmacy under chapter 151;

(2) physician located in a service area where there is no medical assistance enrolled pharmacy;
or

(3) physician or advanced practice registered nurse employed by or under contract with a community health board for communicable disease control.

(b) A licensed out-of-state pharmacy may be enrolled as a dispensing provider under paragraph (a) if the pharmacy is:

(1) a retail pharmacy located within 50 miles of the Minnesota border that serves walk-in medical assistance enrollees and whose walk-in customers represent at least 75 percent of the pharmacy's prescription volume;

(2) a retail pharmacy serving foster children enrolled in medical assistance and living outside of Minnesota;

(3) serving enrollees receiving preapproved organ transplants who require medication during after-care while residing outside of Minnesota; or

(4) providing products with limited or exclusive distribution channels for which there is no potential dispensing provider located within the state.

(c) A dispensing provider must attest that they meet the requirements in paragraphs (a) and (b) before enrolling as a dispensing provider in the medical assistance program. If a provider is found to be out of compliance with the requirements in paragraphs (a) and (b), any funds paid to that provider during the time they were out of compliance shall be recovered under section 256B.064.

Sec. 30. Minnesota Statutes 2020, section 256B.0625, is amended by adding a subdivision to read:

Subd. 67. **Pretreatment coordination services.** Effective January 1, 2022, or upon federal approval, whichever is later, medical assistance covers pretreatment coordination services provided according to section 254B.05, subdivision 4a.

EFFECTIVE DATE. This section is effective July 1, 2021. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained or denied.

Sec. 31. Minnesota Statutes 2020, section 256B.0631, subdivision 1, is amended to read:

Subdivision 1. **Cost-sharing.** (a) Except as provided in subdivision 2, the medical assistance benefit plan shall include the following cost-sharing for all recipients, effective for services provided on or after September 1, 2011:

(1) \$3 per nonpreventive visit, except as provided in paragraph (b). For purposes of this subdivision, a visit means an episode of service ~~which that~~ is required because of a recipient's symptoms, diagnosis, or established illness, and ~~which that~~ is delivered in an ambulatory setting by a physician or physician assistant, chiropractor, podiatrist, nurse midwife, advanced practice nurse,

audiologist, optician, or optometrist. Co-payments must not apply to visits that involve tobacco cessation treatments or services;

(2) \$3.50 for nonemergency visits to a hospital-based emergency room, except that this co-payment shall be increased to \$20 upon federal approval;

(3) \$3 per brand-name drug prescription and \$1 per generic drug prescription, subject to a \$12 per month maximum for prescription drug co-payments. ~~No~~ Co-payments ~~shall~~ must not apply to antipsychotic drugs when used for the treatment of mental illness or to drugs used for tobacco cessation;

(4) a family deductible equal to \$2.75 per month per family and adjusted annually by the percentage increase in the medical care component of the CPI-U for the period of September to September of the preceding calendar year, rounded to the next higher five-cent increment; and

(5) total monthly cost-sharing must not exceed five percent of family income. For purposes of this paragraph, family income is the total earned and unearned income of the individual and the individual's spouse, if the spouse is enrolled in medical assistance and also subject to the five percent limit on cost-sharing. This paragraph does not apply to premiums charged to individuals described under section 256B.057, subdivision 9.

(b) Recipients of medical assistance are responsible for all co-payments and deductibles in this subdivision.

(c) Notwithstanding paragraph (b), the commissioner, through the contracting process under sections 256B.69 and 256B.692, may allow managed care plans and county-based purchasing plans to waive the family deductible under paragraph (a), clause (4). The value of the family deductible shall not be included in the capitation payment to managed care plans and county-based purchasing plans. Managed care plans and county-based purchasing plans shall certify annually to the commissioner the dollar value of the family deductible.

(d) Notwithstanding paragraph (b), the commissioner may waive the collection of the family deductible described under paragraph (a), clause (4), from individuals and allow long-term care and waived service providers to assume responsibility for payment.

(e) Notwithstanding paragraph (b), the commissioner, through the contracting process under section 256B.0756 shall allow the pilot program in Hennepin County to waive co-payments. The value of the co-payments shall not be included in the capitation payment amount to the integrated health care delivery networks under the pilot program.

Sec. 32. Minnesota Statutes 2020, section 256B.0631, is amended by adding a subdivision to read:

Subd. 5. Tobacco abstinence cost-sharing exception. In addition to the cost-sharing exemptions listed under subdivision 2, the co-payments and deductibles described in subdivision 1 must be waived for nontobacco users, and must only apply to tobacco users. For purposes of this subdivision, "tobacco user" means an individual who uses, four or more times per week within the past six months, any tobacco product. Tobacco products include cigarettes, cigars, pipe tobacco, chewing tobacco, or snuff. Tobacco products do not include the use of tobacco by an American Indian who

meets the requirements in Code of Federal Regulations, title 42, sections 447.51 and 447.56, as part of a traditional Native American spiritual or cultural ceremony.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 33. Minnesota Statutes 2020, section 256B.0638, subdivision 3, is amended to read:

Subd. 3. **Opioid prescribing work group.** (a) The commissioner of human services, in consultation with the commissioner of health, shall appoint the following voting members to an opioid prescribing work group:

(1) two consumer members who have been impacted by an opioid abuse disorder or opioid dependence disorder, either personally or with family members;

(2) one member who is a licensed physician actively practicing in Minnesota and registered as a practitioner with the DEA;

(3) one member who is a licensed pharmacist actively practicing in Minnesota and registered as a practitioner with the DEA;

(4) one member who is a licensed nurse practitioner actively practicing in Minnesota and registered as a practitioner with the DEA;

(5) one member who is a licensed dentist actively practicing in Minnesota and registered as a practitioner with the DEA;

(6) two members who are nonphysician licensed health care professionals actively engaged in the practice of their profession in Minnesota, and their practice includes treating pain;

(7) one member who is a mental health professional who is licensed or registered in a mental health profession, who is actively engaged in the practice of that profession in Minnesota, and whose practice includes treating patients with chemical dependency or substance abuse;

(8) one member who is a medical examiner for a Minnesota county;

(9) one member of the Health Services Policy Committee established under section 256B.0625, subdivisions 3c to 3e;

(10) one member who is a medical director of a health plan company doing business in Minnesota;

(11) one member who is a pharmacy director of a health plan company doing business in Minnesota; ~~and~~

(12) one member representing Minnesota law enforcement; and

(13) two consumer members who are Minnesota residents and who have used or are using opioids to manage chronic pain.

(b) In addition, the work group shall include the following nonvoting members:

- (1) the medical director for the medical assistance program;
- (2) a member representing the Department of Human Services pharmacy unit; ~~and~~
- (3) the medical director for the Department of Labor and Industry; and
- (4) a member representing the Department of Health.

(c) An honorarium of \$200 per meeting and reimbursement for mileage and parking shall be paid to each voting member in attendance.

Sec. 34. Minnesota Statutes 2020, section 256B.0638, subdivision 5, is amended to read:

Subd. 5. Program implementation. (a) The commissioner shall implement the programs within the Minnesota health care program to improve the health of and quality of care provided to Minnesota health care program enrollees. The commissioner shall annually collect and report to provider groups the sentinel measures of data showing individual opioid prescribers data showing the sentinel measures of their prescribers' opioid prescribing patterns compared to their anonymized peers. Provider groups shall distribute data to their affiliated, contracted, or employed opioid prescribers.

(b) The commissioner shall notify an opioid prescriber and all provider groups with which the opioid prescriber is employed or affiliated when the opioid prescriber's prescribing pattern exceeds the opioid quality improvement standard thresholds. An opioid prescriber and any provider group that receives a notice under this paragraph shall submit to the commissioner a quality improvement plan for review and approval by the commissioner with the goal of bringing the opioid prescriber's prescribing practices into alignment with community standards. A quality improvement plan must include:

- (1) components of the program described in subdivision 4, paragraph (a);
- (2) internal practice-based measures to review the prescribing practice of the opioid prescriber and, where appropriate, any other opioid prescribers employed by or affiliated with any of the provider groups with which the opioid prescriber is employed or affiliated; and
- (3) appropriate use of the prescription monitoring program under section 152.126.

(c) If, after a year from the commissioner's notice under paragraph (b), the opioid prescriber's prescribing practices do not improve so that they are consistent with community standards, the commissioner shall take one or more of the following steps:

- (1) monitor prescribing practices more frequently than annually;
- (2) monitor more aspects of the opioid prescriber's prescribing practices than the sentinel measures; or
- (3) require the opioid prescriber to participate in additional quality improvement efforts, including but not limited to mandatory use of the prescription monitoring program established under section 152.126.

(d) The commissioner shall terminate from Minnesota health care programs all opioid prescribers and provider groups whose prescribing practices fall within the applicable opioid disenrollment standards.

Sec. 35. Minnesota Statutes 2020, section 256B.0638, subdivision 6, is amended to read:

Subd. 6. **Data practices.** (a) Reports and data identifying an opioid prescriber are private data on individuals as defined under section 13.02, subdivision 12, until an opioid prescriber is subject to termination as a medical assistance provider under this section. Notwithstanding this data classification, the commissioner shall share with all of the provider groups with which an opioid prescriber is employed, contracted, or affiliated, ~~a report identifying an opioid prescriber who is subject to quality improvement activities~~ the data under subdivision 5, paragraph (a), (b)₂ or (c).

(b) Reports and data identifying a provider group are nonpublic data as defined under section 13.02, subdivision 9, until the provider group is subject to termination as a medical assistance provider under this section.

(c) Upon termination under this section, reports and data identifying an opioid prescriber or provider group are public, except that any identifying information of Minnesota health care program enrollees must be redacted by the commissioner.

Sec. 36. Minnesota Statutes 2020, section 256B.0659, subdivision 13, is amended to read:

Subd. 13. **Qualified professional; qualifications.** (a) The qualified professional must work for a personal care assistance provider agency, meet the definition of qualified professional under section 256B.0625, subdivision 19c, ~~and enroll with the department as a qualified professional after clearing~~ clear a background study, and meet provider training requirements. Before a qualified professional provides services, the personal care assistance provider agency must initiate a background study on the qualified professional under chapter 245C, and the personal care assistance provider agency must have received a notice from the commissioner that the qualified professional:

(1) is not disqualified under section 245C.14; or

(2) is disqualified, but the qualified professional has received a set aside of the disqualification under section 245C.22.

(b) The qualified professional shall perform the duties of training, supervision, and evaluation of the personal care assistance staff and evaluation of the effectiveness of personal care assistance services. The qualified professional shall:

(1) develop and monitor with the recipient a personal care assistance care plan based on the service plan and individualized needs of the recipient;

(2) develop and monitor with the recipient a monthly plan for the use of personal care assistance services;

(3) review documentation of personal care assistance services provided;

(4) provide training and ensure competency for the personal care assistant in the individual needs of the recipient; and

(5) document all training, communication, evaluations, and needed actions to improve performance of the personal care assistants.

(c) ~~Effective July 1, 2011,~~ The qualified professional shall complete the provider training with basic information about the personal care assistance program approved by the commissioner. Newly hired qualified professionals must complete the training within six months of the date hired by a personal care assistance provider agency. Qualified professionals who have completed the required training as a worker from a personal care assistance provider agency do not need to repeat the required training if they are hired by another agency, if they have completed the training within the last three years. The required training must be available with meaningful access according to title VI of the Civil Rights Act and federal regulations adopted under that law or any guidance from the United States Health and Human Services Department. The required training must be available online or by electronic remote connection. The required training must provide for competency testing to demonstrate an understanding of the content without attending in-person training. A qualified professional is allowed to be employed and is not subject to the training requirement until the training is offered online or through remote electronic connection. A qualified professional employed by a personal care assistance provider agency certified for participation in Medicare as a home health agency is exempt from the training required in this subdivision. When available, the qualified professional working for a Medicare-certified home health agency must successfully complete the competency test. The commissioner shall ensure there is a mechanism in place to verify the identity of persons completing the competency testing electronically.

Sec. 37. Minnesota Statutes 2020, section 256B.196, subdivision 2, is amended to read:

Subd. 2. **Commissioner's duties.** (a) For the purposes of this subdivision and subdivision 3, the commissioner shall determine the fee-for-service outpatient hospital services upper payment limit for nonstate government hospitals. The commissioner shall then determine the amount of a supplemental payment to Hennepin County Medical Center and Regions Hospital for these services that would increase medical assistance spending in this category to the aggregate upper payment limit for all nonstate government hospitals in Minnesota. In making this determination, the commissioner shall allot the available increases between Hennepin County Medical Center and Regions Hospital based on the ratio of medical assistance fee-for-service outpatient hospital payments to the two facilities. The commissioner shall adjust this allotment as necessary based on federal approvals, the amount of intergovernmental transfers received from Hennepin and Ramsey Counties, and other factors, in order to maximize the additional total payments. The commissioner shall inform Hennepin County and Ramsey County of the periodic intergovernmental transfers necessary to match federal Medicaid payments available under this subdivision in order to make supplementary medical assistance payments to Hennepin County Medical Center and Regions Hospital equal to an amount that when combined with existing medical assistance payments to nonstate governmental hospitals would increase total payments to hospitals in this category for outpatient services to the aggregate upper payment limit for all hospitals in this category in Minnesota. Upon receipt of these periodic transfers, the commissioner shall make supplementary payments to Hennepin County Medical Center and Regions Hospital.

(b) For the purposes of this subdivision and subdivision 3, the commissioner shall determine an upper payment limit for physicians and other billing professionals affiliated with Hennepin County Medical Center and with Regions Hospital. The upper payment limit shall be based on the average commercial rate or be determined using another method acceptable to the Centers for

Medicare and Medicaid Services. The commissioner shall inform Hennepin County and Ramsey County of the periodic intergovernmental transfers necessary to match the federal Medicaid payments available under this subdivision in order to make supplementary payments to physicians and other billing professionals affiliated with Hennepin County Medical Center and to make supplementary payments to physicians and other billing professionals affiliated with Regions Hospital through HealthPartners Medical Group equal to the difference between the established medical assistance payment for physician and other billing professional services and the upper payment limit. Upon receipt of these periodic transfers, the commissioner shall make supplementary payments to physicians and other billing professionals affiliated with Hennepin County Medical Center and shall make supplementary payments to physicians and other billing professionals affiliated with Regions Hospital through HealthPartners Medical Group.

(c) Beginning January 1, 2010, ~~Hennepin County and~~ Ramsey County may make monthly voluntary intergovernmental transfers to the commissioner in amounts not to exceed ~~\$12,000,000 per year from Hennepin County and~~ \$6,000,000 per year ~~from Ramsey County~~. The commissioner shall increase the medical assistance capitation payments to any licensed health plan under contract with the medical assistance program that agrees to make enhanced payments to ~~Hennepin County Medical Center or~~ Regions Hospital. The increase shall be in an amount equal to the annual value of the monthly transfers plus federal financial participation, with each health plan receiving its pro rata share of the increase based on the pro rata share of medical assistance admissions to ~~Hennepin County Medical Center and~~ Regions Hospital by those plans. For the purposes of this paragraph, "the base amount" means the total annual value of increased medical assistance capitation payments, including the voluntary intergovernmental transfers, under this paragraph in calendar year 2017. For managed care contracts beginning on or after January 1, 2018, the commissioner shall reduce the total annual value of increased medical assistance capitation payments under this paragraph by an amount equal to ten percent of the base amount, and by an additional ten percent of the base amount for each subsequent contract year until December 31, 2025. Upon the request of the commissioner, health plans shall submit individual-level cost data for verification purposes. The commissioner may ratably reduce these payments on a pro rata basis in order to satisfy federal requirements for actuarial soundness. If payments are reduced, transfers shall be reduced accordingly. Any licensed health plan that receives increased medical assistance capitation payments under the intergovernmental transfer described in this paragraph shall increase its medical assistance payments to ~~Hennepin County Medical Center and~~ Regions Hospital by the same amount as the increased payments received in the capitation payment described in this paragraph. This paragraph expires January 1, 2026.

(d) For the purposes of this subdivision and subdivision 3, the commissioner shall determine an upper payment limit for ambulance services affiliated with Hennepin County Medical Center and the city of St. Paul, and ambulance services owned and operated by another governmental entity that chooses to participate by requesting the commissioner to determine an upper payment limit. The upper payment limit shall be based on the average commercial rate or be determined using another method acceptable to the Centers for Medicare and Medicaid Services. The commissioner shall inform Hennepin County, the city of St. Paul, and other participating governmental entities of the periodic intergovernmental transfers necessary to match the federal Medicaid payments available under this subdivision in order to make supplementary payments to Hennepin County Medical Center, the city of St. Paul, and other participating governmental entities equal to the difference between the established medical assistance payment for ambulance services and the upper payment

limit. Upon receipt of these periodic transfers, the commissioner shall make supplementary payments to Hennepin County Medical Center, the city of St. Paul, and other participating governmental entities. A tribal government that owns and operates an ambulance service is not eligible to participate under this subdivision.

(e) For the purposes of this subdivision and subdivision 3, the commissioner shall determine an upper payment limit for physicians, dentists, and other billing professionals affiliated with the University of Minnesota and University of Minnesota Physicians. The upper payment limit shall be based on the average commercial rate or be determined using another method acceptable to the Centers for Medicare and Medicaid Services. The commissioner shall inform the University of Minnesota Medical School and University of Minnesota School of Dentistry of the periodic intergovernmental transfers necessary to match the federal Medicaid payments available under this subdivision in order to make supplementary payments to physicians, dentists, and other billing professionals affiliated with the University of Minnesota and the University of Minnesota Physicians equal to the difference between the established medical assistance payment for physician, dentist, and other billing professional services and the upper payment limit. Upon receipt of these periodic transfers, the commissioner shall make supplementary payments to physicians, dentists, and other billing professionals affiliated with the University of Minnesota and the University of Minnesota Physicians.

(f) The commissioner shall inform the transferring governmental entities on an ongoing basis of the need for any changes needed in the intergovernmental transfers in order to continue the payments under paragraphs (a) to (e), at their maximum level, including increases in upper payment limits, changes in the federal Medicaid match, and other factors.

(g) The payments in paragraphs (a) to (e) shall be implemented independently of each other, subject to federal approval and to the receipt of transfers under subdivision 3.

(h) All of the data and funding transactions related to the payments in paragraphs (a) to (e) shall be between the commissioner and the governmental entities.

(i) For purposes of this subdivision, billing professionals are limited to physicians, nurse practitioners, nurse midwives, clinical nurse specialists, physician assistants, anesthesiologists, certified registered nurse anesthetists, dentists, dental hygienists, and dental therapists.

EFFECTIVE DATE. This section is effective December 31, 2021, or upon federal approval, whichever is later. The commissioner of human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 38. **[256B.1973] DIRECTED PAYMENT ARRANGEMENTS.**

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

(b) "Billing professionals" means physicians, nurse practitioners, nurse midwives, clinical nurse specialists, physician assistants, anesthesiologists, and certified registered anesthetists, and may include dentists, individually enrolled dental hygienists, and dental therapists.

(c) "Health plan" means a managed care or county-based purchasing plan that is under contract with the commissioner to deliver services to medical assistance enrollees under section 256B.69.

(d) "High medical assistance utilization" means a medical assistance utilization rate equal to the standard established in section 256.969, subdivision 9, paragraph (d), clause (6).

Subd. 2. **Federal approval required.** Each directed payment arrangement under this section is contingent on federal approval and must conform with the requirements for permissible directed managed care organization expenditures under section 256B.6928, subdivision 5.

Subd. 3. **Eligible providers.** Eligible providers under this section are nonstate government teaching hospitals with high medical assistance utilization and a level 1 trauma center and the hospital's affiliated billing professionals, ambulance services, and clinics.

Subd. 4. **Voluntary intergovernmental transfers.** A nonstate governmental entity that is eligible to perform intergovernmental transfers may make voluntary intergovernmental transfers to the commissioner. The commissioner shall inform the nonstate governmental entity of the intergovernmental transfers necessary to maximize the allowable directed payments.

Subd. 5. **Commissioner's duties; state-directed fee schedule requirement.** (a) For each federally approved directed payment arrangement that is a state-directed fee schedule requirement, the commissioner shall determine a uniform adjustment factor to be applied to each claim submitted by an eligible provider to a health plan. The commissioner shall ensure that the application of the uniform adjustment factor maximizes the allowable directed payments and does not result in payments exceeding federal limits, and may use a settle-up process no less than annually to adjust health plan payments to comply with this requirement. The commissioner shall apply the uniform adjustment to each submitted claim.

(b) For each federally approved directed payment arrangement that is a state-directed fee schedule requirement, the commissioner must ensure that the total annual amount of payments equals at least the sum of the annual value of the voluntary intergovernmental transfers to the commissioner under subdivision 4 and federal financial participation.

(c) For each federally approved directed payment arrangement that is a state-directed fee schedule requirement, the commissioner shall develop a plan for the initial implementation of the state-directed fee schedule requirement to ensure that the eligible provider receives the entire permissible value of the federally approved directed payment arrangement. If federal approval of a directed payment arrangement under this subdivision is retroactive, the commissioner shall make a onetime pro rata increase to the uniform adjustment factor and the initial payments in order to include claims submitted between the retroactive federal approval date and the period captured by the initial payments.

Subd. 6. **Health plan duties; submission of claims.** In accordance with its contract, each health plan shall submit to the commissioner payment information for each claim paid to an eligible provider for services provided to a medical assistance enrollee.

Subd. 7. **Health plan duties; directed payments.** In accordance with its contract, each health plan shall make directed payments to the eligible provider in an amount equal to the payment amounts the plan received from the commissioner.

Subd. 8. **State quality goals.** The directed payment arrangement and state-directed fee schedule requirement must align the state quality goals to Hennepin Healthcare medical assistance patients, including unstably housed individuals, those with higher levels of social and clinical risk, limited English proficiency patients, adults with serious chronic conditions, or individuals of color. The directed payment arrangement will maintain quality and access to a full range of health care delivery mechanisms for these patients, such as behavioral health, emergent care, preventive care, hospitalization, transportation, interpretation, and pharmaceutical. In partnership with the Department of Human Services, the Centers for Medicare and Medicaid Services, and Hennepin Healthcare, mutually agreed upon measures to demonstrate access to care must be identified and measured.

EFFECTIVE DATE. This section is effective January 1, 2022, or upon federal approval, whichever is later, unless the federal approval provides for an effective date after July 1, 2021, but before the date of federal approval, in which case the federally approved effective date applies.

Sec. 39. Minnesota Statutes 2020, section 256B.69, subdivision 6d, is amended to read:

Subd. 6d. **Prescription drugs.** (a) The commissioner may exclude or modify coverage for prescription drugs from the prepaid managed care contracts entered into under this section in order to increase savings to the state by collecting additional prescription drug rebates. The contracts must maintain incentives for the managed care plan to manage drug costs and utilization and may require that the managed care plans maintain an open drug formulary. In order to manage drug costs and utilization, the contracts may authorize the managed care plans to use preferred drug lists and prior authorization. This subdivision is contingent on federal approval of the managed care contract changes and the collection of additional prescription drug rebates.

(b) Managed care plans and county-based purchasing plans or the plan's subcontractor if the plan subcontracts with a third party to administer pharmacy services, including a pharmacy benefit manager, must comply with section 256B.0625, subdivision 13k, for purposes of contracting with dispensing providers to provide pharmacy services to medical assistance and MinnesotaCare enrollees.

Sec. 40. Minnesota Statutes 2020, section 256B.69, is amended by adding a subdivision to read:

Subd. 6f. **Dental fee schedules.** (a) A managed care plan, county-based purchasing plan, or dental benefits administrator as defined under section 256B.0625, subdivision 9c, paragraph (a), must provide individual dental providers, upon request, the applicable fee schedules for covered dental services provided under the contract between the dental provider and the managed care plan, county-based purchasing plan, or dental benefits administrator.

(b) A managed care plan, county-based purchasing plan, or dental benefits administrator may fulfill this requirement by making the applicable fee schedules available through a secure web portal for the contracted dental provider to access.

Sec. 41. Minnesota Statutes 2020, section 256B.6928, subdivision 5, is amended to read:

Subd. 5. **Direction of managed care organization expenditures.** (a) The commissioner shall not direct managed care organizations expenditures under the managed care contract, except ~~in~~ as permitted under Code of Federal Regulations, part 42, section 438.6(c). The exception under this paragraph includes the following situations:

(1) implementation of a value-based purchasing model for provider reimbursement, including pay-for-performance arrangements, bundled payments, or other service payments intended to recognize value or outcomes over volume of services;

(2) participation in a multipayer or medical assistance-specific delivery system reform or performance improvement initiative; or

(3) implementation of a minimum or maximum fee schedule, or a uniform dollar or percentage increase for network providers that provide a particular service. The maximum fee schedule must allow the managed care organization the ability to reasonably manage risk and provide discretion in accomplishing the goals of the contract.

(b) Any managed care contract that directs managed care organization expenditures as permitted under paragraph (a), clauses (1) to (3), must be developed in accordance with Code of Federal Regulations, part 42, sections 438.4 and 438.5; comply with actuarial soundness and generally accepted actuarial principles and practices; and have written approval from the Centers for Medicare and Medicaid Services before implementation. To obtain approval, the commissioner shall demonstrate in writing that the contract arrangement:

(1) is based on the utilization and delivery of services;

(2) directs expenditures equally, using the same terms of performance for a class of providers providing service under the contract;

(3) is intended to advance at least one of the goals and objectives in the commissioner's quality strategy;

(4) has an evaluation plan that measures the degree to which the arrangement advances at least one of the goals in the commissioner's quality strategy;

(5) does not condition network provider participation on the network provider entering into or adhering to an intergovernmental transfer agreement; and

(6) is not renewed automatically.

(c) For contract arrangements identified in paragraph (a), clauses (1) and (2), the commissioner shall:

(1) make participation in the value-based purchasing model, special delivery system reform, or performance improvement initiative available, using the same terms of performance, to a class of providers providing services under the contract related to the model, reform, or initiative; and

(2) use a common set of performance measures across all payers and providers.

(d) The commissioner shall not set the amount or frequency of the expenditures or recoup from the managed care organization any unspent funds allocated for these arrangements.

Sec. 42. Minnesota Statutes 2020, section 256B.75, is amended to read:

256B.75 HOSPITAL OUTPATIENT REIMBURSEMENT.

(a) For outpatient hospital facility fee payments for services rendered on or after October 1, 1992, the commissioner of human services shall pay the lower of (1) submitted charge, or (2) 32 percent above the rate in effect on June 30, 1992, except for those services for which there is a federal maximum allowable payment. Effective for services rendered on or after January 1, 2000, payment rates for nonsurgical outpatient hospital facility fees and emergency room facility fees shall be increased by eight percent over the rates in effect on December 31, 1999, except for those services for which there is a federal maximum allowable payment. Services for which there is a federal maximum allowable payment shall be paid at the lower of (1) submitted charge, or (2) the federal maximum allowable payment. Total aggregate payment for outpatient hospital facility fee services shall not exceed the Medicare upper limit. If it is determined that a provision of this section conflicts with existing or future requirements of the United States government with respect to federal financial participation in medical assistance, the federal requirements prevail. The commissioner may, in the aggregate, prospectively reduce payment rates to avoid reduced federal financial participation resulting from rates that are in excess of the Medicare upper limitations.

(b) Notwithstanding paragraph (a), payment for outpatient, emergency, and ambulatory surgery hospital facility fee services for critical access hospitals designated under section 144.1483, clause (9), shall be paid on a cost-based payment system that is based on the cost-finding methods and allowable costs of the Medicare program. Effective for services provided on or after July 1, 2015, rates established for critical access hospitals under this paragraph for the applicable payment year shall be the final payment and shall not be settled to actual costs. Effective for services delivered on or after the first day of the hospital's fiscal year ending in 2017, the rate for outpatient hospital services shall be computed using information from each hospital's Medicare cost report as filed with Medicare for the year that is two years before the year that the rate is being computed. Rates shall be computed using information from Worksheet C series until the department finalizes the medical assistance cost reporting process for critical access hospitals. After the cost reporting process is finalized, rates shall be computed using information from Title XIX Worksheet D series. The outpatient rate shall be equal to ancillary cost plus outpatient cost, excluding costs related to rural health clinics and federally qualified health clinics, divided by ancillary charges plus outpatient charges, excluding charges related to rural health clinics and federally qualified health clinics.

(c) Effective for services provided on or after July 1, 2003, rates that are based on the Medicare outpatient prospective payment system shall be replaced by a budget neutral prospective payment system that is derived using medical assistance data. The commissioner shall provide a proposal to the 2003 legislature to define and implement this provision. When implementing prospective payment methodologies, the commissioner shall use general methods and rate calculation parameters similar to the applicable Medicare prospective payment systems for services delivered in outpatient hospital and ambulatory surgical center settings unless other payment methodologies for these services are specified in this chapter.

(d) For fee-for-service services provided on or after July 1, 2002, the total payment, before third-party liability and spenddown, made to hospitals for outpatient hospital facility services is reduced by .5 percent from the current statutory rate.

(e) In addition to the reduction in paragraph (d), the total payment for fee-for-service services provided on or after July 1, 2003, made to hospitals for outpatient hospital facility services before third-party liability and spenddown, is reduced five percent from the current statutory rates. Facilities defined under section 256.969, subdivision 16, are excluded from this paragraph.

(f) In addition to the reductions in paragraphs (d) and (e), the total payment for fee-for-service services provided on or after July 1, 2008, made to hospitals for outpatient hospital facility services before third-party liability and spenddown, is reduced three percent from the current statutory rates. Mental health services and facilities defined under section 256.969, subdivision 16, are excluded from this paragraph.

Sec. 43. Minnesota Statutes 2020, section 256L.01, subdivision 5, is amended to read:

Subd. 5. **Income.** "Income" has the meaning given for modified adjusted gross income, as defined in Code of Federal Regulations, title 26, section 1.36B-1, and means a household's ~~current income, or if income fluctuates month to month, the income for the 12-month eligibility period~~ projected annual income for the applicable tax year.

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

Sec. 44. Minnesota Statutes 2020, section 256L.04, subdivision 7b, is amended to read:

Subd. 7b. **Annual income limits adjustment.** The commissioner shall adjust the income limits under this section annually ~~each July 1~~ on January 1 as ~~described in section 256B.056, subdivision 4~~ provided in Code of Federal Regulations, title 26, section 1.36B-1(h).

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

Sec. 45. Minnesota Statutes 2020, section 256L.05, subdivision 3a, is amended to read:

Subd. 3a. **Redetermination of eligibility.** (a) An enrollee's eligibility must be redetermined on an annual basis, ~~in accordance with Code of Federal Regulations, title 42, section 435.916 (a). The 12-month eligibility period begins the month of application. Beginning July 1, 2017, the commissioner shall adjust the eligibility period for enrollees to implement renewals throughout the year according to guidance from the Centers for Medicare and Medicaid Services. The period of eligibility is the entire calendar year following the year in which eligibility is redetermined. Eligibility redeterminations shall occur during the open enrollment period for qualified health plans as specified in Code of Federal Regulations, title 45, section 155.410(e)(3).~~

(b) Each new period of eligibility must take into account any changes in circumstances that impact eligibility and premium amount. Coverage begins as provided in section 256L.06.

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

Sec. 46. Minnesota Statutes 2020, section 256L.15, is amended by adding a subdivision to read:

Subd. 5. **Tobacco use premium surcharge.** (a) An enrollee who uses tobacco products as defined in paragraph (e) and is not actively participating in a tobacco cessation program must pay a tobacco premium surcharge in an amount that is equal to ten percent of the enrollee's monthly premium. The tobacco use premium surcharge must be calculated on a monthly basis and paid in accordance with section 256L.06, rounded up to the nearest dollar amount. Nonpayment of the surcharge may result in disenrollment.

(b) Enrollees who initially apply or renew enrollment in the MinnesotaCare program on or after July 1, 2021, must attest as part of the application or renewal process whether the enrollee is using

tobacco products and if so, whether the enrollee is actively participating in a tobacco cessation program. Upon request of the commissioner, the enrollee must provide documentation verifying that the enrollee is actively participating in tobacco cessation.

(c) If an enrollee indicates on the initial application or at renewal that the enrollee does not use tobacco or is using tobacco products but is actively participating in a tobacco cessation program, and it is determined that the enrollee was using tobacco products and was not actively participating in a tobacco cessation program during the period of enrollment, the enrollee must pay the total amount of the tobacco use premium surcharge that the enrollee would have been required to pay as a tobacco user during that enrollment period. If the enrollee fails to pay the surcharge amount due, the enrollee may be disenrolled and the unpaid amount may be subject to recovery by the commissioner.

(d) Nonpayment of the surcharge amount owed by the enrollee under paragraph (a) or (c) shall result in disenrollment effective for the calendar month following the month for which the surcharge was due. Disenrollment for nonpayment of the surcharge must meet the requirements in section 256L.06, subdivision 3, paragraphs (d) and (e).

(e) For purposes of this subdivision, the use of tobacco products means the use of a tobacco product four or more times per week within the past six months. Tobacco products include the use of cigarettes, cigars, pipe tobacco, chewing tobacco, or snuff.

EFFECTIVE DATE. This section is effective January 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 47. Minnesota Statutes 2020, section 295.53, subdivision 1, is amended to read:

Subdivision 1. **Exclusions and exemptions.** (a) The following payments are excluded from the gross revenues subject to the hospital, surgical center, or health care provider taxes under sections 295.50 to 295.59:

(1) payments received by a health care provider or the wholly owned subsidiary of a health care provider for care provided outside Minnesota;

(2) government payments received by the commissioner of human services for state-operated services;

(3) payments received by a health care provider for hearing aids and related equipment or prescription eyewear delivered outside of Minnesota; and

(4) payments received by an educational institution from student tuition, student activity fees, health care service fees, government appropriations, donations, or grants, and for services identified in and provided under an individualized education program as defined in section 256B.0625 or Code of Federal Regulations, chapter 34, section 300.340(a). Fee for service payments and payments for extended coverage are taxable.

(b) The following payments are exempted from the gross revenues subject to hospital, surgical center, or health care provider taxes under sections 295.50 to 295.59:

(1) payments received for services provided under the Medicare program, including payments received from the government and organizations governed by sections 1833, 1853, and 1876 of title XVIII of the federal Social Security Act, United States Code, title 42, section 1395; and enrollee deductibles, co-insurance, and co-payments, whether paid by the Medicare enrollee, by Medicare supplemental coverage as described in section 62A.011, subdivision 3, clause (10), or by Medicaid payments under title XIX of the federal Social Security Act. Payments for services not covered by Medicare are taxable;

(2) payments received for home health care services;

(3) payments received from hospitals or surgical centers for goods and services on which liability for tax is imposed under section 295.52 or the source of funds for the payment is exempt under clause (1), (6), (9), (10), or (11);

(4) payments received from the health care providers for goods and services on which liability for tax is imposed under this chapter or the source of funds for the payment is exempt under clause (1), (6), (9), (10), or (11);

(5) amounts paid for legend drugs to a wholesale drug distributor who is subject to tax under section 295.52, subdivision 3, reduced by reimbursement received for legend drugs otherwise exempt under this chapter;

(6) payments received from the chemical dependency fund under chapter 254B;

(7) payments received in the nature of charitable donations that are not designated for providing patient services to a specific individual or group;

(8) payments received for providing patient services incurred through a formal program of health care research conducted in conformity with federal regulations governing research on human subjects. Payments received from patients or from other persons paying on behalf of the patients are subject to tax;

(9) payments received from any governmental agency for services benefiting the public, not including payments made by the government in its capacity as an employer or insurer or payments made by the government for services provided under the MinnesotaCare program or the medical assistance program governed by title XIX of the federal Social Security Act, United States Code, title 42, sections 1396 to 1396v;

(10) payments received under the federal Employees Health Benefits Act, United States Code, title 5, section 8909(f), as amended by the Omnibus Reconciliation Act of 1990. Enrollee deductibles, co-insurance, and co-payments are subject to tax;

(11) payments received under the federal Tricare program, Code of Federal Regulations, title 32, section 199.17(a)(7). Enrollee deductibles, co-insurance, and co-payments are subject to tax; and

(12) supplemental ~~or~~, enhanced, or directed payments authorized under section 256B.196 ~~or~~, 256B.197, or 256B.1973.

(c) Payments received by wholesale drug distributors for legend drugs sold directly to veterinarians or veterinary bulk purchasing organizations are excluded from the gross revenues subject to the wholesale drug distributor tax under sections 295.50 to 295.59.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2020.

Sec. 48. **CAPITATION PAYMENT DELAY.**

(a) The commissioner of human services shall delay the medical assistance capitation payment to managed care plans and county-based purchasing plans due in May 2023 until July 1, 2023. The payment shall be made no earlier than July 1, 2023, and no later than July 31, 2023.

(b) The commissioner of human services shall delay the medical assistance capitation payment to managed care plans and county-based purchasing plans due in May 2025 until July 1, 2025. The payment shall be made no earlier than July 1, 2025, and no later than July 31, 2025.

Sec. 49. **DENTAL HOME DEMONSTRATION PROJECT PLAN.**

(a) The commissioner of human services shall develop a plan to implement a dental home demonstration project. The demonstration project must create dental homes to provide incentives to dental providers for the provision of patient-centered, high quality, comprehensive, and coordinated dental care to medical assistance and MinnesotaCare enrollees. The demonstration project must be designed to establish and evaluate alternative models of delivery systems and payment methods that:

(1) emphasize, enhance, and encourage access to primary dental care by using dental teams that include dentists, dental hygienists, dental therapists, advanced dental therapists, and dental assistants;

(2) ensure enrollees with a consistent and ongoing contact with a dental provider or dental team and coordination with the enrollee's medical care;

(3) decrease administrative burdens and create greater transparency and accountability;

(4) incorporate outcome measures on access, quality, cost of care and patient experience; and

(5) establish value-based incentives to:

(i) provide flexibility in enrollment criteria in order to increase the number of dental providers currently serving medical assistance and MinnesotaCare enrollees;

(ii) reduce disparities in access to dental services for high risk and medically and socially complex patients; and

(iii) increase overall access to quality dental services.

(b) The commissioner shall develop outcome measures for the demonstration projects that include measurements for access to preventive care, follow-up care after an oral health evaluation, patient satisfaction, and administrative costs for delivering dental services.

(c) In developing the dental home demonstration project, the commissioner shall consult with interested stakeholders including but not limited to representatives of:

(1) private practice dental clinics for which medical assistance and MinnesotaCare enrollees comprise more than 25 percent of the clinic's patient load;

(2) nonprofit dental clinics with a primary focus on serving Indigenous communities and other communities of color;

(3) nonprofit dental clinics with a primary focus on providing eldercare;

(4) nonprofit dental clinics with a primary focus on serving children;

(5) nonprofit dental clinics providing services in the seven-county metropolitan area;

(6) nonprofit dental clinics providing services outside of the seven-county metropolitan area;

(7) multispecialty hospital-based dental clinics; and

(8) educational institutions operating dental programs.

(d) The commissioner of human services shall submit recommendations for the establishment of a dental home demonstration project to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance by February 1, 2022.

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

Sec. 50. ENHANCED FEDERAL MEDICAL ASSISTANCE PERCENTAGE.

Notwithstanding Minnesota Statutes, section 256.011, subdivision 3, beginning January 1, 2022, any amount attributable to the enhanced Federal Medical Assistance Percentage (FMAP) under section 6008 of the Families First Coronavirus Response Act shall be deposited in the health care access fund.

Sec. 51. FEDERAL APPROVAL; EXTENSION OF POSTPARTUM COVERAGE.

The commissioner of human services shall seek all necessary federal waivers and approvals necessary to extend medical assistance postpartum coverage, as provided in Minnesota Statutes, section 256B.055, subdivision 6.

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

Sec. 52. OVERPAYMENTS FOR DURABLE MEDICAL EQUIPMENT, PROSTHETICS, ORTHOTICS, OR SUPPLIES.

(a) Notwithstanding any other law to the contrary, providers who received payment for durable medical equipment, prosthetics, orthotics, or supplies between January 1, 2018, and June 30, 2019, that were subject to the upper payment limits under United States Code, title 42, section 1396b(i)(27),

shall not be required to repay any amount received in excess of the allowable amount to either the state or the Centers for Medicare and Medicaid Services.

(b) The state shall repay with state funds any amount owed to the Centers for Medicare and Medicaid Services for the federal financial participation amount received by the state for payments identified in paragraph (a) in excess of the amount allowed effective January 1, 2018, and the state shall hold harmless the providers who received these payments from recovery of both the state and federal share of the amount determined to have exceeded the Medicare upper payment limit.

(c) Nothing in this section shall be construed to prohibit the commissioner from recouping past overpayments due to false claims or for reasons other than exceeding the Medicare upper payment limits or from recouping future overpayments including the recoupment of payments that exceed the upper Medicare payment limits.

Sec. 53. PROPOSED FORMULARY COMMITTEE.

By March 1, 2022, the commissioner of human services, in consultation with relevant professional associations and consumer groups, shall submit to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services a proposed reorganization of the Formulary Committee under Minnesota Statutes, section 256B.0625, subdivision 13c, that includes:

(1) the proposed membership of the committee, including adequate representation of consumers and health care professionals with expertise in clinical prescribing; and

(2) proposed policies and procedures for the operation of the committee that ensures public input, including providing public notice and gathering public comments on the committee's recommendations and proposed actions.

Sec. 54. OPIATE EPIDEMIC RESPONSE ADVISORY COUNCIL; INITIAL MEMBERSHIP TERMS.

Notwithstanding Minnesota Statutes, section 256.042, subdivision 2, paragraph (c), the initial term for members of the Opiate Epidemic Response Advisory Council established under Minnesota Statutes, section 256.042, identified in Minnesota Statutes, section 256.042, subdivision 2, paragraph (a), clauses (1), (3), (5), (7), (9), (11), (13), (15), and (17), ends September 30, 2022. The initial term for members identified under Minnesota Statutes, section 256.042, subdivision 2, paragraph (a), clauses (2), (4), (6), (8), (10), (12), (14), and (16), ends September 30, 2023.

Sec. 55. DIRECTION TO COMMISSIONER; DIRECTED PAYMENT APPLICATION.

The commissioner of human services, in consultation with Hennepin Healthcare System, shall submit Section 438.6(c) Preprint to the Centers for Medicare and Medicaid Services no later than July 31, 2021. The commissioner shall request from the Centers for Medicare and Medicaid Services an effective date of January 1, 2022.

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

Sec. 56. **DIRECTIONS TO COMMISSIONER; SCREENING TOOL; SUBSTANCE USE DISORDER REFORM EVALUATION; SUBSTANCE USE DISORDER REFORM EDUCATION.**

(a) By July 1, 2022, the commissioner of human services shall develop or authorize a tool for screening individuals for pretreatment coordination services and a template to document an individual's screening result.

(b) By July 1, 2022, the commissioner of human services shall, in consultation with counties and substance use disorder treatment providers, develop a tool to evaluate the effects of substance use disorder treatment reform proposals enacted during the 2019 and 2021 legislative sessions, including access to services, appropriateness of services, and accuracy of billing service units.

(c) By July 1, 2022, the commissioner of human services shall, in consultation with counties and substance use disorder treatment providers, develop educational materials for county staff, providers, and the general public regarding the content and timing of changes for implementation pursuant to substance use disorder treatment reform proposals enacted during the 2019 and 2021 legislative sessions.

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

Sec. 57. **FUNDING RECOMMENDATIONS FOR PRETREATMENT COORDINATION SERVICES.**

If federal approval is not obtained for pretreatment coordination services under Minnesota Statutes, section 256B.0625, subdivision 67, the commissioner of human services, in consultation with the counties, shall submit recommendations on a funding mechanism for pretreatment coordination services to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance by March 15, 2022.

Sec. 58. **REVISOR INSTRUCTION.**

The revisor of statutes must change the term "Health Services Policy Committee" to "Health Services Advisory Council" wherever the term appears in Minnesota Statutes and may make any necessary changes to grammar or sentence structure to preserve the meaning of the text.

Sec. 59. **REPEALER.**

Minnesota Statutes 2020, section 16A.724, subdivision 2, is repealed effective July 1, 2024.

ARTICLE 2

HEALTH DEPARTMENT

Section 1. Minnesota Statutes 2020, section 62J.495, subdivision 1, is amended to read:

Subdivision 1. **Implementation.** The commissioner of health, in consultation with the e-Health Advisory Committee, shall develop uniform standards to be used for the interoperable electronic health records system for sharing and synchronizing patient data across systems. The standards must

be compatible with federal efforts. The uniform standards must be developed by January 1, 2009, and updated on an ongoing basis. ~~The commissioner shall include an update on standards development as part of an annual report to the legislature.~~ Individual health care providers in private practice with no other providers and health care providers that do not accept reimbursement from a group purchaser, as defined in section 62J.03, subdivision 6, are excluded from the requirements of this section.

Sec. 2. Minnesota Statutes 2020, section 62J.495, subdivision 2, is amended to read:

Subd. 2. **E-Health Advisory Committee.** (a) The commissioner shall establish an e-Health Advisory Committee governed by section 15.059 to advise the commissioner on the following matters:

(1) assessment of the adoption and effective use of health information technology by the state, licensed health care providers and facilities, and local public health agencies;

(2) recommendations for implementing a statewide interoperable health information infrastructure, to include estimates of necessary resources, and for determining standards for clinical data exchange, clinical support programs, patient privacy requirements, and maintenance of the security and confidentiality of individual patient data;

(3) recommendations for encouraging use of innovative health care applications using information technology and systems to improve patient care and reduce the cost of care, including applications relating to disease management and personal health management that enable remote monitoring of patients' conditions, especially those with chronic conditions; and

(4) other related issues as requested by the commissioner.

(b) The members of the e-Health Advisory Committee shall include the commissioners, or commissioners' designees, of health, human services, administration, and commerce and additional members to be appointed by the commissioner to include persons representing Minnesota's local public health agencies, licensed hospitals and other licensed facilities and providers, private purchasers, the medical and nursing professions, health insurers and health plans, the state quality improvement organization, academic and research institutions, consumer advisory organizations with an interest and expertise in health information technology, and other stakeholders as identified by the commissioner to fulfill the requirements of section 3013, paragraph (g), of the HITECH Act.

~~(c) The commissioner shall prepare and issue an annual report not later than January 30 of each year outlining progress to date in implementing a statewide health information infrastructure and recommending action on policy and necessary resources to continue the promotion of adoption and effective use of health information technology.~~

~~(d) This subdivision expires June 30, 2021.~~

Sec. 3. Minnesota Statutes 2020, section 62J.495, subdivision 3, is amended to read:

Subd. 3. **Interoperable electronic health record requirements.** (a) Hospitals and health care providers must meet the following criteria when implementing an interoperable electronic health records system within their hospital system or clinical practice setting.

(b) The electronic health record must be a qualified electronic health record.

(c) The electronic health record must be certified by the Office of the National Coordinator pursuant to the HITECH Act. This criterion only applies to hospitals and health care providers if a certified electronic health record product for the provider's particular practice setting is available. This criterion shall be considered met if a hospital or health care provider is using an electronic health records system that has been certified within the last three years, even if a more current version of the system has been certified within the three-year period.

(d) The electronic health record must meet the standards established according to section 3004 of the HITECH Act as applicable.

(e) The electronic health record must have the ability to generate information on clinical quality measures and other measures reported under sections 4101, 4102, and 4201 of the HITECH Act.

(f) The electronic health record system must be connected to a state-certified health information organization either directly or through a connection facilitated by a ~~state-certified~~ health data intermediary as defined in section 62J.498.

(g) A health care provider who is a prescriber or dispenser of legend drugs must have an electronic health record system that meets the requirements of section 62J.497.

Sec. 4. Minnesota Statutes 2020, section 62J.495, subdivision 4, is amended to read:

Subd. 4. **Coordination with national HIT activities.** (a) The commissioner, in consultation with the e-Health Advisory Committee, shall update the statewide implementation plan required under subdivision 2 and released June 2008, to be consistent with the updated federal ~~HIT Strategic Plan released by the Office of the National Coordinator in accordance with section 3001 of the HITECH Act. The statewide plan shall meet the requirements for a plan required under section 3013 of the HITECH Act plans.~~

(b) The commissioner, in consultation with the e-Health Advisory Committee, shall work to ensure coordination between state, regional, and national efforts to support and accelerate efforts to effectively use health information technology to improve the quality and coordination of health care and the continuity of patient care among health care providers, to reduce medical errors, to improve population health, to reduce health disparities, and to reduce chronic disease. The commissioner's coordination efforts shall include but not be limited to:

~~(1) assisting in the development and support of health information technology regional extension centers established under section 3012(c) of the HITECH Act to provide technical assistance and disseminate best practices;~~

~~(2) providing supplemental information to the best practices gathered by regional centers to ensure that the information is relayed in a meaningful way to the Minnesota health care community;~~

~~(3)~~ (1) providing financial and technical support to Minnesota health care providers to encourage implementation of admission, discharge and transfer alerts, and care summary document exchange transactions and to evaluate the impact of health information technology on cost and quality of care. Communications about available financial and technical support shall include clear information

about the interoperable health record requirements in subdivision 1, including a separate statement in bold-face type clarifying the exceptions to those requirements;

~~(4)~~ (2) providing educational resources and technical assistance to health care providers and patients related to state and national privacy, security, and consent laws governing clinical health information, including the requirements in sections 144.291 to 144.298. In carrying out these activities, the commissioner's technical assistance does not constitute legal advice;

~~(5)~~ (3) assessing Minnesota's legal, financial, and regulatory framework for health information exchange, including the requirements in sections 144.291 to 144.298, and making recommendations for modifications that would strengthen the ability of Minnesota health care providers to securely exchange data in compliance with patient preferences and in a way that is efficient and financially sustainable; and

~~(6)~~ (4) seeking public input on both patient impact and costs associated with requirements related to patient consent for release of health records for the purposes of treatment, payment, and health care operations, as required in section 144.293, subdivision 2. The commissioner shall provide a report to the legislature on the findings of this public input process no later than February 1, 2017.

(c) The commissioner, in consultation with the e-Health Advisory Committee, shall monitor national activity related to health information technology and shall coordinate statewide input on policy development. The commissioner shall coordinate statewide responses to proposed federal health information technology regulations in order to ensure that the needs of the Minnesota health care community are adequately and efficiently addressed in the proposed regulations. The commissioner's responses may include, but are not limited to:

(1) reviewing and evaluating any standard, implementation specification, or certification criteria proposed by the national HIT standards ~~committee~~ committees;

(2) reviewing and evaluating policy proposed by ~~the~~ national HIT policy ~~committee~~ committees relating to the implementation of a nationwide health information technology infrastructure; and

~~(3) monitoring and responding to activity related to the development of quality measures and other measures as required by section 4101 of the HITECH Act. Any response related to quality measures shall consider and address the quality efforts required under chapter 62U; and~~

~~(4)~~ monitoring and responding to national activity related to privacy, security, and data stewardship of electronic health information and individually identifiable health information.

(d) To the extent that the state is either required or allowed to apply, or designate an entity to apply for or carry out activities and programs ~~under section 3013 of the HITECH Act~~, the commissioner of health, in consultation with the e-Health Advisory Committee and the commissioner of human services, shall be the lead applicant or sole designating authority. The commissioner shall make such designations consistent with the goals and objectives of sections 62J.495 to 62J.497 and 62J.50 to 62J.61.

(e) The commissioner of human services shall apply for funding necessary to administer the incentive payments to providers authorized under title IV of the American Recovery and Reinvestment Act.

~~(f) The commissioner shall include in the report to the legislature information on the activities of this subdivision and provide recommendations on any relevant policy changes that should be considered in Minnesota.~~

Sec. 5. Minnesota Statutes 2020, section 62J.498, is amended to read:

62J.498 HEALTH INFORMATION EXCHANGE.

Subdivision 1. **Definitions.** (a) The following definitions apply to sections 62J.498 to 62J.4982:

(b) "Clinical data repository" means a real time database that consolidates data from a variety of clinical sources to present a unified view of a single patient and is used by a ~~state-certified~~ health information exchange service provider to enable health information exchange among health care providers that are not related health care entities as defined in section 144.291, subdivision 2, paragraph (k). This does not include clinical data that are submitted to the commissioner for public health purposes required or permitted by law, including any rules adopted by the commissioner.

(c) "Clinical transaction" means any meaningful use transaction or other health information exchange transaction that is not covered by section 62J.536.

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

(e) "Health care provider" or "provider" means a health care provider or provider as defined in section 62J.03, subdivision 8.

(f) "Health data intermediary" means an entity that provides the technical capabilities or related products and services to enable health information exchange among health care providers that are not related health care entities as defined in section 144.291, subdivision 2, paragraph (k). This includes but is not limited to health information service providers (HISP), electronic health record vendors, and pharmaceutical electronic data intermediaries as defined in section 62J.495.

(g) "Health information exchange" means the electronic transmission of health-related information between organizations according to nationally recognized standards.

(h) "Health information exchange service provider" means a health data intermediary or health information organization.

(i) "Health information organization" means an organization that oversees, governs, and facilitates health information exchange among health care providers that are not related health care entities as defined in section 144.291, subdivision 2, paragraph (k), to improve coordination of patient care and the efficiency of health care delivery.

~~(j) "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act as defined in section 62J.495.~~

~~(k)~~ (j) "Major participating entity" means:

(1) a participating entity that receives compensation for services that is greater than 30 percent of the health information organization's gross annual revenues from the health information exchange service provider;

(2) a participating entity providing administrative, financial, or management services to the health information organization, if the total payment for all services provided by the participating entity exceeds three percent of the gross revenue of the health information organization; and

(3) a participating entity that nominates or appoints 30 percent or more of the board of directors or equivalent governing body of the health information organization.

~~(k)~~ (k) "Master patient index" means an electronic database that holds unique identifiers of patients registered at a care facility and is used by a ~~state-certified~~ health information exchange service provider to enable health information exchange among health care providers that are not related health care entities as defined in section 144.291, subdivision 2, paragraph (k). This does not include data that are submitted to the commissioner for public health purposes required or permitted by law, including any rules adopted by the commissioner.

~~(m)~~ "Meaningful use" means use of certified electronic health record technology to improve quality, safety, and efficiency and reduce health disparities; engage patients and families; improve care coordination and population and public health; and maintain privacy and security of patient health information as established by the Centers for Medicare and Medicaid Services and the Minnesota Department of Human Services pursuant to sections 4101, 4102, and 4201 of the HITECH Act.

~~(n)~~ "Meaningful use transaction" means an electronic transaction that a health care provider must exchange to receive Medicare or Medicaid incentives or avoid Medicare penalties pursuant to sections 4101, 4102, and 4201 of the HITECH Act.

~~(l)~~ (l) "Participating entity" means any of the following persons, health care providers, companies, or other organizations with which a health information organization ~~or health data intermediary~~ has contracts or other agreements for the provision of health information exchange services:

(1) a health care facility licensed under sections 144.50 to 144.56, a nursing home licensed under sections 144A.02 to 144A.10, and any other health care facility otherwise licensed under the laws of this state or registered with the commissioner;

(2) a health care provider, and any other health care professional otherwise licensed under the laws of this state or registered with the commissioner;

(3) a group, professional corporation, or other organization that provides the services of individuals or entities identified in clause (2), including but not limited to a medical clinic, a medical group, a home health care agency, an urgent care center, and an emergent care center;

(4) a health plan as defined in section 62A.011, subdivision 3; and

(5) a state agency as defined in section 13.02, subdivision 17.

~~(m)~~ (m) "Reciprocal agreement" means an arrangement in which two or more health information exchange service providers agree to share in-kind services and resources to allow for the pass-through of clinical transactions.

~~(q)~~ "State-certified health data intermediary" means a health data intermediary that has been issued a certificate of authority to operate in Minnesota.

~~(r)~~(n) "State-certified health information organization" means a health information organization that has been issued a certificate of authority to operate in Minnesota.

Subd. 2. **Health information exchange oversight.** (a) The commissioner shall protect the public interest on matters pertaining to health information exchange. The commissioner shall:

(1) review and act on applications from ~~health data intermediaries and~~ health information organizations for certificates of authority to operate in Minnesota;

(2) require information to be provided as needed from health information exchange service providers in order to meet requirements established under sections 62J.498 to 62J.4982;

~~(2)~~(3) provide ongoing monitoring to ensure compliance with criteria established under sections 62J.498 to 62J.4982;

~~(3)~~(4) respond to public complaints related to health information exchange services;

~~(4)~~(5) take enforcement actions as necessary, including the imposition of fines, suspension, or revocation of certificates of authority as outlined in section 62J.4982;

~~(5)~~(6) provide a biennial report on the status of health information exchange services that includes but is not limited to:

(i) recommendations on actions necessary to ensure that health information exchange services are adequate to meet the needs of Minnesota citizens and providers statewide;

(ii) recommendations on enforcement actions to ensure that health information exchange service providers act in the public interest without causing disruption in health information exchange services;

(iii) recommendations on updates to criteria for obtaining certificates of authority under this section; and

(iv) recommendations on standard operating procedures for health information exchange, including but not limited to the management of consumer preferences; and

~~(6)~~(7) other duties necessary to protect the public interest.

(b) As part of the application review process for certification under paragraph (a), prior to issuing a certificate of authority, the commissioner shall:

(1) make all portions of the application classified as public data available to the public for at least ten days while an application is under consideration. At the request of the commissioner, the applicant shall participate in a public hearing by presenting an overview of their application and responding to questions from interested parties; and

(2) consult with hospitals, physicians, and other providers prior to issuing a certificate of authority.

(c) When the commissioner is actively considering a suspension or revocation of a certificate of authority as described in section 62J.4982, subdivision 3, all investigatory data that are collected, created, or maintained related to the suspension or revocation are classified as confidential data on individuals and as protected nonpublic data in the case of data not on individuals.

(d) The commissioner may disclose data classified as protected nonpublic or confidential under paragraph (c) if disclosing the data will protect the health or safety of patients.

(e) After the commissioner makes a final determination regarding a suspension or revocation of a certificate of authority, all minutes, orders for hearing, findings of fact, conclusions of law, and the specification of the final disciplinary action, are classified as public data.

Sec. 6. Minnesota Statutes 2020, section 62J.4981, is amended to read:

62J.4981 CERTIFICATE OF AUTHORITY TO PROVIDE HEALTH INFORMATION EXCHANGE SERVICES.

Subdivision 1. **Authority to require organizations to apply.** The commissioner shall require ~~a health data intermediary or~~ a health information organization to apply for a certificate of authority under this section. An applicant may continue to operate until the commissioner acts on the application. If the application is denied, the applicant is considered a health information exchange service provider whose certificate of authority has been revoked under section 62J.4982, subdivision 2, paragraph (d).

~~Subd. 2. **Certificate of authority for health data intermediaries.** (a) A health data intermediary must be certified by the state and comply with requirements established in this section.~~

~~(b) Notwithstanding any law to the contrary, any corporation organized to do so may apply to the commissioner for a certificate of authority to establish and operate as a health data intermediary in compliance with this section. No person shall establish or operate a health data intermediary 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 data intermediary contract unless the organization has a certificate of authority or has an application under active consideration under this section.~~

~~(c) In issuing the certificate of authority, the commissioner shall determine whether the applicant for the certificate of authority has demonstrated that the applicant meets the following minimum criteria:~~

~~(1) hold reciprocal agreements with at least one state-certified health information organization to access patient data, and for the transmission and receipt of clinical transactions. Reciprocal agreements must meet the requirements established in subdivision 5; and~~

~~(2) participate in statewide shared health information exchange services as defined by the commissioner to support interoperability between state-certified health information organizations and state-certified health data intermediaries.~~

Subd. 3. **Certificate of authority for health information organizations.** (a) A health information organization must obtain a certificate of authority from the commissioner and demonstrate compliance with the criteria in paragraph (c).

(b) Notwithstanding any law to the contrary, an organization may apply for a certificate of authority to establish and operate a health information organization under this section. No person shall establish or operate a health information 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 information organization or health information contract unless the organization has a certificate of authority under this section.

(c) In issuing the certificate of authority, the commissioner shall determine whether the applicant for the certificate of authority has demonstrated that the applicant meets the following minimum criteria:

- (1) the entity is a legally established organization;
- (2) appropriate insurance, including liability insurance, for the operation of the health information organization is in place and sufficient to protect the interest of the public and participating entities;
- (3) strategic and operational plans address governance, technical infrastructure, legal and policy issues, finance, and business operations in regard to how the organization will expand to support providers in achieving health information exchange goals over time;
- (4) the entity addresses the parameters to be used with participating entities and other health information exchange service providers for clinical transactions, compliance with Minnesota law, and interstate health information exchange trust agreements;
- (5) the entity's board of directors or equivalent governing body is composed of members that broadly represent the health information organization's participating entities and consumers;
- (6) the entity maintains a professional staff responsible to the board of directors or equivalent governing body with the capacity to ensure accountability to the organization's mission;
- (7) the organization is compliant with national certification and accreditation programs designated by the commissioner;
- (8) the entity maintains the capability to query for patient information based on national standards. The query capability may utilize a master patient index, clinical data repository, or record locator service as defined in section 144.291, subdivision 2, paragraph (j). The entity must be compliant with the requirements of section 144.293, subdivision 8, when conducting clinical transactions;
- (9) the organization demonstrates interoperability with all other state-certified health information organizations using nationally recognized standards;
- (10) the organization demonstrates compliance with all privacy and security requirements required by state and federal law; and
- (11) the organization uses financial policies and procedures consistent with generally accepted accounting principles and has an independent audit of the organization's financials on an annual basis.

(d) Health information organizations that have obtained a certificate of authority must:

- (1) meet the requirements established for connecting to the National eHealth Exchange;
- (2) annually submit strategic and operational plans for review by the commissioner that address:
 - (i) progress in achieving objectives included in previously submitted strategic and operational plans across the following domains: business and technical operations, technical infrastructure, legal and policy issues, finance, and organizational governance;
 - (ii) plans for ensuring the necessary capacity to support clinical transactions;
 - (iii) approach for attaining financial sustainability, including public and private financing strategies, and rate structures;
 - (iv) rates of adoption, utilization, and transaction volume, and mechanisms to support health information exchange; and
 - (v) an explanation of methods employed to address the needs of community clinics, critical access hospitals, and free clinics in accessing health information exchange services;
- (3) enter into reciprocal agreements with all other state-certified health information organizations ~~and state-certified health data intermediaries~~ to enable access to patient data, and for the transmission and receipt of clinical transactions. Reciprocal agreements must meet the requirements in subdivision 5;
- (4) participate in statewide shared health information exchange services as defined by the commissioner to support interoperability ~~between state-certified health information organizations and state-certified health data intermediaries~~; and
- (5) comply with additional requirements for the certification or recertification of health information organizations that may be established by the commissioner.

Subd. 4. **Application for certificate of authority for health information exchange service providers organizations.** (a) Each application for a certificate of authority shall be in a form prescribed by the commissioner and verified by an officer or authorized representative of the applicant. Each application shall include the following in addition to information described in the criteria in ~~subdivisions 2 and~~ subdivision 3:

- (1) ~~for health information organizations only~~, a copy of the basic organizational document, if any, of the applicant and of each major participating entity, such as the articles of incorporation, or other applicable documents, and all amendments to it;
- (2) ~~for health information organizations only~~, a list of the names, addresses, and official positions of the following:
 - (i) all members of the board of directors or equivalent governing body, and the principal officers and, if applicable, shareholders of the applicant organization; and
 - (ii) all members of the board of directors or equivalent governing body, and the principal officers of each major participating entity and, if applicable, each shareholder beneficially owning more than ten percent of any voting stock of the major participating entity;

(3) ~~for health information organizations only~~, the name and address of each participating entity and the agreed-upon duration of each contract or agreement if applicable;

(4) a copy of each standard agreement or contract intended to bind the participating entities and the health information ~~exchange service provider~~ organization. Contractual provisions shall be consistent with the purposes of this section, in regard to the services to be performed under the standard agreement or contract, the manner in which payment for services is determined, the nature and extent of responsibilities to be retained by the health information organization, and contractual termination provisions;

(5) a statement generally describing the health information ~~exchange service provider~~ organization, its health information exchange contracts, facilities, and personnel, including a statement describing the manner in which the applicant proposes to provide participants with comprehensive health information exchange services;

(6) a statement reasonably describing the geographic area or areas to be served and the type or types of participants to be served;

(7) a description of the complaint procedures to be used as required under this section;

(8) a description of the mechanism by which participating entities will have an opportunity to participate in matters of policy and operation;

(9) a copy of any pertinent agreements between the health information organization and insurers, including liability insurers, demonstrating coverage is in place;

(10) a copy of the conflict of interest policy that applies to all members of the board of directors or equivalent governing body and the principal officers of the health information organization; and

(11) other information as the commissioner may reasonably require to be provided.

(b) Within 45 days after the receipt of the application for a certificate of authority, the commissioner shall determine whether or not the application submitted meets the requirements for completion in paragraph (a), and notify the applicant of any further information required for the application to be processed.

(c) Within 90 days after the receipt of a complete application for a certificate of authority, the commissioner shall issue a certificate of authority to the applicant if the commissioner determines that the applicant meets the minimum criteria requirements of subdivision 2 ~~for health data intermediaries or subdivision 3 for health information organizations~~. If the commissioner determines that the applicant is not qualified, the commissioner shall notify the applicant and specify the reasons for disqualification.

(d) Upon being granted a certificate of authority to operate as a state-certified health information organization ~~or state-certified health data intermediary~~, the organization must operate in compliance with the provisions of this section. Noncompliance may result in the imposition of a fine or the suspension or revocation of the certificate of authority according to section 62J.4982.

Subd. 5. **Reciprocal agreements between health information exchange entities organizations.**

(a) Reciprocal agreements between two health information organizations ~~or between a health information organization and a health data intermediary~~ must include a fair and equitable model for charges between the entities that:

(1) does not impede the secure transmission of clinical transactions;

(2) does not charge a fee for the exchange of ~~meaningful use~~ transactions transmitted according to nationally recognized standards where no additional value-added service is rendered to the sending or receiving health information organization ~~or health data intermediary~~ either directly or on behalf of the client;

(3) is consistent with fair market value and proportionately reflects the value-added services accessed as a result of the agreement; and

(4) prevents health care stakeholders from being charged multiple times for the same service.

(b) Reciprocal agreements must include comparable quality of service standards that ensure equitable levels of services.

(c) Reciprocal agreements are subject to review and approval by the commissioner.

(d) Nothing in this section precludes a state-certified health information organization ~~or state-certified health data intermediary~~ from entering into contractual agreements for the provision of value-added services ~~beyond meaningful use transactions~~.

Sec. 7. Minnesota Statutes 2020, section 62J.4982, is amended to read:

62J.4982 ENFORCEMENT AUTHORITY; COMPLIANCE.

Subdivision 1. **Penalties and enforcement.** (a) The commissioner may, for any violation of statute or rule applicable to a health information ~~exchange service provider organization~~, levy an administrative penalty in an amount up to \$25,000 for each violation. In determining the level of an administrative penalty, the commissioner shall consider the following factors:

(1) the number of participating entities affected by the violation;

(2) the effect of the violation on participating entities' access to health information exchange services;

(3) if only one participating entity is affected, the effect of the violation on the patients of that entity;

(4) whether the violation is an isolated incident or part of a pattern of violations;

(5) the economic benefits derived by the health information organization ~~or a health data intermediary~~ by virtue of the violation;

(6) whether the violation hindered or facilitated an individual's ability to obtain health care;

(7) whether the violation was intentional;

(8) whether the violation was beyond the direct control of the health information ~~exchange service provider~~ organization;

(9) any history of prior compliance with the provisions of this section, including violations;

(10) whether and to what extent the health information ~~exchange service provider~~ organization attempted to correct previous violations;

(11) how the health information ~~exchange service provider~~ organization responded to technical assistance from the commissioner provided in the context of a compliance effort; and

(12) the financial condition of the health information ~~exchange service provider~~ organization including; but not limited to; whether the health information ~~exchange service provider~~ organization had financial difficulties that affected its ability to comply or whether the imposition of an administrative monetary penalty would jeopardize the ability of the health information ~~exchange service provider~~ organization to continue to deliver health information exchange services.

The commissioner shall give reasonable notice in writing to the health information ~~exchange service provider~~ organization of the intent to levy the penalty and the reasons for it. A health information ~~exchange service provider~~ organization may have 15 days within which to contest whether the facts found constitute a violation of sections 62J.4981 and 62J.4982, according to the contested case and judicial review provisions of sections 14.57 to 14.69.

(b) If the commissioner has reason to believe that a violation of section 62J.4981 or 62J.4982 has occurred or is likely, the commissioner may confer with the persons involved before commencing action under subdivision 2. The commissioner may notify the health information ~~exchange service provider~~ organization and the representatives, or other persons who appear to be involved in the suspected violation, to arrange a voluntary conference with the alleged violators or their authorized representatives. The purpose of the conference is to attempt to learn the facts about the suspected violation and, if it appears that a violation has occurred or is threatened, to find a way to correct or prevent it. The conference is not governed by any formal procedural requirements, and may be conducted as the commissioner considers appropriate.

(c) The commissioner may issue an order directing a health information ~~exchange service provider~~ organization or a representative of a health information ~~exchange service provider~~ organization to cease and desist from engaging in any act or practice in violation of sections 62J.4981 and 62J.4982.

(d) Within 20 days after service of the order to cease and desist, a health information ~~exchange service provider~~ organization may contest whether the facts found constitute a violation of sections 62J.4981 and 62J.4982 according to the contested case and judicial review provisions of sections 14.57 to 14.69.

(e) In the event of noncompliance with a cease and desist order issued under this subdivision, the commissioner may institute a proceeding to obtain injunctive relief or other appropriate relief in Ramsey County District Court.

Subd. 2. **Suspension or revocation of certificates of authority.** (a) The commissioner may suspend or revoke a certificate of authority issued to a ~~health data intermediary or~~ health information organization under section 62J.4981 if the commissioner finds that:

(1) the health information ~~exchange service provider~~ organization is operating significantly in contravention of its basic organizational document, or in a manner contrary to that described in and reasonably inferred from any other information submitted under section 62J.4981, unless amendments to the submissions have been filed with and approved by the commissioner;

(2) the health information ~~exchange service provider~~ organization is unable to fulfill its obligations to furnish comprehensive health information exchange services as required under its health information exchange contract;

(3) the health information ~~exchange service provider~~ organization is no longer financially solvent or may not reasonably be expected to meet its obligations to participating entities;

(4) the health information ~~exchange service provider~~ organization has failed to implement the complaint system in a manner designed to reasonably resolve valid complaints;

(5) the health information ~~exchange service provider~~ organization, or any person acting with its sanction, has advertised or merchandised its services in an untrue, misleading, deceptive, or unfair manner;

(6) the continued operation of the health information ~~exchange service provider~~ organization would be hazardous to its participating entities or the patients served by the participating entities; or

(7) the health information ~~exchange service provider~~ organization has otherwise failed to substantially comply with section 62J.4981 or with any other statute or administrative rule applicable to health information exchange service providers, or has submitted false information in any report required under sections 62J.498 to 62J.4982.

(b) A certificate of authority shall be suspended or revoked only after meeting the requirements of subdivision 3.

(c) If the certificate of authority of a health information ~~exchange service provider~~ organization is suspended, the health information ~~exchange service provider~~ organization shall not, during the period of suspension, enroll any additional participating entities, and shall not engage in any advertising or solicitation.

(d) If the certificate of authority of a health information ~~exchange service provider~~ organization is revoked, the organization shall proceed, immediately following the effective date of the order of revocation, to wind up its affairs, and shall conduct no further business except as necessary to the orderly conclusion of the affairs of the organization. The organization shall engage in no further advertising or solicitation. The commissioner may, by written order, permit further operation of the organization as the commissioner finds to be in the best interest of participating entities, to the end that participating entities will be given the greatest practical opportunity to access continuing health information exchange services.

Subd. 3. **Denial, suspension, and revocation; administrative procedures.** (a) When the commissioner has cause to believe that grounds for the denial, suspension, or revocation of a certificate of authority exist, the commissioner shall notify the health information ~~exchange service provider~~ organization in writing stating the grounds for denial, suspension, or revocation and setting a time within 20 days for a hearing on the matter.

(b) After a hearing before the commissioner at which the health information ~~exchange service provider~~ organization may respond to the grounds for denial, suspension, or revocation, or upon the failure of the health information ~~exchange service provider~~ organization to appear at the hearing, the commissioner shall take action as deemed necessary and shall issue written findings and mail them to the health information ~~exchange service provider~~ organization.

(c) If suspension, revocation, or administrative penalty is proposed according to this section, the commissioner must deliver, or send by certified mail with return receipt requested, to the health information ~~exchange service provider~~ organization written notice of the commissioner's intent to impose a penalty. This notice of proposed determination must include:

- (1) a reference to the statutory basis for the penalty;
- (2) a description of the findings of fact regarding the violations with respect to which the penalty is proposed;
- (3) the nature and amount of the proposed penalty;
- (4) any circumstances described in subdivision 1, paragraph (a), that were considered in determining the amount of the proposed penalty;
- (5) instructions for responding to the notice, including a statement of the health information ~~exchange service provider's~~ organization's right to a contested case proceeding and a statement that failure to request a contested case proceeding within 30 calendar days permits the imposition of the proposed penalty; and
- (6) the address to which the contested case proceeding request must be sent.

Subd. 4. **Coordination.** The commissioner shall, to the extent possible, seek the advice of the Minnesota e-Health Advisory Committee, in the review and update of criteria for the certification and recertification of health information ~~exchange service providers~~ organizations when implementing sections 62J.498 to 62J.4982.

Subd. 5. **Fees and monetary penalties.** (a) The commissioner shall assess fees on every health information ~~exchange service provider~~ organization subject to sections 62J.4981 and 62J.4982 as follows:

- (1) filing an application for certificate of authority to operate as a health information organization, \$7,000; and
- (2) ~~filing an application for certificate of authority to operate as a health data intermediary, \$7,000;~~
- (3) annual health information organization certificate fee, \$7,000; ~~and.~~

~~(4) annual health data intermediary certificate fee, \$7,000.~~

(b) Fees collected under this section shall be deposited in the state treasury and credited to the state government special revenue fund.

(c) Administrative monetary penalties imposed under this subdivision shall be credited to an account in the special revenue fund and are appropriated to the commissioner for the purposes of sections 62J.498 to 62J.4982.

Sec. 8. Minnesota Statutes 2020, section 62J.84, subdivision 6, is amended to read:

Subd. 6. Public posting of prescription drug price information. (a) The commissioner shall post on the department's website, or may contract with a private entity or consortium that satisfies the standards of section 62U.04, subdivision 6, to meet this requirement, the following information:

(1) a list of the prescription drugs reported under subdivisions 3, 4, and 5, and the manufacturers of those prescription drugs; and

(2) information reported to the commissioner under subdivisions 3, 4, and 5.

(b) The information must be published in an easy-to-read format and in a manner that identifies the information that is disclosed on a per-drug basis and must not be aggregated in a manner that prevents the identification of the prescription drug.

(c) The commissioner shall not post to the department's website or a private entity contracting with the commissioner shall not post any information described in this section if the information is not public data under section 13.02, subdivision 8a; or is trade secret information under section 13.37, subdivision 1, paragraph (b); or is trade secret information pursuant to the Defend Trade Secrets Act of 2016, United States Code, title 18, section 1836, as amended. If a manufacturer believes information should be withheld from public disclosure pursuant to this paragraph, the manufacturer must clearly and specifically identify that information and describe the legal basis in writing when the manufacturer submits the information under this section. If the commissioner disagrees with the manufacturer's request to withhold information from public disclosure, the commissioner shall provide the manufacturer written notice that the information will be publicly posted 30 days after the date of the notice.

(d) If the commissioner withholds any information from public disclosure pursuant to this subdivision, the commissioner shall post to the department's website a report describing the nature of the information and the commissioner's basis for withholding the information from disclosure.

(e) To the extent the information required to be posted under this subdivision is collected and made available to the public by another state, by the University of Minnesota, or through an online drug pricing reference and analytical tool, the commissioner may reference the availability of this drug price data from another source including, within existing appropriations, creating the ability of the public to access the data from the source for purposes of meeting the reporting requirements of this subdivision.

Sec. 9. Minnesota Statutes 2020, section 144.05, is amended by adding a subdivision 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 difference expiration date.

(d) The commissioner shall submit a list to the chairs and ranking minority members of the legislative committee 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.

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

Sec. 10. **[144.064] THE VIVIAN ACT.**

Subdivision 1. **Short title.** This section shall be known and may be cited as the "Vivian Act."

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

(1) "commissioner" means the commissioner of health;

(2) "health care practitioner" means a medical professional that provides prenatal or postnatal care;

(3) "CMV" means the human herpesvirus cytomegalovirus, also called HCMV, human herpesvirus 5, and HHV-5; and

(4) "congenital CMV" means the transmission of a CMV infection from a pregnant mother to her fetus.

Subd. 3. **Commissioner duties.** (a) The commissioner shall make available to health care practitioners, women who may become pregnant, expectant parents, and parents of infants up-to-date and evidence-based information about congenital CMV that has been reviewed by experts with knowledge of the disease. The information shall include the following:

(1) the recommendation to consider testing for congenital CMV if the parent or legal guardian of the infant elected not to have newborn screening performed under section 144.125, and the infant failed a newborn hearing screening or pregnancy history suggests increased risk for congenital CMV infection;

(2) the incidence of CMV;

(3) the transmission of CMV to pregnant women and women who may become pregnant;

(4) birth defects caused by congenital CMV;

(5) available preventative measures to avoid the infection of women who are pregnant or may become pregnant; and

(6) resources available for families of children born with congenital CMV.

(b) The commissioner shall follow existing department practice, inclusive of community engagement, to ensure that the information in paragraph (a) is culturally and linguistically appropriate for all recipients.

(c) The department shall establish an outreach program to:

(1) educate women who may become pregnant, expectant parents, and parents of infants about CMV; and

(2) raise awareness for CMV among health care providers who provide care to expectant mothers or infants.

Sec. 11. Minnesota Statutes 2020, section 144.1205, subdivision 2, is amended to read:

Subd. 2. **Initial and annual fee.** (a) A licensee must pay an initial fee that is equivalent to the annual fee upon issuance of the initial license.

(b) A licensee must pay an annual fee at least 60 days before the anniversary date of the issuance of the license. The annual fee is as follows:

TYPE	<u>ANNUAL LICENSE FEE</u>
Academic broad scope - type A, B, or C	\$19,920 <u>\$25,896</u>
Academic broad scope - type B	19,920
Academic broad scope - type C	19,920
<u>Academic broad scope - type A, B, or C (4-8 locations)</u>	<u>\$31,075</u>
<u>Academic broad scope - type A, B, or C (9 or more locations)</u>	<u>\$36,254</u>
Medical broad scope - type A	19,920 <u>\$25,896</u>
<u>Medical broad scope- type A (4-8 locations)</u>	<u>\$31,075</u>
<u>Medical broad scope- type A (9 or more locations)</u>	<u>\$36,254</u>
Medical institution - diagnostic and therapeutic	3,680
<u>Medical - diagnostic, diagnostic and therapeutic, mobile nuclear medicine, eye applicators, high dose rate afterloaders, and medical therapy emerging technologies</u>	<u>\$4,784</u>

<u>Medical - diagnostic, diagnostic and therapeutic, mobile nuclear medicine, eye applicators, high dose rate afterloaders, and medical therapy emerging technologies (4-8 locations)</u>		<u>\$5,740</u>
<u>Medical - diagnostic, diagnostic and therapeutic, mobile nuclear medicine, eye applicators, high dose rate afterloaders, and medical therapy emerging technologies (9 or more locations)</u>		<u>\$6,697</u>
Medical institution - diagnostic (no written directives)		3,680
Medical private practice - diagnostic and therapeutic		3,680
Medical private practice - diagnostic (no written directives)		3,680
Eye applicators		3,680
Nuclear medical vans		3,680
High dose rate afterloader		3,680
Mobile high dose rate afterloader		3,680
Medical therapy - other emerging technology		3,680
Teletherapy	8,960	<u>\$11,648</u>
Gamma knife	8,960	<u>\$11,648</u>
Veterinary medicine	2,000	<u>\$2,600</u>
In vitro testing lab	2,000	<u>\$2,600</u>
Nuclear pharmacy	8,800	<u>\$11,440</u>
<u>Nuclear pharmacy (5 or more locations)</u>		<u>\$13,728</u>
Radiopharmaceutical distribution (10 CFR 32.72)	3,840	<u>\$4,992</u>
Radiopharmaceutical processing and distribution (10 CFR 32.72)	8,800	<u>\$11,440</u>
<u>Radiopharmaceutical processing and distribution (10 CFR 32.72) (5 or more locations)</u>		<u>\$13,728</u>
Medical sealed sources - distribution (10 CFR 32.74)	3,840	<u>\$4,992</u>
Medical sealed sources - processing and distribution (10 CFR 32.74)	8,800	<u>\$11,440</u>
<u>Medical sealed sources - processing and distribution (10 CFR 32.74) (5 or more locations)</u>		<u>\$13,728</u>
Well logging - sealed sources	3,760	<u>\$4,888</u>
Measuring systems - (fixed gauge, portable gauge, gas chromatograph, other)	2,000	<u>\$2,600</u>
Measuring systems - portable gauge		2,000
<u>Measuring systems - (fixed gauge, portable gauge, gas chromatograph, other) (4-8 locations)</u>		<u>\$3,120</u>
<u>Measuring systems - (fixed gauge, portable gauge, gas chromatograph, other) (9 or more locations)</u>		<u>\$3,640</u>
X-ray fluorescent analyzer	1,520	<u>\$1,976</u>
Measuring systems - gas chromatograph		2,000
Measuring systems - other		2,000
Broad scope Manufacturing and distribution - type A broad scope	19,920	\$25,896
<u>Manufacturing and distribution - type A broad scope (4-8 locations)</u>		<u>\$31,075</u>

<u>Manufacturing and distribution - type A broad scope (9 or more locations)</u>		<u>\$36,254</u>
Broad scope Manufacturing and distribution - type B or C broad scope	17,600	<u>\$22,880</u>
Broad scope Manufacturing and distribution - type C		<u>17,600</u>
<u>Manufacturing and distribution - type B or C broad scope (4-8 locations)</u>		<u>\$27,456</u>
<u>Manufacturing and distribution - type B or C broad scope (9 or more locations)</u>		<u>\$32,032</u>
Manufacturing and distribution - other	5,280	<u>\$6,864</u>
<u>Manufacturing and distribution - other (4-8 locations)</u>		<u>\$8,236</u>
<u>Manufacturing and distribution - other (9 or more locations)</u>		<u>\$9,609</u>
Nuclear laundry	18,640	<u>\$24,232</u>
Decontamination services	4,960	<u>\$6,448</u>
Leak test services only	2,000	<u>\$2,600</u>
Instrument calibration service only, less than 100 curies	2,000	<u>\$2,600</u>
Instrument calibration service only, 100 curies or more		<u>2,000</u>
Service, maintenance, installation, source changes, etc.	4,960	<u>\$6,448</u>
Waste disposal service, prepackaged only	6,000	<u>\$7,800</u>
Waste disposal	8,320	<u>\$10,816</u>
Distribution - general licensed devices (sealed sources)	1,760	<u>\$2,288</u>
Distribution - general licensed material (unsealed sources)	1,120	<u>\$1,456</u>
Industrial radiography - fixed <u>or temporary</u> location	9,840	<u>\$12,792</u>
Industrial radiography - temporary job sites		<u>9,840</u>
<u>Industrial radiography - fixed or temporary location (5 or more locations)</u>		<u>\$16,629</u>
Irradiators, self-shielding, less than 10,000 curies	2,880	<u>\$3,744</u>
Irradiators, other, less than 10,000 curies	5,360	<u>\$6,968</u>
Irradiators, self-shielding, 10,000 curies or more		<u>2,880</u>
Research and development - type A, B, <u>or C</u> broad scope	9,520	<u>\$12,376</u>
Research and development - type B broad scope		<u>9,520</u>
Research and development - type C broad scope		<u>9,520</u>
<u>Research and development - type A, B, or C broad scope (4-8 locations)</u>		<u>\$14,851</u>
<u>Research and development - type A, B, or C broad scope (9 or more locations)</u>		<u>\$17,326</u>
Research and development - other	4,480	<u>\$5,824</u>
Storage - no operations	2,000	<u>\$2,600</u>
Source material - shielding	584	<u>\$759</u>
Special nuclear material plutonium - neutron source in device	3,680	<u>\$4,784</u>
Pacemaker by-product and/or special nuclear material - medical (institution)	3,680	<u>\$4,784</u>

Pacemaker by-product and/or special nuclear material - manufacturing and distribution	5,280 <u>\$6,864</u>
Accelerator-produced radioactive material	3,840 <u>\$4,992</u>
Nonprofit educational institutions	300 <u>\$500</u>
General license registration	150 <u></u>

Sec. 12. Minnesota Statutes 2020, section 144.1205, subdivision 4, is amended to read:

Subd. 4. **Initial and renewal application fee.** A licensee must pay an initial and a renewal application fee as follows: according to this subdivision.

TYPE	APPLICATION FEE
Academic broad scope - type A, B, or C	\$5,920 <u>\$6,808</u>
Academic broad scope - type B	5,920
Academic broad scope - type C	5,920
Medical broad scope - type A	3,920 <u>\$4,508</u>
<u>Medical - diagnostic, diagnostic and therapeutic, mobile nuclear medicine, eye applicators, high dose rate afterloaders, and medical therapy emerging technologies</u>	<u>\$1,748</u>
Medical institution - diagnostic and therapeutic	1,520
Medical institution - diagnostic (no written directives)	1,520
Medical private practice - diagnostic and therapeutic	1,520
Medical private practice - diagnostic (no written directives)	1,520
Eye applicators	1,520
Nuclear medical vans	1,520
High dose rate afterloader	1,520
Mobile high dose rate afterloader	1,520
Medical therapy - other emerging technology	1,520
Teletherapy	5,520 <u>\$6,348</u>
Gamma knife	5,520 <u>\$6,348</u>
Veterinary medicine	960 <u>\$1,104</u>
In vitro testing lab	960 <u>\$1,104</u>
Nuclear pharmacy	4,880 <u>\$5,612</u>
Radiopharmaceutical distribution (10 CFR 32.72)	2,160 <u>\$2,484</u>
Radiopharmaceutical processing and distribution (10 CFR 32.72)	4,880 <u>\$5,612</u>
Medical sealed sources - distribution (10 CFR 32.74)	2,160 <u>\$2,484</u>
Medical sealed sources - processing and distribution (10 CFR 32.74)	4,880 <u>\$5,612</u>
Well logging - sealed sources	1,600 <u>\$1,840</u>
<u>Measuring systems - (fixed gauge, portable gauge, gas chromatograph, other)</u>	<u>960</u> <u>\$1,104</u>
Measuring systems - portable gauge	960
X-ray fluorescent analyzer	584 <u>\$671</u>
Measuring systems - gas chromatograph	960

Measuring systems—other	960
Broad scope Manufacturing and distribution - type A, B, and C broad scope	5,920 <u>\$6,854</u>
Broad scope manufacturing and distribution—type B	5,920
Broad scope manufacturing and distribution—type C	5,920
Manufacturing and distribution - other	2,320 <u>\$2,668</u>
Nuclear laundry	10,080 <u>\$11,592</u>
Decontamination services	2,640 <u>\$3,036</u>
Leak test services only	960 <u>\$1,104</u>
Instrument calibration service only, less than 100 curies	960 <u>\$1,104</u>
Instrument calibration service only, 100 curies or more	960
Service, maintenance, installation, source changes, etc.	2,640 <u>\$3,036</u>
Waste disposal service, prepackaged only	2,240 <u>\$2,576</u>
Waste disposal	1,520 <u>\$1,748</u>
Distribution - general licensed devices (sealed sources)	880 <u>\$1,012</u>
Distribution - general licensed material (unsealed sources)	520 <u>\$598</u>
Industrial radiography - fixed <u>or temporary</u> location	2,640 <u>\$3,036</u>
Industrial radiography—temporary job sites	2,640
Irradiators, self-shielding, less than 10,000 curies	1,440 <u>\$1,656</u>
Irradiators, other, less than 10,000 curies	2,960 <u>\$3,404</u>
Irradiators, self-shielding, 10,000 curies or more	1,440
Research and development - type A, B, or C broad scope	4,960 <u>\$5,704</u>
Research and development—type B broad scope	4,960
Research and development—type C broad scope	4,960
Research and development - other	2,400 <u>\$2,760</u>
Storage - no operations	960 <u>\$1,104</u>
Source material - shielding	136 <u>\$156</u>
Special nuclear material plutonium - neutron source in device	1,200 <u>\$1,380</u>
Pacemaker by-product and/or special nuclear material - medical (institution)	1,200 <u>\$1,380</u>
Pacemaker by-product and/or special nuclear material - manufacturing and distribution	2,320 <u>\$2,668</u>
Accelerator-produced radioactive material	4,100 <u>\$4,715</u>
Nonprofit educational institutions	300 <u>\$345</u>
General license registration	0
Industrial radiographer certification	150

Sec. 13. Minnesota Statutes 2020, section 144.1205, subdivision 8, is amended to read:

Subd. 8. **Reciprocity fee.** A licensee submitting an application for reciprocal recognition of a materials license issued by another agreement state or the United States Nuclear Regulatory

Commission for a period of 180 days or less during a calendar year must pay ~~\$1,200~~ \$2,400. For a period of 181 days or more, the licensee must obtain a license under subdivision 4.

Sec. 14. Minnesota Statutes 2020, section 144.1205, subdivision 9, is amended to read:

Subd. 9. **Fees for license amendments.** A licensee must pay a fee of ~~\$300~~ \$600 to amend a license as follows:

(1) to amend a license requiring review including, but not limited to, addition of isotopes, procedure changes, new authorized users, or a new radiation safety officer; and

(2) to amend a license requiring review and a site visit including, but not limited to, facility move or addition of processes.

Sec. 15. Minnesota Statutes 2020, section 144.1205, is amended by adding a subdivision to read:

Subd. 10. **Fees for general license registrations.** A person required to register generally licensed devices according to Minnesota Rules, part 4731.3215, must pay an annual registration fee of \$450.

Sec. 16. Minnesota Statutes 2020, section 144.125, subdivision 1, is amended to read:

Subdivision 1. **Duty to perform testing.** (a) It is the duty of (1) the administrative officer or other person in charge of each institution caring for infants 28 days or less of age, (2) the person required in pursuance of the provisions of section 144.215, to register the birth of a child, or (3) the nurse midwife or midwife in attendance at the birth, to arrange to have administered to every infant or child in its care tests for heritable and congenital disorders according to subdivision 2 and rules prescribed by the state commissioner of health.

(b) Testing, recording of test results, reporting of test results, and follow-up of infants with heritable congenital disorders, including hearing loss detected through the early hearing detection and intervention program in section 144.966, shall be performed at the times and in the manner prescribed by the commissioner of health.

(c) The fee to support the newborn screening program, including tests administered under this section and section 144.966, shall be ~~\$135~~ \$177 per specimen. This fee amount shall be deposited in the state treasury and credited to the state government special revenue fund.

(d) The fee to offset the cost of the support services provided under section 144.966, subdivision 3a, shall be \$15 per specimen. This fee shall be deposited in the state treasury and credited to the general fund.

Sec. 17. Minnesota Statutes 2020, section 144.125, subdivision 2, is amended to read:

Subd. 2. **Determination of tests to be administered.** (a) The commissioner shall periodically revise the list of tests to be administered for determining the presence of a heritable or congenital disorder. Revisions to the list shall reflect advances in medical science, new and improved testing methods, or other factors that will improve the public health. In determining whether a test must be administered, the commissioner shall take into consideration the adequacy of analytical methods to detect the heritable or congenital disorder, the ability to treat or prevent medical conditions caused

by the heritable or congenital disorder, and the severity of the medical conditions caused by the heritable or congenital disorder. The list of tests to be performed may be revised if the changes are recommended by the advisory committee established under section 144.1255, approved by the commissioner, and published in the State Register. The revision is exempt from the rulemaking requirements in chapter 14, and sections 14.385 and 14.386 do not apply.

(b) Notwithstanding paragraph (a), a test to detect congenital human herpesvirus cytomegalovirus shall be added to the list of tests to be administered under this section.

Sec. 18. [144.1461] PREGNANCY AND CHILDBIRTH; MIDWIFE AND DOULA CARE.

In order to improve maternal and infant health as well as improving birth outcomes in groups with the most significant disparities that include Black, Indigenous, and other communities of color; rural communities; and people with low incomes, the commissioner of health in partnership with patient groups and culturally based community organizations shall, within existing appropriations:

(1) develop procedures and services designed for making midwife and doula services available to groups with the most maternal and infant mortality and morbidity disparities;

(2) promote racial, ethnic, and language diversity in the midwife and doula workforce that better aligns with the childbearing population in groups with the most significant maternal and infant mortality and morbidity disparities; and

(3) ensure that midwife and doula training and education is tailored to the specific needs of groups with the most significant maternal and infant mortality and morbidity disparities, including trauma-informed care, maternal mood disorders, intimate partner violence, and systemic racism.

Sec. 19. Minnesota Statutes 2020, section 144.1481, subdivision 1, is amended to read:

Subdivision 1. **Establishment; membership.** The commissioner of health shall establish a ~~15-member~~ 16-member Rural Health Advisory Committee. The committee shall consist of the following members, all of whom must reside outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2:

(1) two members from the house of representatives of the state of Minnesota, one from the majority party and one from the minority party;

(2) two members from the senate of the state of Minnesota, one from the majority party and one from the minority party;

(3) a volunteer member of an ambulance service based outside the seven-county metropolitan area;

(4) a representative of a hospital located outside the seven-county metropolitan area;

(5) a representative of a nursing home located outside the seven-county metropolitan area;

(6) a medical doctor or doctor of osteopathic medicine licensed under chapter 147;

(7) a dentist licensed under chapter 150A;

~~(8)~~ (8) a midlevel practitioner;

~~(8)~~ (9) a registered nurse or licensed practical nurse;

~~(9)~~ (10) a licensed health care professional from an occupation not otherwise represented on the committee;

~~(10)~~ (11) a representative of an institution of higher education located outside the seven-county metropolitan area that provides training for rural health care providers; and

~~(11)~~ (12) three consumers, at least one of whom must be an advocate for persons who are mentally ill or developmentally disabled.

The commissioner will make recommendations for committee membership. Committee members will be appointed by the governor. In making appointments, the governor shall ensure that appointments provide geographic balance among those areas of the state outside the seven-county metropolitan area. The chair of the committee shall be elected by the members. The advisory committee is governed by section 15.059, except that the members do not receive per diem compensation.

Sec. 20. Minnesota Statutes 2020, section 144.216, is amended by adding a subdivision to read:

Subd. 3. **Reporting safe place newborn births.** A hospital that receives a safe place newborn under section 145.902 shall report the birth of the newborn to the Office of Vital Records within five days after receiving the newborn. The state registrar must register information about the safe place newborn according to Minnesota Rules, part 4601.0600, subpart 4, item C.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 21. Minnesota Statutes 2020, section 144.216, is amended by adding a subdivision to read:

Subd. 4. **Status of safe place birth registrations.** (a) Information about the safe place newborn registered under subdivision 3 shall constitute the record of birth for the child. The birth record for the child is confidential data on individuals as defined in section 13.02, subdivision 3. Information about the child's birth record or a child's birth certificate issued from the child's birth record shall be disclosed only to the responsible social services agency as defined in section 260C.007, subdivision 27a, or pursuant to court order.

(b) Pursuant to section 144.218, subdivision 6, if the safe place newborn was born in a hospital and it is known that the child's record of birth was registered, the Office of Vital Records shall replace the original birth record registered under section 144.215.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 22. Minnesota Statutes 2020, section 144.218, is amended by adding a subdivision to read:

Subd. 6. **Safe place newborns.** If a hospital receives a safe place newborn under section 145.902 and it is known that the child's record of birth was registered, the hospital shall report the newborn to the Office of Vital Records and identify the child's birth record. The state registrar shall issue a replacement birth record for the child that is free of information that identifies a parent. The prior

vital record is confidential data on individuals as defined in section 13.02, subdivision 3, and shall not be disclosed except pursuant to court order.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 23. Minnesota Statutes 2020, section 144.225, subdivision 7, is amended to read:

Subd. 7. **Certified birth or death record.** (a) The state registrar or local issuance office shall issue a certified birth or death record or a statement of no vital record found to an individual upon the individual's proper completion of an attestation provided by the commissioner and payment of the required fee:

(1) to a person who ~~has a tangible interest in the requested vital record. A person who has a tangible interest~~ is:

(i) the subject of the vital record;

(ii) a child of the subject;

(iii) the spouse of the subject;

(iv) a parent of the subject;

(v) the grandparent or grandchild of the subject;

(vi) if the requested record is a death record, a sibling of the subject;

~~(vii) the party responsible for filing the vital record;~~

~~(viii) (vii)~~ (vii) the legal custodian, guardian or conservator, or health care agent of the subject;

~~(ix) (viii)~~ (viii) a personal representative, by sworn affidavit of the fact that the certified copy is required for administration of the estate;

~~(x) (ix)~~ (ix) a successor of the subject, as defined in section 524.1-201, if the subject is deceased, by sworn affidavit of the fact that the certified copy is required for administration of the estate;

~~(xi) (x)~~ (x) if the requested record is a death record, a trustee of a trust by sworn affidavit of the fact that the certified copy is needed for the proper administration of the trust;

~~(xii) (xi)~~ (xi) a person or entity who demonstrates that a certified vital record is necessary for the determination or protection of a personal or property right, pursuant to rules adopted by the commissioner; or

~~(xiii) (xii)~~ (xii) an adoption agency in order to complete confidential postadoption searches as required by section 259.83;

(2) to any local, state, tribal, or federal governmental agency upon request if the certified vital record is necessary for the governmental agency to perform its authorized duties;

(3) to an attorney representing the subject of the vital record or another person listed in clause (1), upon evidence of the attorney's license;

(4) pursuant to a court order issued by a court of competent jurisdiction. For purposes of this section, a subpoena does not constitute a court order; or

(5) to a representative authorized by a person under clauses (1) to (4).

(b) The state registrar or local issuance office shall also issue a certified death record to an individual described in paragraph (a), clause (1), items (ii) to ~~(viii)~~ (xi), if, on behalf of the individual, a licensed mortician furnishes the registrar with a properly completed attestation in the form provided by the commissioner within 180 days of the time of death of the subject of the death record. This paragraph is not subject to the requirements specified in Minnesota Rules, part 4601.2600, subpart 5, item B.

Sec. 24. Minnesota Statutes 2020, section 144.226, subdivision 1, is amended to read:

Subdivision 1. **Which services are for fee.** (a) The fees for the following services shall be the following or an amount prescribed by rule of the commissioner:

(b) The fee for the administrative review and processing of a request for a certified vital record or a certification that the vital record cannot be found is \$9. The fee is payable at the time of application and is nonrefundable.

(c) The fee for processing a request for the replacement of a birth record for all events, except for safe place newborns pursuant to section 144.218, subdivision 6, and when filing a recognition of parentage pursuant to section 257.73, subdivision 1, is \$40. The fee is payable at the time of application and is nonrefundable.

(d) The fee for administrative review and processing of a request for the filing of a delayed registration of birth, stillbirth, or death is \$40. The fee is payable at the time of application and is nonrefundable.

(e) The fee for administrative review and processing of a request for the amendment of any vital record is \$40. The fee is payable at the time of application and is nonrefundable.

(f) The fee for administrative review and processing of a request for the verification of information from vital records is \$9 when the applicant furnishes the specific information to locate the vital record. When the applicant does not furnish specific information, the fee is \$20 per hour for staff time expended. Specific information includes the correct date of the event and the correct name of the subject of the record. Fees charged shall approximate the costs incurred in searching and copying the vital records. The fee is payable at the time of application and is nonrefundable.

(g) The fee for administrative review and processing of a request for the issuance of a copy of any document on file pertaining to a vital record or statement that a related document cannot be found is \$9. The fee is payable at the time of application and is nonrefundable.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 25. Minnesota Statutes 2020, 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; and (iv) the relocation or redistribution does not involve the construction of a new hospital building;

(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; ~~or~~

(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; or

(29) notwithstanding section 144.552, 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. The commissioner conducted a public interest review of the construction and expansion of this hospital in 2018. No further public interest review shall be conducted for the project under this clause.

Sec. 26. **[145.87] HOME VISITING FOR PREGNANT WOMEN AND FAMILIES WITH YOUNG CHILDREN.**

Subdivision 1. **Definitions.** (a) The terms defined in this subdivision apply to this section and have the meanings given them.

(b) "Evidence-based home visiting program" means a program that:

(1) is based on a clear, consistent program or model that is research-based and grounded in relevant, empirically based knowledge;

(2) is linked to program-determined outcomes and is associated with a national organization, institution of higher education, or national or state public health institute;

(3) has comprehensive home visitation standards that ensure high-quality service delivery and continuous quality improvement;

(4) has demonstrated significant, sustained positive outcomes; and

(5) either:

(i) has been evaluated using rigorous randomized controlled research designs and the evaluation results have been published in a peer-reviewed journal; or

(ii) is based on quasi-experimental research using two or more separate, comparable client samples.

(c) "Evidence-informed home visiting program" means a program that:

(1) has data or evidence demonstrating effectiveness at achieving positive outcomes for pregnant women and young children; and

(2) either:

(i) has an active evaluation of the program; or

(ii) has a plan and timeline for an active evaluation of the program to be conducted.

(d) "Health equity" means every individual has a fair opportunity to attain the individual's full health potential and no individual is disadvantaged from achieving this potential.

(e) "Promising practice home visiting program" means a program that has shown improvement toward achieving positive outcomes for pregnant women or young children.

Subd. 2. **Grants for home visiting programs.** (a) The commissioner of health shall award grants to community health boards, nonprofit organizations, and Tribal nations to start up or expand voluntary home visiting programs serving pregnant women and families with young children. Home visiting programs supported under this section shall provide voluntary home visits by early childhood professionals or health professionals, including but not limited to nurses, social workers, early childhood educators, and trained paraprofessionals. Grant money shall be used to:

(1) establish or expand evidence-based, evidence-informed, or promising practice home visiting programs that address health equity and utilize community-driven health strategies;

(2) serve families with young children or pregnant women who have high needs or are high-risk, including but not limited to a family with low income, a parent or pregnant woman with a mental illness or a substance use disorder, or a parent or pregnant woman experiencing housing instability or domestic abuse; and

(3) improve program outcomes in two or more of the following areas:

(i) maternal and newborn health;

(ii) school readiness and achievement;

(iii) family economic self-sufficiency;

(iv) coordination and referral for other community resources and supports;

(v) reduction in child injuries, abuse, or neglect; or

(vi) reduction in crime or domestic violence.

(b) Grants awarded to evidence-informed and promising practice home visiting programs must include money to evaluate program outcomes for up to four of the areas listed in paragraph (a), clause (3).

Subd. 3. **Grant prioritization.** (a) In awarding grants, the commissioner shall give priority to community health boards, nonprofit organizations, and Tribal nations seeking to expand home visiting services with community or regional partnerships.

(b) The commissioner shall allocate at least 75 percent of the grant money awarded each grant cycle to evidence-based home visiting programs that address health equity and up to 25 percent of the grant money awarded each grant cycle to evidence-informed or promising practice home visiting programs that address health equity and utilize community-driven health strategies.

Subd. 4. **Administrative costs.** The commissioner may use up to seven percent of the annual appropriation under this section to provide training and technical assistance and to administer and evaluate the program. The commissioner may contract for training, capacity-building support for grantees or potential grantees, technical assistance, and evaluation support.

Subd. 5. **Use of state general fund appropriations.** Appropriations dedicated to establishing or expanding evidence-based home visiting programs shall, for grants awarded on or after July 1, 2021, be awarded according to this section. This section shall not govern grant awards of federal funds for home visiting programs and shall not govern grant awards using state general fund appropriations dedicated to establishing or expanding nurse-family partnership home visiting programs.

Sec. 27. Minnesota Statutes 2020, section 145.902, is amended to read:

145.902 GIVE LIFE A CHANCE; SAFE PLACE FOR NEWBORNS DUTIES; IMMUNITY.

Subdivision 1. **General.** (a) For purposes of this section, a "safe place" means a hospital licensed under sections 144.50 to 144.56, including the hospital where the newborn was born, a health care provider who provides urgent care medical services, or an ambulance service licensed under chapter 144E dispatched in response to a 911 call from a mother or a person with the mother's permission to relinquish a newborn infant.

(b) A safe place shall receive a newborn left with an employee on the premises of the safe place during its hours of operation, provided that:

(1) the newborn was born within seven days of being left at the safe place, as determined within a reasonable degree of medical certainty; and

(2) the newborn is left in an unharmed condition.

(c) The safe place must not inquire as to the identity of the mother or the person leaving the newborn or call the police, provided the newborn is unharmed when presented to the hospital. The safe place may ask the mother or the person leaving the newborn about the medical history of the mother or newborn and if the newborn may have lineage to an Indian Tribe and, if known, the name of the Tribe but the mother or the person leaving the newborn is not required to provide any information. The safe place may provide the mother or the person leaving the newborn with information about how to contact relevant social service agencies.

(d) A safe place that is a health care provider who provides urgent care medical services shall dial 911, advise the dispatcher that the call is being made from a safe place for newborns, and ask the dispatcher to send an ambulance or take other appropriate action to transport the newborn to a hospital. An ambulance with whom a newborn is left shall transport the newborn to a hospital for care. Hospitals must receive a newborn left with a safe place and make the report as required in subdivision 2.

Subd. 2. **Reporting.** (a) Within 24 hours of receiving a newborn under this section, the hospital must inform the responsible social service agency that a newborn has been left at the hospital, but must not do so in the presence of the mother or the person leaving the newborn. The hospital must provide necessary care to the newborn pending assumption of legal responsibility by the responsible social service agency pursuant to section 260C.139, subdivision 5.

(b) Within five days of receiving a newborn under this section, a hospital shall report the newborn to the Office of Vital Records pursuant to section 144.216, subdivision 3. If a hospital receives a safe place newborn under section 145.902 and it is known that the child's record of birth was registered because the newborn was born at that hospital, the hospital shall report the newborn to the Office of Vital Records and identify the child's birth record. The state registrar shall issue a replacement birth record for the child pursuant to section 144.218, subdivision 6.

Subd. 3. **Immunity.** (a) A safe place with responsibility for performing duties under this section, and any employee, doctor, ambulance personnel, or other medical professional working at the safe place, are immune from any criminal liability that otherwise might result from their actions, if they

are acting in good faith in receiving a newborn, and are immune from any civil liability that otherwise might result from merely receiving a newborn.

(b) A safe place performing duties under this section, or an employee, doctor, ambulance personnel, or other medical professional working at the safe place who is a mandated reporter under chapter 260E, is immune from any criminal or civil liability that otherwise might result from the failure to make a report under that section if the person is acting in good faith in complying with this section.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 28. Minnesota Statutes 2020, section 326.71, subdivision 4, is amended to read:

Subd. 4. **Asbestos-related work.** "Asbestos-related work" means the enclosure, removal, or encapsulation of asbestos-containing material in a quantity that meets or exceeds 260 linear feet of friable asbestos-containing material on pipes, 160 square feet of friable asbestos-containing material on other facility components, or, if linear feet or square feet cannot be measured, a total of 35 cubic feet of friable asbestos-containing material on or off all facility components in one facility. In the case of single or multifamily residences, "asbestos-related work" also means the enclosure, removal, or encapsulation of greater than ten but less than 260 linear feet of friable asbestos-containing material on pipes, greater than six but less than 160 square feet of friable asbestos-containing material on other facility components, or, if linear feet or square feet cannot be measured, greater than one cubic foot but less than 35 cubic feet of friable asbestos-containing material on or off all facility components in one facility. ~~This provision excludes asbestos-containing floor tiles and sheeting, roofing materials, siding, and all ceilings with asbestos-containing material in single family residences and buildings with no more than four dwelling units.~~ Asbestos-related work includes asbestos abatement area preparation; enclosure, removal, or encapsulation operations; and an air quality monitoring specified in rule to assure that the abatement and adjacent areas are not contaminated with asbestos fibers during the project and after completion.

For purposes of this subdivision, the quantity of ~~asbestos-containing~~ material applies separately for every project.

Sec. 29. Minnesota Statutes 2020, section 326.75, subdivision 1, is amended to read:

Subdivision 1. **Licensing fee.** A person required to be licensed under section 326.72 shall, before receipt of the license and before causing asbestos-related work to be performed, pay the commissioner an annual license fee of ~~\$100~~ \$105.

Sec. 30. Minnesota Statutes 2020, section 326.75, subdivision 2, is amended to read:

Subd. 2. **Certification fee.** An individual required to be certified as an ~~asbestos worker or asbestos site supervisor~~ under section 326.73, subdivision 1, shall pay the commissioner a certification fee of ~~\$50~~ \$52.50 before the issuance of the certificate. ~~The commissioner may establish by rule fees required before the issuance of~~ An individual required to be certified as an asbestos inspector, asbestos management planner, and asbestos project designer ~~certificates required~~ under section 326.73, subdivisions 2, 3, and 4, shall pay the commissioner a certification fee of \$105 before the issuance of the certificate.

Sec. 31. Minnesota Statutes 2020, section 326.75, subdivision 3, is amended to read:

Subd. 3. **Permit fee.** Five calendar days before beginning asbestos-related work, a person shall pay a project permit fee to the commissioner equal to ~~one~~ two percent of the total costs of the asbestos-related work. For asbestos-related work performed in single or multifamily residences, of greater than ten but less than 260 linear feet of asbestos-containing material on pipes, or greater than six but less than 160 square feet of asbestos-containing material on other facility components, a person shall pay a project permit fee of \$35 to the commissioner.

Sec. 32. **DEVELOPMENT OF CURRICULUM.**

Of the appropriation in fiscal year 2022 to the commissioner of health for health disparities grants under Minnesota Statutes, section 145.928, \$275,000 shall be allocated for a grant to the University of Minnesota School of Public Health's Center for Antiracism Research for Health Equity, to develop a model curriculum on antiracism and implicit bias for hospitals with obstetric care and birth centers to use to provide continuing education to staff who care for pregnant or postpartum patients. The model curriculum must be evidence-based. This is a onetime allocation.

ARTICLE 3

HEALTH OCCUPATION AND HEALTH RELATED LICENSING BOARDS

Section 1. Minnesota Statutes 2020, section 144E.001, is amended by adding a subdivision to read:

Subd. 16. **Education program primary instructor or primary instructor.** "Education program primary instructor" or "primary instructor" means an individual, as approved by the board, who serves as the lead instructor of an emergency medical care initial certification course and who is responsible for planning or conducting the course according to the most current version of the National EMS Education Standards by the NHTSA, United States Department of Transportation.

Sec. 2. Minnesota Statutes 2020, section 144E.27, is amended to read:

~~144E.27 EDUCATION PROGRAMS; BOARD APPROVAL~~ REGISTRATION OF EMR.

Subdivision 1. **Education program instructor.** An education program instructor must be an emergency medical responder, EMT, AEMT, paramedic, physician, physician assistant, or registered nurse.

Subd. 1a. **Approval required.** (a) All education programs for an emergency medical responder 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) admission criteria for students; and

(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 Emergency Medical Responder registration education;

(3) have a program medical director and a program coordinator;

(4) have at least one instructor for every ten students at the practical skill stations;

(5) retain documentation of program approval by the board, course outline, and student information; and

(6) submit the appropriate fee as required under section 144E.29.

(c) The National EMS Education Standards by the NHTSA, United States Department of Transportation contains the minimal entry level of knowledge and skills for emergency medical responders. Medical directors of emergency medical responder groups may expand the knowledge and skill set.

Subd. 2. **Registration requirements.** To be eligible for registration with the board as an emergency medical responder, an individual shall complete a board-approved application form and:

(1) successfully complete a board-approved initial emergency medical responder education program. Registration under this clause is valid for two years and expires on October 31; or

(2) be credentialed as an emergency medical responder by the National Registry of Emergency Medical Technicians. Registration under this clause expires the same day as the National Registry credential.

Subd. 2a. **Registration expiration dates.** Emergency medical responder registration expiration dates are as follows:

(1) for initial registration granted between January 1 and June 30 of an even-numbered year, the expiration date is October 31 of the next even-numbered year;

(2) for initial registration granted between July 1 and December 31 of an even-numbered year, the expiration date is October 31 of the second odd-numbered year;

(3) for initial registration granted between January 1 and June 30 of an odd-numbered year, the expiration date is October 31 of the next odd-numbered year; and

(4) for initial registration granted between July 1 and December 31 of an odd-numbered year, the expiration date is October 31 of the second even-numbered year.

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 the licensee's medical director; and

(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 the licensee's medical director; and

(3) submits a completed renewal application to the board within 12 months after the registration expiration date.

Subd. 5. **Denial, suspension, revocation.** (a) The board may deny, suspend, revoke, place conditions on, or refuse to renew the registration as an emergency medical responder 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 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, 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.

Subd. 6. Temporary suspension. (a) In addition to any other remedy provided by law, the board may temporarily suspend the registration of an individual as an emergency responder 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 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. 3. Minnesota Statutes 2020, section 144E.27, subdivision 2, is amended to read:

Subd. 2. **Registration.** To be eligible for registration with the board as an emergency medical responder, an individual shall ~~complete a board-approved application form and:~~

(1) ~~successfully complete a board-approved initial emergency medical responder education program. Registration under this clause is valid for two years and expires on October 31~~ the United States Department of Transportation course, or its equivalent as approved by the board, specific to the emergency medical responder classification; or

(2) ~~be credentialed as an emergency medical responder by the National Registry of Emergency Medical Technicians. Registration under this clause expires the same day as the National Registry credential; and~~

(3) complete a board-approved application form.

Sec. 4. Minnesota Statutes 2020, section 144E.28, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** To be eligible for certification by the board as an EMT, AEMT, or paramedic, an individual shall:

(1) successfully complete the United States Department of Transportation course, or its equivalent as approved by the board, specific to the EMT, AEMT, or paramedic classification;

(2) ~~pass the written and practical examinations approved by the board and administered by the board or its designee;~~ obtain National Registry of Emergency Medical Technicians certification specific to the EMT, AEMT, or paramedic classification; and

(3) complete a board-approved application form.

Sec. 5. Minnesota Statutes 2020, 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. 6. Minnesota Statutes 2020, section 144E.28, subdivision 7, is amended to read:

Subd. 7. **Renewal.** (a) Before the expiration date of certification, an applicant for renewal of certification as an EMT shall:

(1) successfully complete a course in cardiopulmonary resuscitation that is approved by the board or the licensee's medical director;

~~(2) take the United States Department of Transportation EMT refresher course and successfully pass the practical skills test portion of the course, or successfully complete 48 hours of continuing education in EMT programs that are consistent with the United States Department of Transportation National EMS Education Standards or its equivalent as approved by the board or as approved by the licensee's medical director and pass a practical skills test approved by the board and administered by an education program approved by the board. The cardiopulmonary resuscitation course and practical skills test may be included as part of the refresher course or continuing education renewal requirements; and satisfy one of the following requirements:~~

~~(i) maintain National Registry of Emergency Medical Technicians certification following the requirements of the National Continued Competency Program, or its equivalent as approved by the board. The cardiopulmonary resuscitation course required under clause (1) shall count toward the continuing education requirements for renewal; or~~

~~(ii) for an individual who only holds Minnesota EMT certification and held the certification prior to April 1, 2021, maintain Minnesota certification by completing the required hours of continuing education as determined in the National Continued Competency Program of the National Registry of Emergency Medical Technicians, or its equivalent as approved by the board. The cardiopulmonary resuscitation course required under clause (1) shall count toward the continuing education requirements for renewal. This item expires April 1, 2036; and~~

(3) complete a board-approved application form.

(b) Before the expiration date of certification, an applicant for renewal of certification as an AEMT or paramedic shall:

(1) for an AEMT, successfully complete a course in cardiopulmonary resuscitation that is approved by the board or the licensee's medical director, and for a paramedic, successfully complete a course in advanced cardiac life support that is approved by the board or the licensee's medical director;

~~(2) successfully complete 48 hours of continuing education in emergency medical training programs, appropriate to the level of the applicant's AEMT or paramedic certification, that are consistent with the United States Department of Transportation National EMS Education Standards or its equivalent as approved by the board or as approved by the licensee's medical director. An applicant may take the United States Department of Transportation Emergency Medical Technician refresher course or its equivalent without the written or practical test as approved by the board, and as appropriate to the applicant's level of certification, as part of the 48 hours of continuing education. Each hour of the refresher course, the cardiopulmonary resuscitation course, and the advanced cardiac life support course counts toward the 48-hour continuing education requirement; and satisfy one of the following requirements:~~

~~(i) maintain National Registry of Emergency Medical Technicians certification following the requirements of the National Continued Competency Program, or its equivalent as approved by the board. The cardiopulmonary resuscitation course or advanced cardiac life support course required under clause (1) shall count toward the continuing education requirements for renewal; or~~

~~(ii) for an individual who only holds Minnesota AEMT or paramedic certification and held the certification prior to April 1, 2021, maintain Minnesota certification by completing the required~~

hours of continuing education as determined in the National Continued Competency Program of the National Registry of Emergency Medical Technicians, or its equivalent as approved by the board. The cardiopulmonary resuscitation course or advanced cardiac life support course required under clause (1) shall count toward the continuing education requirements for renewal. This item expires April 1, 2036; and

(3) complete a board-approved application form.

(c) Certification shall be renewed every two years.

(d) If the applicant does not meet the renewal requirements under this subdivision, the applicant's certification expires.

Sec. 7. Minnesota Statutes 2020, section 144E.28, subdivision 8, is amended to read:

Subd. 8. **Reinstatement.** (a) Within ~~four~~ two 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; and

(2) a board-approved application form.

(b) If more than ~~four~~ two years have passed since a certificate expiration date, an applicant must complete the initial certification process required under subdivision 1.

Sec. 8. Minnesota Statutes 2020, section 144E.283, is amended to read:

144E.283 PRIMARY INSTRUCTOR QUALIFICATIONS.

(a) An ~~emergency medical technician~~ education program primary instructor must:

(1) possess ~~valid~~ current Minnesota certification, registration, or licensure as one of the following, at a level that is equivalent to or higher than the level of certification or registration being taught:

(i) an EMR, EMT, AEMT, or paramedic;

(ii) a physician; with certification in adult or pediatric emergency medicine from the American Board of Emergency Medicine or the American Board of Osteopathic Emergency Medicine, with certification in an emergency medical services subspecialty, or serving as a medical director of a licensed ambulance service;

(iii) a physician assistant; with experience in emergency medicine; or

(iv) a registered nurse with certification in adult or pediatric prehospital nursing from (A) the Board of Certification for Emergency Nursing, including certified flight registered nurse or certified transport registered nurse, or (B) the National Certification Corporation, including certified in neonatal pediatric transport;

~~(2) have two years of active emergency medical practical experience~~ if required under this chapter for Minnesota certification or registration, possess National Registry of Emergency Medical Technicians certification or registration as an EMR, EMT, AEMT, or paramedic, at a level that is equivalent to or higher than the level of certification or registration being taught;

(3) satisfy one of the following requirements:

(i) hold at least an associate's degree and have been certified for at least three years at a level that is equivalent to or higher than the level of certification or registration being taught; or

(ii) have been certified for at least five years at a level that is equivalent to or higher than the level of certification or registration being taught;

~~(3)~~ (4) be recommended by a medical director of a licensed hospital, ambulance service, or education program approved by the board;

~~(4)~~ (5) satisfy one of the following requirements:

(i) successfully complete the United States Department of Transportation Emergency Medical Services Instructor Education Program or its equivalent as approved by the board course; and

(ii) successfully complete the National Association of EMS Educators Instructor level 1 course;

(iii) successfully complete the Fire Instructor I course;

(iv) hold at least a bachelor's degree in education;

(v) hold at least a master's degree in a related field of study;

(vi) have been vetted through the Minnesota State faculty credentialing process; or

(vii) successfully complete an equivalent course or hold an equivalent degree as approved by the board;

~~(5)~~ (6) complete eight hours of continuing education in educational topics every two years, with documentation filed with the education program coordinator;

(7) complete a board-approved application form; and

(8) receive board approval as a primary instructor.

~~(b) An emergency medical responder instructor must possess valid registration, certification, or licensure as an EMR, EMT, AEMT, paramedic, physician, physician assistant, or registered nurse.~~

Sec. 9. Minnesota Statutes 2020, 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 primary 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. 10. Minnesota Statutes 2020, section 144E.285, is amended by adding a subdivision to read:

Subd. 1a. **EMR requirements.** The National EMS Education Standards established by the NHTSA, United States Department of Transportation, specifies the minimum requirements for

knowledge and skills for emergency medical responders. A medical director of an emergency medical responder education group may establish additional knowledge and skill requirements for EMRs.

Sec. 11. Minnesota Statutes 2020, section 144E.285, is amended by adding a subdivision to read:

Subd. 1b. **EMT requirements.** In addition to the requirements under subdivision 1, paragraph (b), an education program applying for approval to teach EMTs must:

(1) in the application prescribed by the board, include names and addresses of clinical sites, including a contact person and telephone number;

(2) maintain a written agreement with a licensed hospital or licensed ambulance service designating a clinical training site; and

(3) maintain a minimum average yearly pass rate as set by the board. An education program not meeting the standard in this subdivision shall 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. 12. Minnesota Statutes 2020, section 144E.285, subdivision 2, is amended to read:

Subd. 2. AEMT and paramedic 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) in the application prescribed by the board, include 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(e)(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. 13. Minnesota Statutes 2020, 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 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 ~~(4)~~; (7);

(3) be subject to a site visit;

(4) for education programs that teach EMTs, comply with the requirements in subdivision 1b; and

(5) for education programs that teach AEMTs and paramedics, comply with the requirements in subdivision 2 and maintain accreditation with the CAAHEP.

Sec. 14. Minnesota Statutes 2020, section 148.995, subdivision 2, is amended to read:

Subd. 2. **Certified doula.** "Certified doula" means an individual who has received a certification to perform doula services from the International Childbirth Education Association, the Doulas of North America (DONA), the Association of Labor Assistants and Childbirth Educators (ALACE), Birthworks, the Childbirth and Postpartum Professional Association (CAPPA), Childbirth International, the International Center for Traditional Childbearing, ~~or~~ Commonsense Childbirth, Inc., Modern Doula Education (MDE), or an organization designated by the commissioner under section 148.9965.

Sec. 15. Minnesota Statutes 2020, section 148.996, subdivision 2, is amended to read:

Subd. 2. **Qualifications.** The commissioner shall include on the registry any individual who:

(1) submits an application on a form provided by the commissioner. The form must include the applicant's name, address, and contact information;

(2) ~~maintains~~ submits evidence of maintaining a current certification from one of the organizations listed in section 148.995, subdivision 2, or from an organization designated by the commissioner under section 148.9965; and

(3) pays the fees required under section 148.997.

Sec. 16. Minnesota Statutes 2020, section 148.996, subdivision 4, is amended to read:

Subd. 4. **Renewal.** Inclusion on the registry maintained by the commissioner is valid for three years, provided the doula meets the requirement in subdivision 2, clause (2), during the entire period. At the end of the three-year period, the certified doula may submit a new application to remain on the doula registry by meeting the requirements described in subdivision 2.

Sec. 17. Minnesota Statutes 2020, section 148.996, is amended by adding a subdivision to read:

Subd. 6. **Removal from registry.** (a) If the commissioner determines that a doula included on the registry does not meet the requirement in subdivision 2, clause (2), the commissioner shall notify the affected doula that the doula no longer meets the requirement in subdivision 2, clause (2), specify steps the doula must take to maintain inclusion on the registry, and specify the effect of failing to take such steps. The commissioner must provide this notice by first class mail to the address on file with the commissioner for the affected doula.

(b) Following the provision of notice under paragraph (a), the commissioner shall remove from the registry any doula who no longer meets the requirement in subdivision 2, clause (2), and who does not take the steps specified by the commissioner to maintain inclusion on the registry.

Sec. 18. **[148.9965] DESIGNATION OF DOULA CERTIFICATION ORGANIZATIONS BY COMMISSIONER.**

Subdivision 1. **Review and designation by commissioner.** The commissioner shall periodically review the doula certification organizations listed in section 148.995, subdivision 2, or designated by the commissioner under this section. The commissioner may: (1) designate additional organizations from which individuals, if maintaining current doula certification from such an organization, are eligible for inclusion on the registry of certified doulas; and (2) remove the designation of a doula certification organization previously designated by the commissioner.

Subd. 2. **Designation.** A doula certification organization seeking designation under this section shall provide the commissioner with evidence that the organization satisfies designation criteria established by the commissioner. If the commissioner designates a doula certification organization under this section, the commissioner shall provide notice of the designation by publication in the State Register and on the Department of Health website for the registry of certified doulas and shall specify the date after which a certification by the organization authorizes a doula certified by the organization to be included on the registry.

Subd. 3. **Removal of designation.** (a) The commissioner may remove the designation of a doula certification organization previously designated by the commissioner under this section upon a determination by the commissioner that the organization does not meet the commissioner's criteria for designation. If the commissioner removes a designation, the commissioner shall provide notice of the removal by publication in the State Register and shall specify the date after which a certification

by the organization no longer authorizes a doula certified by the organization to be included on the registry.

(b) Following removal of a designation, the Department of Health website for the registry of certified doulas shall be modified to reflect the removal.

Sec. 19. Minnesota Statutes 2020, section 151.01, subdivision 29, is amended to read:

Subd. 29. ~~Legend Medical gas.~~ "Legend Medical gas" means ~~a liquid or gaseous substance used for medical purposes and that is required by federal law to be dispensed only pursuant to the prescription of a licensed practitioner~~ any gas or liquid manufactured or stored in a liquefied, nonliquefied, or cryogenic state that:

(1) has a chemical or physical action in or on the human body or animals or is used in conjunction with medical gas equipment; and

(2) is intended to be used for the diagnosis, cure, mitigation, treatment, or prevention of disease.

Sec. 20. Minnesota Statutes 2020, section 151.01, is amended by adding a subdivision to read:

Subd. 29a. **Medical gas manufacturer.** "Medical gas manufacturer" means any person:

(1) originally manufacturing a medical gas by chemical reaction, physical separation, compression of atmospheric air, purification, or other means;

(2) filling a medical gas into a dispensing container via gas to gas, liquid to gas, or liquid to liquid processes;

(3) combining two or more medical gases into a container to form a medically appropriate mixture; or

(4) filling a medical gas via liquid to liquid into a final use container at the point of use.

Sec. 21. Minnesota Statutes 2020, section 151.01, is amended by adding a subdivision to read:

Subd. 29b. **Medical gas wholesaler.** "Medical gas wholesaler" means any person who sells a medical gas to another business or entity for the purpose of reselling or providing that medical gas to the ultimate consumer or patient.

Sec. 22. Minnesota Statutes 2020, section 151.01, is amended by adding a subdivision to read:

Subd. 29c. **Medical gas dispenser.** "Medical gas dispenser" means any person, other than a licensed practitioner or pharmacy, who sells or provides a medical gas directly to the ultimate consumer or patient via a valid prescription.

Sec. 23. **[151.191] LICENSING MEDICAL GAS FACILITIES; FEES; PROHIBITIONS.**

Subdivision 1. **Medical gas manufacturers; requirements.** (a) No person shall act as a medical gas manufacturer without first obtaining a license from the board and paying any applicable fee specified in section 151.065.

(b) Application for a medical gas manufacturer license under this section must be made in a manner specified by the board.

(c) A license must not be issued or renewed for a medical gas manufacturer unless the applicant agrees to operate in a manner prescribed by federal and state law and according to Minnesota Rules.

(d) A license must not be issued or renewed for a medical gas manufacturer that is required to be licensed or registered by the state in which it is physically located unless the applicant supplies the board with proof of licensure or registration. The board may establish standards for the licensure of a medical gas manufacturer that is not required to be licensed or registered by the state in which it is physically located.

(e) The board must require a separate license for each facility located within the state at which medical gas manufacturing occurs and for each facility located outside of the state at which medical gases that are shipped into the state are manufactured.

(f) Prior to the issuance of an initial or renewed license for a medical gas manufacturing facility, the board may require the facility to pass an inspection conducted by an authorized representative of the board. In the case of a medical gas manufacturing facility located outside of the state, the board may require the applicant to pay the cost of the inspection, in addition to the license fee in section 151.065, unless the applicant furnishes the board with a report, issued by the appropriate regulatory agency of the state in which the facility is located, of an inspection that has occurred within the 24 months immediately preceding receipt of the license application by the board. The board may deny licensure unless the applicant submits documentation satisfactory to the board that any deficiencies noted in an inspection report have been corrected.

(g) A duly licensed medical gas manufacturing facility may also wholesale or dispense any medical gas that is manufactured by the licensed facility, or manufactured or wholesaled by another properly licensed medical gas facility, without also obtaining a medical gas wholesaler license or medical gas dispenser registration.

(h) The filling of a medical gas into a final use container, at the point of use and by liquid to liquid transfer, is permitted as long as the facility used as the base of operations is duly licensed as a medical gas manufacturer.

Subd. 2. Medical gas wholesalers; requirements. (a) No person shall act as a medical gas wholesaler without first obtaining a license from the board and paying any applicable fee specified in section 151.065.

(b) Application for a medical gas wholesaler license under this section must be made in a manner specified by the board.

(c) A license must not be issued or renewed for a medical gas wholesaler unless the applicant agrees to operate in a manner prescribed by federal and state law and according to Minnesota Rules.

(d) A license must not be issued or renewed for a medical gas wholesaler that is required to be licensed or registered by the state in which it is physically located unless the applicant supplies the board with proof of licensure or registration. The board may establish standards for the licensure of

a medical gas wholesaler that is not required to be licensed or registered by the state in which it is physically located.

(e) The board must require a separate license for each facility located within the state at which medical gas wholesaling occurs and for each facility located outside of the state from which medical gases that are shipped into the state are wholesaled.

(f) Prior to the issuance of an initial or renewed license for a medical gas wholesaling facility, the board may require the facility to pass an inspection conducted by an authorized representative of the board. In the case of a medical gas wholesaling facility located outside of the state, the board may require the applicant to pay the cost of the inspection, in addition to the license fee in section 151.065, unless the applicant furnishes the board with a report, issued by the appropriate regulatory agency of the state in which the facility is located, of an inspection that has occurred within the 24 months immediately preceding receipt of the license application by the board. The board may deny licensure unless the applicant submits documentation satisfactory to the board that any deficiencies noted in an inspection report have been corrected.

(g) A duly licensed medical gas wholesaling facility may also dispense any medical gas that is manufactured or wholesaled by another properly licensed medical gas facility.

Subd. 3. Medical gas dispensers; requirements. (a) A person or establishment not licensed as a pharmacy, practitioner, medical gas manufacturer, or medical gas dispenser must not engage in the dispensing of medical gases without first obtaining a registration from the board and paying the applicable fee specified in section 151.065. The registration must be displayed in a conspicuous place in the business for which it is issued and expires on the date set by the board.

(b) Application for a medical gas dispenser registration under this section must be made in a manner specified by the board.

(c) A registration must not be issued or renewed for a medical gas dispenser located within the state unless the applicant agrees to operate in a manner prescribed by federal and state law and according to the rules adopted by the board. A license must not be issued for a medical gas dispenser located outside of the state unless the applicant agrees to operate in a manner prescribed by federal law and, when dispensing medical gases for residents of this state, the laws of this state and Minnesota Rules.

(d) A registration must not be issued or renewed for a medical gas dispenser that is required to be licensed or registered by the state in which it is physically located unless the applicant supplies the board with proof of the licensure or registration. The board may establish standards for the registration of a medical gas dispenser that is not required to be licensed or registered by the state in which it is physically located.

(e) The board must require a separate registration for each medical gas dispenser located within the state and for each facility located outside of the state from which medical gases are dispensed to residents of this state.

(f) Prior to the issuance of an initial or renewed registration for a medical gas dispenser, the board may require the medical gas dispenser to pass an inspection conducted by an authorized representative of the board. In the case of a medical gas dispenser located outside of the state, the

board may require the applicant to pay the cost of the inspection, in addition to the license fee in section 151.065, unless the applicant furnishes the board with a report, issued by the appropriate regulatory agency of the state in which the facility is located, of an inspection that has occurred within the 24 months immediately preceding receipt of the license application by the board. The board may deny licensure unless the applicant submits documentation satisfactory to the board that any deficiencies noted in an inspection report have been corrected.

(g) A facility holding a medical gas dispenser registration must not engage in the manufacturing or wholesaling of medical gases, except that a medical gas dispenser may transfer medical gases from one of its duly registered facilities to other duly registered medical gas manufacturing, wholesaling, or dispensing facilities owned or operated by that same company, without requiring a medical gas wholesaler license.

Sec. 24. **REVISOR INSTRUCTION.**

In Minnesota Statutes, the revisor of statutes shall recode as Minnesota Statutes, section 144E.28, subdivision 8a, the community emergency medical technician certification requirements that are currently coded as Minnesota Statutes, section 144E.275, subdivision 7, and shall revise any necessary cross-references consistent with that recoding.

Sec. 25. **REPEALER.**

Minnesota Statutes 2020, sections 144E.27, subdivisions 1 and 1a; and 151.19, subdivision 3, are repealed.

ARTICLE 4

PRESCRIPTION DRUGS AND OPIATES

Section 1. Minnesota Statutes 2020, section 16A.151, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** (a) If a state official litigates or settles a matter on behalf of specific injured persons or entities, this section does not prohibit distribution of money to the specific injured persons or entities on whose behalf the litigation or settlement efforts were initiated. If money recovered on behalf of injured persons or entities cannot reasonably be distributed to those persons or entities because they cannot readily be located or identified or because the cost of distributing the money would outweigh the benefit to the persons or entities, the money must be paid into the general fund.

(b) Money recovered on behalf of a fund in the state treasury other than the general fund may be deposited in that fund.

(c) This section does not prohibit a state official from distributing money to a person or entity other than the state in litigation or potential litigation in which the state is a defendant or potential defendant.

(d) State agencies may accept funds as directed by a federal court for any restitution or monetary penalty under United States Code, title 18, section 3663(a)(3), or United States Code, title 18, section 3663A(a)(3). Funds received must be deposited in a special revenue account and are appropriated to the commissioner of the agency for the purpose as directed by the federal court.

(e) Tobacco settlement revenues as defined in section 16A.98, subdivision 1, paragraph (t), may be deposited as provided in section 16A.98, subdivision 12.

(f) Any money received by the state resulting from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state, or a court order in litigation brought by the attorney general of the state, on behalf of the state or a state agency, against one or more opioid manufacturers or opioid wholesale drug distributors or consulting firms working for an opioid manufacturer or opioid wholesale drug distributor related to alleged violations of consumer fraud laws in the marketing, sale, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids, must be deposited in a separate account in the state treasury and the commissioner shall notify the chairs and ranking minority members of the Finance Committee in the senate and the Ways and Means Committee in the house of representatives that an account has been created. Notwithstanding section 11A.20, all investment income and all investment losses attributable to the investment of this account shall be credited to the account. This paragraph does not apply to attorney fees and costs awarded to the state or the Attorney General's Office, to contract attorneys hired by the state or Attorney General's Office, or to other state agency attorneys. If the licensing fees under section 151.065, subdivision 1, clause (16), and subdivision 3, clause (14), are reduced and the registration fee under section 151.066, subdivision 3, is repealed in accordance with section 256.043, subdivision 4, then the commissioner shall transfer from the separate account created in this paragraph to the opiate epidemic response fund under section 256.043 an amount that ensures that \$20,940,000 each fiscal year is available for distribution in accordance with section 256.043, ~~subdivisions 2 and~~ subdivision 3.

(g) Notwithstanding paragraph (f), if money is received from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state or a court order in litigation brought by the attorney general of the state on behalf of the state or a state agency against a consulting firm working for an opioid manufacturer or opioid wholesale drug distributor and deposited into the separate account created under paragraph (f), the commissioner shall annually transfer from the separate account to the opiate epidemic response fund under section 256.043 an amount equal to the estimated amount submitted to the commissioner by the Board of Pharmacy in accordance with section 151.066, subdivision 3, paragraph (b). The amount transferred shall be included in the amount available for distribution in accordance with section 256.043, subdivision 3. This transfer shall occur each year until the registration fee under section 151.066, subdivision 3, is repealed in accordance with section 256.043, subdivision 4, or the money deposited in the account in accordance with this paragraph has been transferred, whichever occurs first.

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

Sec. 2. **[62J.85] PRESCRIPTION DRUG MANUFACTURER IMPORTATION PATHWAY PLAN.**

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

(b) "Drug product" or "drug" means a prescription drug or biological product that is intended for human use and regulated as a drug except where specific reference is made to a drug approved under section 505 of the federal Food, Drug, and Cosmetic Act, United States Code, title 21, section 355, or biological product approved under section 351 of the federal Public Health Act, United

States Code, title 42, section 262. Drug product or drug does not include biological products that are intended for transfusions, including blood or blood products; or allogeneic-, cellular-, or tissue-based products.

(c) "FD&C Act" means the federal Food, Drug, and Cosmetic Act, United States Code, title 21, section 301, et seq.

(d) "Importation guidance" means the draft guidance released by the federal Food and Drug Administration (FDA) titled "Importation of Certain FDA-Approved Human Prescription Drugs, Including Biological Products, Under Section 801(d)(1)(B) of the Federal Food, Drug, and Cosmetic Act; Draft Guidance for the Industry," which if finalized allows for the importation of MMA products.

(e) "Manufacturer" means the entity that is the holder of the New Drug Application or Biologics License Application for the drug product.

(f) "Multimarket-approved product" or "MMA product" means a FDA-approved drug product that:

(1) was manufactured outside the United States and authorized for marketing by another country's regulatory authority;

(2) is subject to a new drug application or biologics license application;

(3) is imported into the United States and is authorized by the manufacturer to be marketed in the United States; and

(4) continues to meet the quality standards for marketing in its originally intended foreign market.

Subd. 2. **Application.** This section applies to any MMA product in which the manufacturer of the product has obtained a new National Drug Code (NDC) for the MMA product and has imported the MMA product in compliance with the FD&C Act and any importation guidance finalized by the FDA.

Subd. 3. **Incentives.** (a) In order to facilitate importation of drugs pursuant to importation guidance finalized by the FDA, any MMA product offered for sale in Minnesota at a cost that is at least 23 percent lower than the wholesale acquisition cost for the FDA-approved product manufactured in the United States shall be:

(1) included on the uniform preferred drug list and covered under the medical assistance and MinnesotaCare programs; and

(2) a covered drug under the state employee group insurance program pursuant to chapter 43A.

(b) A health plan company must provide coverage for each MMA product that meets the requirements in paragraph (a) if the manufacturer's FDA-approved drug product manufactured in the United States is covered by the health plan company and the health plan company must not impose any enrollee cost-sharing requirements for the covered MMA product.

(c) This subdivision shall not become effective for MMA products that are offered for sale in Minnesota in accordance with paragraph (a) unless affirmative action is taken by the legislature.

Sec. 3. Minnesota Statutes 2020, section 62W.11, is amended to read:

62W.11 GAG CLAUSE PROHIBITION.

(a) No contract between a pharmacy benefit manager or health carrier and a pharmacy or pharmacist shall prohibit, restrict, or penalize a pharmacy or pharmacist from disclosing to an enrollee any health care information that the pharmacy or pharmacist deems appropriate regarding the nature of treatment; the risks or alternatives; the availability of alternative therapies, consultations, or tests; the decision of utilization reviewers or similar persons to authorize or deny services; the process that is used to authorize or deny health care services or benefits; or information on financial incentives and structures used by the health carrier or pharmacy benefit manager.

(b) A pharmacy or pharmacist must provide to an enrollee information regarding the enrollee's total cost for each prescription drug dispensed where part or all of the cost of the prescription is being paid or reimbursed by the employer-sponsored plan or by a health carrier or pharmacy benefit manager, in accordance with section 151.214, subdivision 1.

(c) A pharmacy benefit manager or health carrier must not prohibit a pharmacist or pharmacy from discussing information regarding the total cost for pharmacy services for a prescription drug, including the patient's co-payment amount ~~and~~, the pharmacy's own usual and customary price ~~of~~ for the prescription drug, the pharmacy's acquisition cost for the prescription drug, and the amount the pharmacy is being reimbursed by the pharmacy benefit manager or health carrier for the prescription drug.

(d) A pharmacy benefit manager must not prohibit a pharmacist or pharmacy from discussing with a health carrier the amount the pharmacy is being paid or reimbursed for a prescription drug by the pharmacy benefit manager or the pharmacy's acquisition cost for a prescription drug.

~~(e)~~ (e) A pharmacy benefit manager or health carrier must not prohibit a pharmacist or pharmacy from discussing the availability of any therapeutically equivalent alternative prescription drugs or alternative methods for purchasing the prescription drug, including but not limited to paying out-of-pocket the pharmacy's usual and customary price when that amount is less expensive to the enrollee than the amount the enrollee is required to pay for the prescription drug under the enrollee's health plan.

Sec. 4. Minnesota Statutes 2020, section 151.065, subdivision 1, is amended to read:

Subdivision 1. **Application fees.** Application fees for licensure and registration are as follows:

- (1) pharmacist licensed by examination, \$175;
- (2) pharmacist licensed by reciprocity, \$275;
- (3) pharmacy intern, \$50;
- (4) pharmacy technician, \$50;

- (5) pharmacy, \$260;
- (6) drug wholesaler, legend drugs only, \$5,260;
- (7) drug wholesaler, legend and nonlegend drugs, \$5,260;
- (8) drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, \$5,260;
- (9) drug wholesaler, medical gases, ~~\$5,260 for the first facility and \$260 for each additional facility;~~
- (10) third-party logistics provider, \$260;
- (11) drug manufacturer, nonopiate legend drugs only, \$5,260;
- (12) drug manufacturer, nonopiate legend and nonlegend drugs, \$5,260;
- (13) drug manufacturer, nonlegend or veterinary legend drugs, \$5,260;
- (14) drug manufacturer, medical gases, ~~\$5,260 for the first facility and \$260 for each additional facility;~~
- (15) drug manufacturer, also licensed as a pharmacy in Minnesota, \$5,260;
- (16) drug manufacturer of opiate-containing controlled substances listed in section 152.02, subdivisions 3 to 5, \$55,260;
- (17) medical gas dispenser, \$260;
- (18) controlled substance researcher, \$75; and
- (19) pharmacy professional corporation, \$150.

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

Sec. 5. Minnesota Statutes 2020, section 151.065, subdivision 3, is amended to read:

Subd. 3. **Annual renewal fees.** Annual licensure and registration renewal fees are as follows:

- (1) pharmacist, \$175;
- (2) pharmacy technician, \$50;
- (3) pharmacy, \$260;
- (4) drug wholesaler, legend drugs only, \$5,260;
- (5) drug wholesaler, legend and nonlegend drugs, \$5,260;
- (6) drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, \$5,260;

(7) drug wholesaler, medical gases, ~~\$5,260 for the first facility and \$260 for each additional facility;~~

(8) third-party logistics provider, \$260;

(9) drug manufacturer, nonopiate legend drugs only, \$5,260;

(10) drug manufacturer, nonopiate legend and nonlegend drugs, \$5,260;

(11) drug manufacturer, nonlegend, veterinary legend drugs, or both, \$5,260;

(12) drug manufacturer, medical gases, ~~\$5,260 for the first facility and \$260 for each additional facility;~~

(13) drug manufacturer, also licensed as a pharmacy in Minnesota, \$5,260;

(14) drug manufacturer of opiate-containing controlled substances listed in section 152.02, subdivisions 3 to 5, \$55,260;

(15) medical gas dispenser, \$260;

(16) controlled substance researcher, \$75; and

(17) pharmacy professional corporation, \$100.

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

Sec. 6. Minnesota Statutes 2020, section 151.065, subdivision 7, is amended to read:

Subd. 7. **Deposit of fees.** (a) The license fees collected under this section, with the exception of the fees identified in paragraphs (b) and (c), shall be deposited in the state government special revenue fund.

(b) \$5,000 of each fee collected under subdivision 1, clauses (6) to ~~(9)~~ (8), ~~and~~ (11) to (13), and (15), and subdivision 3, clauses (4) to ~~(7)~~ (6), ~~and~~ (9) to (11), and (13), and \$55,000 of each fee collected under subdivision 1, clause (16), and subdivision 3, clause (14), shall be deposited in the opiate epidemic response fund established in section 256.043.

(c) If the fees collected under subdivision 1, clause (16), or subdivision 3, clause (14), are reduced under section 256.043, \$5,000 of the reduced fee shall be deposited in the opiate epidemic response fund in section 256.043.

Sec. 7. Minnesota Statutes 2020, section 151.066, subdivision 3, is amended to read:

Subd. 3. **Determination of an opiate product registration fee.** (a) The board shall annually assess an opiate product registration fee on any manufacturer of an opiate that annually sells, delivers, or distributes an opiate within or into the state 2,000,000 or more units as reported to the board under subdivision 2.

(b) For purposes of assessing the annual registration fee under this section and determining the number of opiate units a manufacturer sold, delivered, or distributed within or into the state, the

board shall not consider any opiate that is used for medication-assisted therapy for substance use disorders. If there is money deposited into the separate account as described in section 16A.151, subdivision 2, paragraph (g), the board shall submit to the commissioner of management and budget an estimate of the difference in the annual fee revenue collected under this section due to this exception.

(c) The annual registration fee for each manufacturer meeting the requirement under paragraph (a) is \$250,000.

(d) In conjunction with the data reported under this section, and notwithstanding section 152.126, subdivision 6, the board may use the data reported under section 152.126, subdivision 4, to determine which manufacturers meet the requirement under paragraph (a) and are required to pay the registration fees under this subdivision.

(e) By April 1 of each year, beginning April 1, 2020, the board shall notify a manufacturer that the manufacturer meets the requirement in paragraph (a) and is required to pay the annual registration fee in accordance with section 151.252, subdivision 1, paragraph (b).

(f) A manufacturer may dispute the board's determination that the manufacturer must pay the registration fee no later than 30 days after the date of notification. However, the manufacturer must still remit the fee as required by section 151.252, subdivision 1, paragraph (b). The dispute must be filed with the board in the manner and using the forms specified by the board. A manufacturer must submit, with the required forms, data satisfactory to the board that demonstrates that the assessment of the registration fee was incorrect. The board must make a decision concerning a dispute no later than 60 days after receiving the required dispute forms. If the board determines that the manufacturer has satisfactorily demonstrated that the fee was incorrectly assessed, the board must refund the amount paid in error.

(g) For purposes of this subdivision, a unit means the individual dosage form of the particular drug product that is prescribed to the patient. One unit equals one tablet, capsule, patch, syringe, milliliter, or gram.

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

Sec. 8. Minnesota Statutes 2020, 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;

(2) a skilled nursing facility licensed under chapter 144A;

(3) an assisted living facility registered under chapter 144D where there is centralized storage of drugs and 24-hour on-site licensed nursing coverage provided seven days a week;

(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 and nonprescription medical supplies needed to administer a prescription 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.

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

Sec. 9. Minnesota Statutes 2020, section 151.555, subdivision 7, is amended to read:

Subd. 7. **Standards and procedures for inspecting and storing donated prescription 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 prescription 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. ~~If donated drugs or supplies are not inspected immediately upon receipt, a repository must quarantine the donated drugs or supplies separately from all dispensing stock until the donated drugs or supplies have been inspected and (1) approved for dispensing under the program; (2) disposed of pursuant to paragraph (e); or (3) returned to the donor pursuant to paragraph (d).~~

(c) The central repository and local repositories shall dispose of all prescription 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 prescription 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 ~~five~~ 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.

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

Sec. 10. Minnesota Statutes 2020, 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) drug repository donor form described under subdivision 6;
- (5) record of destruction form described under subdivision 7; and
- (6) drug repository recipient form described under subdivision 8.

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

(c) Data collected by the drug 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.

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

Sec. 11. Minnesota Statutes 2020, section 151.555, is amended by adding a subdivision to read:

Subd. 14. Cooperation. The central repository, as approved by the Board of Pharmacy, may enter into an agreement with another state that has an established drug repository or drug donation program if the other state's program includes regulations to ensure the purity, integrity, and safety of the drugs and supplies donated, to permit the central repository to offer to another state program inventory that is not needed by a Minnesota resident and to accept inventory from another state program to be distributed to local repositories and dispensed to Minnesota residents in accordance with this program.

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

Sec. 12. **OPIATE REGISTRATION FEE REDUCTION.**

(a) For purposes of assessing the opiate registration fee under Minnesota Statutes, section 151.066, subdivision 3, that is required to be paid on June 1, 2021, in accordance with Minnesota Statutes, section 151.252, subdivision 1, paragraph (b), the Board of Pharmacy shall not consider any injectable opiate product distributed to a hospital or hospital pharmacy. If there is money deposited into the separate account as described in Minnesota Statutes, section 16A.151, subdivision

2, paragraph (g), the board shall submit to the commissioner of management and budget an estimate of the difference in the annual opiate registration fee revenue collected under Minnesota Statutes, section 151.066, due to the exception described in this paragraph.

(b) Any estimated loss to the opiate registration fee revenue attributable to paragraph (a) must be included in any transfer that occurs under Minnesota Statutes, section 16A.151, subdivision 2, paragraph (g), in calendar year 2021.

(c) If a manufacturer has already paid the opiate registration fee due on June 1, 2021, the Board of Pharmacy shall return the amount of the fee to the manufacturer if the manufacturer would not have been required to pay the fee after the calculations described in paragraph (a) were made.

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

ARTICLE 5

HEALTH COVERAGE AND TRANSPARENCY

Section 1. Minnesota Statutes 2020, section 62J.701, is amended to read:

62J.701 GOVERNMENTAL PROGRAMS.

~~(a) Beginning January 1, 1999, the provisions in paragraphs (b) to (e) apply.~~

~~(b) (a)~~ For purposes of sections 62J.695 to 62J.80, the requirements and other provisions that apply to health plan companies also apply to governmental programs.

~~(c) (b)~~ For purposes of this section, "governmental programs" means the medical assistance program, the MinnesotaCare program, the state employee group insurance program, the public employees insurance program under section 43A.316, and coverage provided by political subdivisions under section 471.617.

~~(d) (c)~~ Notwithstanding paragraph ~~(b) (a)~~, section 62J.72 does not apply to the fee-for-service programs under medical assistance and MinnesotaCare and section 62J.72, subdivision 3, paragraph (b), does not apply to the prepaid medical assistance program or MinnesotaCare.

~~(e) (d)~~ If a state commissioner or local unit of government contracts with a health plan company or a third-party administrator, the contract may assign any obligations under paragraph ~~(b) (a)~~ to the health plan company or third-party administrator. Nothing in this paragraph shall be construed to remove or diminish any enforcement responsibilities of the commissioners of health or commerce provided in sections 62J.695 to 62J.80.

Sec. 2. Minnesota Statutes 2020, section 62J.72, subdivision 3, is amended to read:

Subd. 3. **Information on patients' medical bills.** (a) A health plan company and health care provider shall provide patients and enrollees with a copy of an explicit and intelligible bill whenever the patient or enrollee is sent a bill and is responsible for paying any portion of that bill. The bill must contain descriptive language sufficient to be understood by the average patient or enrollee.

This subdivision does not apply to a flat co-pay paid by the patient or enrollee at the time the service is required.

(b) In addition to the requirements in paragraph (a), when a health care provider transmits a bill to a patient, the bill must specify the following for the health care services provided:

(1) the Medicare-allowable fee-for-service payment rate if the service is covered by Medicare; and

(2) the provider's Medicare percent, as defined in section 62J.825, subdivision 1.

Sec. 3. [62J.825] HEALTH CARE PRICE TRANSPARENCY; NOTICE AND DISCLOSURE OF MEDICARE PERCENT.

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

(b) "Health plan" has the meaning given in section 62A.011, subdivision 3, and does not include coverage provided under medical assistance, MinnesotaCare, or Medicare Part A, Part B, or Part C.

(c) "Medicare percent" means the percentage of the Medicare allowable payment rate that a health care provider accepts as payment in full for health care services provided by the provider that are covered by Medicare, and for services not covered by Medicare, a dollar amount the provider is willing to accept as payment in full.

Subd. 2. Required notice. (a) A health care provider must establish a Medicare percent that the provider will accept as payment in full for health care services provided by that provider. For services that are not covered by a patient's health plan or for patients who are not insured, a provider must provide notice to patients and the public of the provider's Medicare percent by:

(1) posting information describing the Medicare percent and specifying the provider's Medicare percent in a prominent, clearly visible location at or near the provider's reception desk, registration desk, or patient check-in area;

(2) posting information describing the Medicare percent and specifying the provider's Medicare percent on the provider's public website; and

(3) including information describing the Medicare percent and specifying the provider's Medicare percent on any document related to provider payments that the provider requires a patient or patient's representative to sign.

(b) The notices required in paragraph (a) must include the following statement: "The Medicare percent means the reimbursement that this provider will accept as payment in full for services provided to patients. The Medicare percent can be used by a patient to compare the cost of care between providers."

Sec. 4. [62Q.097] REQUIREMENTS FOR TIMELY PROVIDER CREDENTIALING.

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

(b) "Clean application for provider credentialing" or "clean application" means an application for provider credentialing submitted by a health care provider to a health plan company that is complete, is in the format required by the health plan company, and includes all information and substantiation required by the health plan company and does not require evaluation of any identified potential quality or safety concern.

(c) "Provider credentialing" means the process undertaken by a health plan company to evaluate and approve a health care provider's education, training, residency, licenses, certifications, and history of significant quality or safety concerns in order to approve the health care provider to provide health care services to patients at a clinic or facility.

Subd. 2. **Time limit for credentialing determination.** A health plan company that receives an application for provider credentialing must:

(1) if the application is determined to be a clean application for provider credentialing and if the health care provider submitting the application or the clinic or facility at which the health care provider provides services requests the information, affirm that the health care provider's application is a clean application and notify the health care provider or clinic or facility of the date by which the health plan company will make a determination on the health care provider's application;

(2) if the application is determined not to be a clean application, inform the health care provider of the application's deficiencies or missing information or substantiation within three business days after the health plan company determines the application is not a clean application; and

(3) make a determination on the health care provider's clean application within 45 days after receiving the clean application unless the health plan company identifies a substantive quality or safety concern in the course of provider credentialing that requires further investigation. Upon notice to the health care provider, clinic, or facility, the health plan company is allowed 30 additional days to investigate any quality or safety concerns.

EFFECTIVE DATE. This section applies to applications for provider credentialing submitted to a health plan company on or after January 1, 2022.

Sec. 5. [62Q.524] DISCLOSURE OF APPLICATION OF FUNDS FROM A PATIENT ASSISTANCE PROGRAM TO A DEDUCTIBLE.

A health plan company must include in the summary of benefits and coverage a statement indicating whether funds from a patient assistance program, as defined in section 62J.84, subdivision 2, paragraph (h), are applied by the health plan company to an enrollee's deductible.

EFFECTIVE DATE. This section is effective January 1, 2022, and applies to health plans offered, issued, or renewed on or after that date.

Sec. 6. Minnesota Statutes 2020, section 62W.13, is amended to read:

62W.13 RETROACTIVE ADJUSTMENTS.

No pharmacy benefit manager shall directly or indirectly retroactively adjust deny or reduce a claim or aggregate of claims for reimbursement submitted by a pharmacy for a prescription drug, more than 30 days after the original claim was submitted, unless the adjustment is a result of a:

(+) pharmacy audit conducted in accordance with section 62W.09 and it was determined that:

(1) the original claim was submitted fraudulently; or

(2) the original claim payment was incorrect because the pharmacy was already paid for the prescription drug or service; or

~~(2) technical billing error.~~

ARTICLE 6

BACKGROUND STUDIES

Section 1. Minnesota Statutes 2020, section 144.057, subdivision 1, is amended to read:

Subdivision 1. **Background studies required.** (a) Except as specified in paragraph (b), the commissioner of health shall contract with the commissioner of human services to conduct background studies of:

(1) individuals providing services that have direct contact, as defined under section 245C.02, subdivision 11, with patients and residents in hospitals, boarding care homes, outpatient surgical centers licensed under sections 144.50 to 144.58; nursing homes and home care agencies licensed under chapter 144A; assisted living facilities and assisted living facilities with dementia care licensed under chapter 144G; and board and lodging establishments that are registered to provide supportive or health supervision services under section 157.17;

(2) individuals specified in section 245C.03, subdivision 1, who perform direct contact services in a nursing home or a home care agency licensed under chapter 144A; an assisted living facility or assisted living facility with dementia care licensed under chapter 144G; or a boarding care home licensed under sections 144.50 to 144.58. If the individual under study resides outside Minnesota, the study must include a check for substantiated findings of maltreatment of adults and children in the individual's state of residence when the information is made available by that state, and must include a check of the National Crime Information Center database;

(3) all other employees in assisted living facilities or assisted living facilities with dementia care licensed under chapter 144G, nursing homes licensed under chapter 144A, and boarding care homes licensed under sections 144.50 to 144.58. A disqualification of an individual in this section shall disqualify the individual from positions allowing direct contact or access to patients or residents receiving services. "Access" means physical access to a client or the client's personal property without continuous, direct supervision as defined in section 245C.02, subdivision 8, when the employee's employment responsibilities do not include providing direct contact services;

(4) individuals employed by a supplemental nursing services agency, as defined under section 144A.70, who are providing services in health care facilities; and

(5) controlling persons of a supplemental nursing services agency, as defined under section 144A.70.

(b) The commissioner of human services is not required to conduct a background study on any individual identified in paragraph (a) if the individual has a valid license issued by a health-related licensing board as defined in section 214.01, subdivision 2, and has completed the criminal background check as required in section 214.075.

(c) If a facility or program is licensed by the Department of Human Services and subject to the background study provisions of chapter 245C and is also licensed by the Department of Health, the Department of Human Services is solely responsible for the background studies of individuals in the jointly licensed programs.

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

Sec. 2. Minnesota Statutes 2020, section 245C.02, subdivision 4a, is amended to read:

Subd. 4a. **Authorized fingerprint collection vendor.** "Authorized fingerprint collection vendor" means ~~a one of up to three qualified organization organizations~~ one of up to three qualified organizations under a written contract with the commissioner to provide services in accordance with section 245C.05, subdivision 5, paragraph (b).

Sec. 3. Minnesota Statutes 2020, section 245C.05, subdivision 2c, is amended to read:

Subd. 2c. **Privacy notice to background study subject.** (a) Prior to initiating each background study, the entity initiating the study must provide the commissioner's privacy notice to the background study subject required under section 13.04, subdivision 2. The notice must be available through the commissioner's electronic NETStudy and NETStudy 2.0 systems and shall include the information in paragraphs (b) and (c).

(b) The background study subject shall be informed that any previous background studies that received a set-aside will be reviewed, and without further contact with the background study subject, the commissioner may notify the agency that initiated the subsequent background study:

(1) that the individual has a disqualification that has been set aside for the program or agency that initiated the study;

(2) the reason for the disqualification; and

(3) that information about the decision to set aside the disqualification will be available to the license holder upon request without the consent of the background study subject.

(c) The background study subject must also be informed that:

(1) the subject's fingerprints collected for purposes of completing the background study under this chapter must not be retained by the Department of Public Safety, Bureau of Criminal Apprehension, or by the commissioner. The Federal Bureau of Investigation will only retain fingerprints of subjects with a criminal history;

(2) effective upon implementation of NETStudy 2.0, the subject's photographic image will be retained by the commissioner, and if the subject has provided the subject's Social Security number

for purposes of the background study, the photographic image will be available to prospective employers and agencies initiating background studies under this chapter to verify the identity of the subject of the background study;

(3) ~~the commissioner's~~ an authorized fingerprint collection vendor 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~~ An authorized fingerprint collection vendor shall retain no more than the subject's name and the date and time the subject's fingerprints were recorded and sent, only as necessary for auditing and billing activities;

(4) the commissioner shall provide the subject notice, as required in section 245C.17, subdivision 1, paragraph (a), when an entity initiates a background study on the individual;

(5) the subject may request in writing a report listing the entities that initiated a background study on the individual as provided in section 245C.17, subdivision 1, paragraph (b);

(6) the subject may request in writing that information used to complete the individual's background study in NETStudy 2.0 be destroyed if the requirements of section 245C.051, paragraph (a), are met; and

(7) notwithstanding clause (6), the commissioner shall destroy:

(i) the subject's photograph after a period of two years when the requirements of section 245C.051, paragraph (c), are met; and

(ii) any data collected on a subject under this chapter after a period of two years following the individual's death as provided in section 245C.051, paragraph (d).

Sec. 4. Minnesota Statutes 2020, section 245C.05, subdivision 5, is amended to read:

Subd. 5. **Fingerprints and photograph.** (a) Notwithstanding paragraph (b), 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) 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 commissioner's~~ an authorized fingerprint collection vendor and sent to the commissioner through the commissioner's secure data system described in section 245C.32, subdivision 1a, paragraph (b).

(c) 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) 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) ~~The commissioner's~~ An authorized fingerprint collection vendor 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~~ An authorized fingerprint collection vendor 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) 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. 5. Minnesota Statutes 2020, 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), 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, paragraph (a), 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; and

(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.

(b) Notwithstanding expungement by a court, the commissioner may consider information obtained under paragraph (a), clauses (3) and (4), unless the commissioner received notice of the petition for expungement and the court order for expungement is directed specifically to the commissioner.

(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. 6. Minnesota Statutes 2020, section 245C.32, subdivision 1a, is amended to read:

Subd. 1a. **NETStudy 2.0 system.** (a) The commissioner shall design, develop, and test the NETStudy 2.0 system and implement it no later than September 1, 2015.

(b) The NETStudy 2.0 system developed and implemented by the commissioner shall incorporate and meet all applicable data security standards and policies required by the Federal Bureau of Investigation (FBI), Department of Public Safety, Bureau of Criminal Apprehension, and the Office of MN.IT Services. The system shall meet all required standards for encryption of data at the database level as well as encryption of data that travels electronically among agencies initiating background studies, ~~the commissioner's~~ authorized fingerprint collection ~~vendor~~ vendors, the commissioner, the Bureau of Criminal Apprehension, and in cases involving national criminal record checks, the FBI.

(c) The data system developed and implemented by the commissioner shall incorporate a system of data security that allows the commissioner to control access to the data field level by the commissioner's employees. The commissioner shall establish that employees have access to the minimum amount of private data on any individual as is necessary to perform their duties under this chapter.

(d) The commissioner shall oversee regular quality and compliance audits of ~~the~~ authorized fingerprint collection ~~vendor~~ vendors.

Sec. 7. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; ON-SITE BACKGROUND STUDY FINGERPRINTING.

(a) The commissioner of human services shall contract with a qualified contractor to conduct on-site fingerprinting beginning August 1, 2021, at locations of employers with 50 or more staff with outstanding background studies, including studies that have been delayed pursuant to the commissioner's modifications to background study requirements issued in response to the COVID-19 outbreak. The commissioner shall develop a list of employers with 50 or more staff who need fingerprints taken in order to complete a background study. The commissioner and the contractor shall coordinate to develop a plan to identify which employer locations the contractor shall serve and inform those employers and staff of the timing and nature of the contractor's services.

(b) The commissioner may contract with the qualified contractor to provide services under paragraph (a) up to the date of the expiration of the modification in CV23: modifying certain background study requirements, issued by the commissioner of human services pursuant to Executive Orders 20-11 and 20-12.

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

ARTICLE 7

MISCELLANEOUS

Section 1. [62A.082] NONDISCRIMINATION IN ACCESS TO TRANSPLANTS.

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

(b) "Disability" has the meaning given in section 363A.03, subdivision 12.

(c) "Enrollee" means a natural person covered by a health plan or group health plan and includes an insured, policy holder, subscriber, covered person, member, contract holder, or certificate holder.

(d) "Organ transplant" means the transplantation or transfusion of a part of a human body into the body of another for the purpose of treating or curing a medical condition.

Subd. 2. **Transplant discrimination prohibited.** A health plan or group health plan that provides coverage for anatomical gifts, organ transplants, or related treatment and services shall not:

(1) deny coverage to an enrollee based on the enrollee's disability;

(2) deny eligibility, or continued eligibility, to enroll or to renew coverage under the terms of the health plan or group health plan solely for the purpose of avoiding the requirements of this section;

(3) penalize or otherwise reduce or limit the reimbursement of a health care provider, or provide monetary or nonmonetary incentives to a health care provider, to induce the provider to provide care to a patient in a manner inconsistent with this section; or

(4) reduce or limit an enrollee's coverage benefits because of the enrollee's disability for medical services and other services related to organ transplantation performed pursuant to this section as determined in consultation with the enrollee's treating health care provider and the enrollee.

Subd. 3. **Collective bargaining.** In the case of a group health plan maintained pursuant to one or more collective bargaining agreements between employee representatives and one or more employers, any plan amendment made pursuant to a collective bargaining agreement relating to the plan which amends the plan solely to conform to any requirement imposed pursuant to this section shall not be treated as a termination of the collective bargaining agreement.

Subd. 4. **Coverage limitation.** Nothing in this section shall be deemed to require a health plan or group health plan to provide coverage for a medically inappropriate organ transplant.

Sec. 2. Minnesota Statutes 2020, section 260E.31, subdivision 1, is amended to read:

Subdivision 1. **Reports required.** (a) Except as provided in paragraph (b), a person mandated to report under this chapter shall immediately report to the local welfare agency if the person knows or has reason to believe that a woman is pregnant and has used a controlled substance for a nonmedical purpose during the pregnancy, including but not limited to tetrahydrocannabinol, or has consumed alcoholic beverages during the pregnancy in any way that is habitual or excessive.

(b) A health care professional or a social service professional who is mandated to report under this chapter is exempt from reporting under paragraph (a) ~~a woman's use or consumption of tetrahydrocannabinol or alcoholic beverages during pregnancy~~ if the professional is providing or collaborating with other professionals to provide the woman with prenatal care, postpartum care, or other health care services, including care of the woman's infant. If the woman does not continue to receive regular prenatal or postpartum care, after the woman's health care professional has made attempts to contact the woman, then the professional is required to report under paragraph (a).

(c) Any person may make a voluntary report if the person knows or has reason to believe that a woman is pregnant and has used a controlled substance for a nonmedical purpose during the pregnancy, including but not limited to tetrahydrocannabinol, or has consumed alcoholic beverages during the pregnancy in any way that is habitual or excessive.

(d) An oral report shall be made immediately by telephone or otherwise. An oral report made by a person required to report shall be followed within 72 hours, exclusive of weekends and holidays, by a report in writing to the local welfare agency. Any report shall be of sufficient content to identify the pregnant woman, the nature and extent of the use, if known, and the name and address of the reporter. The local welfare agency shall accept a report made under paragraph (c) notwithstanding refusal by a voluntary reporter to provide the reporter's name or address as long as the report is otherwise sufficient.

(e) For purposes of this section, "prenatal care" means the comprehensive package of medical and psychological support provided throughout the pregnancy.

Sec. 3. [363A.50] NONDISCRIMINATION IN ACCESS TO TRANSPLANTS.

Subdivision 1. Definitions. (a) For purposes of this section, the following terms have the meanings given unless the context clearly requires otherwise.

(b) "Anatomical gift" has the meaning given in section 525A.02, subdivision 4.

(c) "Auxiliary aids and services" include, but are not limited to:

(1) qualified interpreters or other effective methods of making aurally delivered materials available to individuals with hearing impairments;

(2) qualified readers, taped texts, texts in accessible electronic format, or other effective methods of making visually delivered materials available to individuals with visual impairments;

(3) the provision of information in a format that is accessible for individuals with cognitive, neurological, developmental, intellectual, or physical disabilities;

(4) the provision of supported decision-making services; and

(5) the acquisition or modification of equipment or devices.

(d) "Covered entity" means:

(1) any licensed provider of health care services, including licensed health care practitioners, hospitals, nursing facilities, laboratories, intermediate care facilities, psychiatric residential treatment facilities, institutions for individuals with intellectual or developmental disabilities, and prison health centers; or

(2) any entity responsible for matching anatomical gift donors to potential recipients.

(e) "Disability" has the meaning given in section 363A.03, subdivision 12.

(f) "Organ transplant" means the transplantation or infusion of a part of a human body into the body of another for the purpose of treating or curing a medical condition.

(g) "Qualified individual" means an individual who, with or without available support networks, the provision of auxiliary aids and services, or reasonable modifications to policies or practices, meets the essential eligibility requirements for the receipt of an anatomical gift.

(h) "Reasonable modifications" include, but are not limited to:

(1) communication with individuals responsible for supporting an individual with postsurgical and post-transplantation care, including medication; and

(2) consideration of support networks available to the individual, including family, friends, and home and community-based services, including home and community-based services funded through Medicaid, Medicare, another health plan in which the individual is enrolled, or any program or

source of funding available to the individual, in determining whether the individual is able to comply with post-transplant medical requirements.

(i) "Supported decision making" has the meaning given in section 524.5-102, subdivision 16a.

Subd. 2. **Prohibition of discrimination.** (a) A covered entity may not on the basis of a qualified individual's mental or physical disability:

(1) deem an individual ineligible to receive an anatomical gift or organ transplant;

(2) deny medical or related organ transplantation services, including evaluation, surgery, counseling, and postoperative treatment and care;

(3) refuse to refer the individual to a transplant center or other related specialist for the purpose of evaluation or receipt of an anatomical gift or organ transplant;

(4) refuse to place an individual on an organ transplant waiting list or place the individual at a lower-priority position on the list than the position at which the individual would have been placed if not for the individual's disability; or

(5) decline insurance coverage for any procedure associated with the receipt of the anatomical gift or organ transplant, including post-transplantation and postinfusion care.

(b) Notwithstanding paragraph (a), a covered entity may take an individual's disability into account when making treatment or coverage recommendations or decisions, solely to the extent that the physical or mental disability has been found by a physician, following an individualized evaluation of the potential recipient to be medically significant to the provision of the anatomical gift or organ transplant. The provisions of this section may not be deemed to require referrals or recommendations for, or the performance of, medically inappropriate organ transplants.

(c) If an individual has the necessary support system to assist the individual in complying with post-transplant medical requirements, an individual's inability to independently comply with those requirements may not be deemed to be medically significant for the purposes of paragraph (b).

(d) A covered entity must make reasonable modifications to policies, practices, or procedures, when such modifications are necessary to make services such as transplantation-related counseling, information, coverage, or treatment available to qualified individuals with disabilities, unless the entity can demonstrate that making such modifications would fundamentally alter the nature of such services.

(e) A covered entity must take such steps as may be necessary to ensure that no qualified individual with a disability is denied services such as transplantation-related counseling, information, coverage, or treatment because of the absence of auxiliary aids and services, unless the entity can demonstrate that taking such steps would fundamentally alter the nature of the services being offered or result in an undue burden.

(f) A covered entity must otherwise comply with the requirements of Titles II and III of the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Amendments Act of 2008, and the Minnesota Human Rights Act.

(g) The provisions of this section apply to each part of the organ transplant process.

Subd. 3. Remedies. In addition to all other remedies available under this chapter, any individual who has been subjected to discrimination in violation of this section may initiate a civil action in a court of competent jurisdiction to enjoin violations of this section."

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 972 and 975 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Hawj introduced--

S.F. No. 2390: A bill for an act relating to workforce development; appropriating money for the nonprofit infrastructure grant program.

Referred to the Committee on Jobs and Economic Growth Finance and Policy.

Senators Tomassoni, Lang, Bakk, Dziedzic, and Wiger introduced--

S.F. No. 2391: A bill for an act relating to capital investment; appropriating money to the Minnesota Amateur Sports Commission for Mighty Ducks grants; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Gazelka introduced--

S.F. No. 2392: A bill for an act relating to capital investment; amending a prior appropriation for Eagle Bend High School; amending Laws 2017, First Special Session chapter 8, article 1, section 20, subdivision 8.

Referred to the Committee on Capital Investment.

Senator Nelson introduced--

S.F. No. 2393: A bill for an act relating to human services; allocating funding for early learning scholarships and child care assistance; modifying child care assistance funding priorities for eligible families; adjusting allocation formula for basic sliding fee child care assistance program; modifying definition of eligible child for early learning scholarship program; establishing the retaining early

educators through attaining incentives now grant program; modifying certain early educator incentive programs; establishing COVID-19 public health support funds for child care programs; directing the commissioner of human services to evaluate the parent aware program; requiring reports; allocating funds from the American Rescue Plan Act of 2021; appropriating money; amending Minnesota Statutes 2020, sections 119B.03, subdivisions 4, 6; 124D.142; 124D.165, subdivision 2; 136A.128, subdivisions 2, 4; proposing coding for new law in Minnesota Statutes, chapter 119B.

Referred to the Committee on Human Services Reform Finance and Policy.

Senators Goggin and Koran introduced--

S.F. No. 2394: A bill for an act relating to health; requiring consent for vaccination; prohibiting consent coercion and discrimination; imposing criminal penalties; amending Minnesota Statutes 2020, section 144.4197; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services Finance and Policy.

Senator Koran introduced--

S.F. No. 2395: A bill for an act relating to state lands; authorizing conveyance of certain surplus state land in Isanti County.

Referred to the Committee on Environment and Natural Resources Policy and Legacy Finance.

Senator Coleman introduced--

S.F. No. 2396: A bill for an act relating to arts and cultural heritage; appropriating money for the historical preservation of Watertown.

Referred to the Committee on Environment and Natural Resources Policy and Legacy Finance.

Senator Pappas introduced--

S.F. No. 2397: A bill for an act relating to education finance; modifying special education formulas; authorizing a levy for certain special access costs at cooperative units; authorizing a levy for special education facility costs; limiting special education tuition billing; appropriating money; amending Minnesota Statutes 2020, sections 124E.21, subdivision 1; 125A.21, subdivisions 1, 2; 125A.76, subdivision 2e; 125A.79, by adding a subdivision; 126C.40, by adding a subdivision; 127A.47, subdivision 7.

Referred to the Committee on Education Finance and Policy.

Senator Pappas introduced--

S.F. No. 2398: A bill for an act relating to public safety; specifying the advice that the commissioner of corrections must provide counties considering repairing or replacing a jail; amending Minnesota Statutes 2020, section 641.21.

Referred to the Committee on Judiciary and Public Safety Finance and Policy.

Senator Pappas introduced--

S.F. No. 2399: A bill for an act relating to transportation; capital investment; appropriating money for the Rondo Land Bridge project; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Housley introduced--

S.F. No. 2400: A bill for an act relating to health; appropriating money for the Palliative Care Advisory Council.

Referred to the Committee on Health and Human Services Finance and Policy.

Senator Tomassoni introduced--

S.F. No. 2401: A bill for an act relating to capital investment; modifying an appropriation for a drinking water system in Saint Louis County; amending Laws 2018, chapter 214, article 1, section 22, subdivision 6.

Referred to the Committee on Capital Investment.

Senator Marty introduced--

S.F. No. 2402: A bill for an act relating to human services; increasing reimbursement for critical access dental providers; amending Minnesota Statutes 2020, section 256B.76, subdivision 4.

Referred to the Committee on Health and Human Services Finance and Policy.

Senator Marty introduced--

S.F. No. 2403: A bill for an act relating to public safety; establishing an alternative public safety emergency response grant program to replace law enforcement responders when appropriate; requiring a report; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 299A.

Referred to the Committee on Judiciary and Public Safety Finance and Policy.

Senator Wiklund introduced--

S.F. No. 2404: A bill for an act relating to capital investment; appropriating money for early childhood learning and child protection facility grants; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Rosen introduced--

S.F. No. 2405: A bill for an act relating to retirement; Minnesota State Retirement System unclassified plan; temporarily extending the grandfather provision regarding actuarial assumptions used to compute an annuity; amending Minnesota Statutes 2020, section 352D.06, subdivision 1.

Referred to the Committee on State Government Finance and Policy and Elections.

MOTIONS AND RESOLUTIONS

Senator Pratt moved that the name of Senator Rarick be added as a co-author to S.F. No. 1098. The motion prevailed.

Senator Latz moved that the name of Senator Wiger be added as a co-author to S.F. No. 1427. The motion prevailed.

Senator Pappas moved that the name of Senator Johnson Stewart be added as a co-author to S.F. No. 1909. The motion prevailed.

Senator Torres Ray moved that the name of Senator Murphy be added as a co-author to S.F. No. 2118. The motion prevailed.

Senator Mathews moved that the name of Senator Bakk be added as a co-author to S.F. No. 2202. The motion prevailed.

Senators Hawj, Abeler, Miller, Franzen, and Hoffman introduced --

Senate Resolution No. 48: A Senate resolution condemning acts of violence, racism, and hate against Minnesotans of Asian descent.

Referred to the Committee on Rules and Administration.

RECESS

Senator Gazelka moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

MOTIONS AND RESOLUTIONS - CONTINUED**SPECIAL ORDERS**

Pursuant to Rule 26, Senator Gazelka, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. Nos. 524, 1470, and H.F. No. 820.

SPECIAL ORDER

S.F. No. 524: A bill for an act relating to the State Building Code; modifying state building code applicability and fire sprinkler requirements for public places of accommodation; amending Minnesota Statutes 2020, section 326B.108, subdivisions 1, 3, by adding a subdivision.

S.F. No. 524 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Draheim	Howe	Marty	Rest
Anderson	Duckworth	Ingebrigtsen	Mathews	Rosen
Bakk	Dziedzic	Isaacson	McEwen	Ruud
Benson	Eaton	Jasinski	Miller	Senjem
Bigham	Eichorn	Johnson	Murphy	Tomassoni
Carlson	Eken	Johnson Stewart	Nelson	Torres Ray
Chamberlain	Fateh	Kent	Newman	Utke
Champion	Franzen	Kiffmeyer	Newton	Weber
Clausen	Frentz	Klein	Osmek	Westrom
Coleman	Gazelka	Koran	Pappas	Wiger
Cwodzinski	Goggin	Kunesh	Port	Wiklund
Dahms	Hawj	Lang	Pratt	
Dibble	Hoffman	Latz	Putnam	
Dornink	Housley	Limmer	Rarick	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Bakk, Coleman, Duckworth, Eichorn, Howe, Nelson, Newman, Osmek, Rosen, and Senjem.

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Champion, Clausen, Dibble, Eaton, Eken, Fateh, Isaacson, Klein, Latz, Marty, Newton, Torres Ray, and Wiklund.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1470: A bill for an act relating to emergency powers; nullifying Executive Order 20-79; prohibiting the governor from issuing modifications to landlord and tenant law; providing for a phaseout of the eviction moratorium; modifying requirements of 504B; amending Minnesota Statutes 2020, section 12.46.

Senator Draheim moved to amend S.F. No. 1470 as follows:

Delete everything after the enacting clause and insert:

"Section 1. **[12.47] LIMITATION OF POWERS; EVICTION PROCEEDINGS.**

Notwithstanding any law to the contrary, an order issued under this chapter prohibiting or delaying eviction proceedings under chapter 504B is valid for a period not to exceed 30 days. The

governor must not extend the order beyond 30 days unless the extension is approved by a majority vote of each house of the legislature. The governor shall not allow the order to expire and issue a new order delaying or prohibiting eviction proceedings under chapter 504B in an effort to avoid obtaining legislative approval for an extension of the order as provided in this section. An order issued to avoid obtaining legislative approval as required under this section is null and void.

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

Sec. 2. EXECUTIVE ORDER 20-79 VOID; EVICTION MORATORIUM ORDERS TEMPORARILY PROHIBITED.

(a) Notwithstanding Minnesota Statutes, chapter 12, or any other law to the contrary, Executive Order 20-79 is null and void.

(b) Notwithstanding Minnesota Statutes, chapter 12, or any law to the contrary, the governor is prohibited from issuing an order prohibiting or delaying eviction proceedings under Minnesota Statutes, chapter 504B, for 30 days following the enactment of this act.

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

Sec. 3. EVICTION MORATORIUM PHASEOUT.

(a) Notwithstanding any law to the contrary, the following actions are prohibited:

(1) termination or nonrenewal of residential leases, except:

(i) at the request of a tenant or where the termination is due to the tenant seriously endangering the safety of others or significantly damaging property;

(ii) for violations under Minnesota Statutes, section 504B.171, subdivision 1;

(iii) termination and nonrenewal of residential leases are permitted for material violations of the lease other than nonpayment of rent; and

(iv) from and after 30 days after the date of enactment of this act, termination and nonrenewal of leases are permitted for those with outstanding rent, but who are ineligible for rental assistance through the COVID-19 emergency rental assistance program;

(2) filing of eviction actions under Minnesota Statutes, section 504B.285 or 504B.291, except:

(i) where the tenant seriously endangers the safety of others or significantly damages property;

(ii) for violations under Minnesota Statutes, section 504B.171, subdivision 1;

(iii) from and after 30 days after the date of enactment of this act, eviction actions are permitted for material violations of the lease other than nonpayment of rent; and

(iv) from and after 60 days after the date of enactment of this act, eviction actions are permitted for those with outstanding rent, but who are ineligible for rental assistance through the COVID-19 emergency rental assistance program;

(3) termination of a residential rental agreement or filing an eviction action under Minnesota Statutes, section 327C.09, except for terminations or eviction actions under Minnesota Statutes, section 327C.09, subdivision 3, or under Minnesota Statutes, section 327C.09, subdivision 5, if the case is based on the resident endangering the safety of other residents or park personnel; and

(4) delivery of default notices by owners of security interests in manufactured homes located in Minnesota pursuant to Minnesota Statutes, section 327.64. A secured party is also prohibited from commencing an action for a court order to remove an occupant from a manufactured home.

(b) Notwithstanding paragraph (a), a landlord may file an eviction action against a tenant:

(1) who is eligible for assistance through the COVID-19 emergency rental assistance program; and

(2) who refuses to apply for assistance through the program, refuses to provide information needed by the landlord to apply for assistance on the tenant's behalf, or refuses to provide the landlord with proof that the tenant applied for assistance through the program.

(c) Within 15 days of the date of enactment of this act, a landlord is encouraged to share the following with all tenants in arrears over 30 days:

(1) the total amount due;

(2) the availability of any financial assistance programs for which the tenant may be eligible; and

(3) information about documents required by the city, county, state, or other entity to receive financial assistance.

(d) Nothing in this section shall:

(1) prohibit an action where the tenant or occupant abandons the premises and relief is sought under Minnesota Statutes, section 504B.271 or 504B.365;

(2) reduce the rent owed by the tenant to the landlord, prevent the landlord from collecting rent owed, or reduce arrears owed by a tenant for rent; or

(3) prohibit a tenant who is ineligible for assistance through the COVID-19 emergency rental assistance program from applying for or obtaining rental assistance through other programs.

(e) This section expires 90 days after the date of enactment of this act.

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

Sec. 4. EVICTIONS; PENDING APPLICATIONS FOR RENTAL ASSISTANCE.

Notwithstanding any law to the contrary, including section 3, the filing of an eviction action based on nonpayment of rent against a tenant with a pending application for assistance through the COVID-19 emergency rental assistance program is prohibited. This section expires June 1, 2022.

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

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Port moved to amend S.F. No. 1470 as follows:

Delete everything after the enacting clause and insert:

"Section 1. **EVICTION MORATORIUM PHASEOUT.**

(a) Notwithstanding any law to the contrary, the following actions are prohibited:

(1) termination or nonrenewal of residential leases, except:

(i) at the request of a tenant or where the termination is due to the tenant seriously endangering the safety of others or significantly damaging property;

(ii) for violations under Minnesota Statutes, section 504B.171, subdivision 1;

(iii) termination and nonrenewal of residential leases are permitted for material violations of the lease other than nonpayment of rent; and

(iv) from and after 30 days after the date of enactment of this act, termination and nonrenewal of leases are permitted for those with outstanding rent, but who are ineligible for rental assistance through the COVID-19 emergency rental assistance program;

(2) filing of eviction actions under Minnesota Statutes, section 504B.285 or 504B.291, except:

(i) where the tenant seriously endangers the safety of others or significantly damages property;

(ii) for violations under Minnesota Statutes, section 504B.171, subdivision 1;

(iii) from and after 30 days after the date of enactment of this act, eviction actions are permitted for material violations of the lease other than nonpayment of rent; and

(iv) from and after 60 days after the date of enactment of this act, eviction actions are permitted for those with outstanding rent, but who are ineligible for rental assistance through the COVID-19 emergency rental assistance program;

(3) termination of a residential rental agreement or filing an eviction action under Minnesota Statutes, section 327C.09, except for terminations or eviction actions under Minnesota Statutes, section 327C.09, subdivision 3, or under Minnesota Statutes, section 327C.09, subdivision 5, if the case is based on the resident endangering the safety of other residents or park personnel; and

(4) delivery of default notices by owners of security interests in manufactured homes located in Minnesota pursuant to Minnesota Statutes, section 327.64. A secured party is also prohibited from commencing an action for a court order to remove an occupant from a manufactured home.

(b) Notwithstanding paragraph (a), a landlord may file an eviction action against a tenant:

(1) who is eligible for assistance through the COVID-19 emergency rental assistance program; and

(2) refuses to apply for assistance through the program, refuses to provide information needed by the landlord to apply for assistance on the tenant's behalf, or refuses to provide the landlord with proof that the tenant applied for assistance through the program.

(c) Within 15 days of the date of enactment of this act, a landlord is encouraged to share the following with all tenants in arrears over 30 days:

(1) the total amount due;

(2) the availability of any financial assistance programs for which the tenant may be eligible; and

(3) information about documents required by the city, county, state, or other entity to receive financial assistance.

(d) Nothing in this section shall:

(1) prohibit an action where the tenant or occupant abandons the premises and relief is sought under Minnesota Statutes, section 504B.271 or 504B.365;

(2) reduce the rent owed by the tenant to the landlord, prevents the landlord from collecting rent owed, or reduces arrears owed by a tenant for rent; or

(3) prohibit a tenant who is ineligible for assistance through the COVID-19 emergency rental assistance program from applying for or obtaining rental assistance through other programs.

(e) No eviction may be commenced under this section except upon seven days written notice to the tenant, except for evictions authorized under paragraph (a), clause (1), item (i).

(f) This section expires December 31, 2021.

EFFECTIVE DATE. This section is effective the day following the expiration of Executive Order 20-79.

Sec. 2. **EVICTIONS; PENDING APPLICATIONS FOR RENTAL ASSISTANCE.**

Notwithstanding any law to the contrary, including section 3, the filing of an eviction action based on nonpayment of rent against a tenant with a pending application for assistance through the COVID-19 emergency rental assistance program is prohibited. This section expires June 1, 2022.

EFFECTIVE DATE. This section is effective the day following the expiration of Executive Order 20-79."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 44, as follows:

Those who voted in the affirmative were:

Bigham	Franzen	Kent	Newton	Wiger
Carlson	Frentz	Klein	Pappas	Wiklund
Clausen	Hoffman	Kunesh	Port	
Cwodzinski	Isaacson	Latz	Putnam	
Dziedzic	Johnson Stewart	Murphy	Rest	

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Clausen, Isaacson, Klein, Latz, Newton, and Wiklund.

Those who voted in the negative were:

Abeler	Dornink	Hawj	Limmer	Rosen
Anderson	Draheim	Housley	Marty	Ruud
Bakk	Duckworth	Howe	Mathews	Senjem
Benson	Eaton	Ingebrigtsen	McEwen	Tomassoni
Chamberlain	Eichorn	Jasinski	Miller	Torres Ray
Champion	Eken	Johnson	Newman	Utke
Coleman	Fateh	Kiffmeyer	Osmek	Weber
Dahms	Gazelka	Koran	Pratt	Westrom
Dibble	Goggin	Lang	Rarick	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Coleman, Duckworth, Eichorn, Howe, Newman, Osmek, Rosen, and Senjem.

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Champion, Dibble, Eaton, Eken, Fateh, Marty, and Torres Ray.

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

S.F. No. 1470 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 46 and nays 21, as follows:

Those who voted in the affirmative were:

Abeler	Dornink	Howe	Miller	Ruud
Anderson	Draheim	Ingebrigtsen	Nelson	Senjem
Bakk	Duckworth	Jasinski	Newman	Tomassoni
Benson	Dziedzic	Johnson	Osmek	Utke
Bigham	Eichorn	Kiffmeyer	Port	Weber
Chamberlain	Eken	Klein	Pratt	Westrom
Clausen	Gazelka	Koran	Putnam	
Coleman	Goggin	Lang	Rarick	
Cwodzinski	Hoffman	Limmer	Rest	
Dahms	Housley	Mathews	Rosen	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Duckworth, Eichorn, Howe, Nelson, Newman, Osmek, Rosen, and Senjem.

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Clausen, Eken, and Klein.

Those who voted in the negative were:

Carlson	Franzen	Kent	Murphy	Wiklund
Champion	Frentz	Kunesh	Newton	
Dibble	Hawj	Latz	Pappas	
Eaton	Isaacson	Marty	Torres Ray	
Fateh	Johnson Stewart	McEwen	Wiger	

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Carlson, Champion, Dibble, Eaton, Fateh, Isaacson, Latz, Marty, Newton, Torres Ray, and Wiklund.

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

SPECIAL ORDER

H.F. No. 820: A bill for an act relating to Open Meeting Law; allowing a member of a public body to attend a meeting from a private location more than three times in calendar year 2021; amending Minnesota Statutes 2020, section 13D.02, subdivision 4.

Senator Jasinski moved that the amendment made to H.F. No. 820 by the Committee on Rules and Administration in the report adopted April 7, 2021, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

Senator Jasinski moved to amend H.F. No. 820 as follows:

Page 1, delete section 1 and insert:

"Section 1. **[13D.001] DEFINITIONS.**

Subdivision 1. **Applicability.** For the purposes of this chapter, the terms defined in this section have the meanings given.

Subd. 2. **Interactive technology.** "Interactive technology" means a device, software program, or other application that allows individuals in different physical locations to see and hear one another.

Sec. 2. Minnesota Statutes 2020, section 13D.01, subdivision 4, is amended to read:

Subd. 4. **Votes to be kept in journal or minutes.** (a) The votes of the members of the state agency, board, commission, or department; or of the governing body, committee, subcommittee, board, department, or commission on an action taken in a meeting required by this section to be open to the public must be recorded in a journal ~~kept for that purpose~~ or minutes.

(b) The vote of each member must be recorded on each appropriation of money, except for payments of judgments, claims, and amounts fixed by statute.

Sec. 3. Minnesota Statutes 2020, section 13D.01, subdivision 5, is amended to read:

Subd. 5. **Public access to journal and minutes.** The journal or any minutes used to record votes of a meeting subject to this chapter must be open to the public during all normal business hours where records of the public body are kept.

Sec. 4. Minnesota Statutes 2020, section 13D.015, is amended to read:

13D.015 STATE ENTITY MEETINGS BY TELEPHONE OR ~~OTHER ELECTRONIC MEANS~~ INTERACTIVE TECHNOLOGY.

Subdivision 1. **Application.** This section applies to:

(1) a state agency, board, commission, or department, and a statewide public pension plan defined in section 356A.01, subdivision 24; and

(2) a committee, subcommittee, board, department, or commission of an entity listed in clause (1).

Subd. 2. **Conditions.** An entity listed in subdivision 1 may conduct a meeting governed by this section and section 13D.01, subdivisions 1, 2, 4, and 5, by telephone or ~~other electronic means~~ interactive technology so long as the following conditions are met:

(1) all members of the entity participating in the meeting, wherever their physical location, can hear one another and can hear all discussion and testimony;

(2) members of the public present at the regular meeting location of the entity can hear all discussion and all votes of members of the entity and participate in testimony;

(3) at least one member of the entity is physically present at the regular meeting location; and

(4) all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded.

Subd. 3. **Quorum; participation.** Each member of the entity participating in a meeting by telephone or ~~other electronic means~~ interactive technology is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

Subd. 4. **Monitoring from remote site; ~~costs.~~** If telephone or ~~another electronic means~~ interactive technology is used to conduct a meeting, the entity, to the extent practical, shall allow a person to monitor the meeting electronically from a remote location. ~~The entity may require the person making a connection to pay for documented marginal costs that the entity incurs as a result of the additional connection.~~

Subd. 5. **Notice.** If telephone or ~~another electronic means~~ interactive technology is used to conduct a regular, special, or emergency meeting, the entity shall provide notice of the regular meeting location, of the fact that some members may participate by ~~electronic means~~ interactive technology, and of the provisions of subdivision 4. The timing and method of providing notice is governed by section 13D.04. In addition, the entity must post the notice on its website at least ten days before any regular meeting as defined in section 13D.04, subdivision 1.

Sec. 5. Minnesota Statutes 2020, section 13D.02, is amended to read:

**13D.02 OTHER ENTITY MEETINGS CONDUCTED BY INTERACTIVE TV;
CONDITIONS TECHNOLOGY.**

Subdivision 1. **Conditions.** (a) A meeting governed by section 13D.01, subdivisions 1, 2, 4, and 5, and this section may be conducted by interactive ~~television~~ technology so long as:

(1) all members of the body participating in the meeting, wherever their physical location, can hear and see one another and can hear and see all discussion and testimony presented at any location at which at least one member is present;

(2) members of the public present at the regular meeting location of the body can hear and see all discussion and testimony and all votes of members of the body;

(3) at least one member of the body is physically present at the regular meeting location;

(4) all votes are conducted by roll call so each member's vote on each issue can be identified and recorded; and

(5) each location at which a member of the body is present is open and accessible to the public.

(b) A meeting satisfies the requirements of paragraph (a), although a member of the public body participates from a location that is not open or accessible to the public, if the member has not participated more than three times in a calendar year from a location that is not open or accessible to the public, and:

(1) the member is serving in the military and is at a required drill, deployed, or on active duty; or

(2) the member has been advised by a health care professional against being in a public place for personal or family medical reasons. This clause only applies when a state of emergency has been declared under section 12.31, and expires 60 days after the removal of the state of emergency.

Subd. 1a. **Meeting exception.** This section applies to meetings of entities described in section 13D.01, subdivision 1, except meetings of:

(1) a state agency, board, commission, or department, and a statewide public pension plan defined in section 356A.01, subdivision 24; and

(2) a committee, subcommittee, board, department, or commission of an entity listed in clause (1).

Subd. 2. Members are present for quorum, participation. Each member of a body participating in a meeting by interactive ~~television~~ technology is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

Subd. 3. ~~Monitoring from remote site; costs.~~ If interactive ~~television~~ technology is used to conduct a meeting, to the extent practical, a public body shall allow a person to monitor the meeting electronically from a remote location. ~~The body may require the person making such a connection to pay for documented marginal costs that the public body incurs as a result of the additional connection.~~

Subd. 4. Notice of regular and all member sites locations. If interactive ~~television~~ technology is used to conduct a regular, special, or emergency meeting, the public body shall provide notice of the regular meeting location and notice of any site location where a member of the public body will be participating in the meeting by interactive ~~television~~ technology, except for the locations of

members participating pursuant to subdivision 1, paragraph (b). The timing and method of providing notice must be as described in section 13D.04.

~~Subd. 5. **School boards; interactive technology with an audio and visual link.** A school board conducting a meeting under this section may use interactive technology with an audio and visual link to conduct the meeting if the school board complies with all other requirements under this section.~~

Subd. 6. **Record.** The minutes for a meeting conducted under this section must reflect the names of any members appearing by interactive ~~television~~ technology and state the reason or reasons for the appearance by interactive ~~television~~ technology.

EFFECTIVE DATE. Subdivision 4 is effective the day following final enactment.

Sec. 6. Minnesota Statutes 2020, section 13D.021, is amended to read:

**13D.021 MEETINGS BY TELEPHONE OR OTHER ELECTRONIC MEANS;
CONDITIONS DURING PANDEMIC OR CHAPTER 12 EMERGENCY.**

Subdivision 1. **Conditions.** A meeting governed by this section and section 13D.01, subdivisions 1, 2, 4, and 5, may be conducted by telephone or ~~other electronic means~~ interactive technology so long as the following conditions are met:

(1) the presiding officer, chief legal counsel, or chief administrative officer for the affected governing body determines that an in-person meeting or a meeting conducted under section 13D.015 or 13D.02 is not practical or prudent because of a health pandemic or an emergency declared under chapter 12;

(2) all members of the body participating in the meeting, wherever their physical location, can hear one another and can hear all discussion and testimony;

(3) members of the public present at the regular meeting location of the body can hear all discussion and testimony and all votes of the members of the body, unless attendance at the regular meeting location is not feasible due to the health pandemic or emergency declaration;

(4) at least one member of the body, chief legal counsel, or chief administrative officer is physically present at the regular meeting location, unless unfeasible due to the health pandemic or emergency declaration; and

(5) all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded.

Subd. 2. **Members are present for quorum, participation.** Each member of the body participating in a meeting by telephone or ~~other electronic means~~ interactive technology is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

Subd. 3. **Monitoring from remote site; costs.** If telephone or ~~another electronic means~~ interactive technology is used to conduct a meeting, to the extent practical, the body shall allow a person to monitor the meeting electronically from a remote location. ~~The body may require the person making~~

a connection to pay for the documented additional cost that the body incurs as a result of the additional connection.

Subd. 4. **Notice of regular and all member sites.** If telephone or ~~another electronic means~~ interactive technology is used to conduct a regular, special, or emergency meeting, the public body shall provide notice of the regular meeting location, of the fact that some members may participate by telephone or ~~other electronic means~~ interactive technology, and of the provisions of subdivision 3. The timing and method of providing notice is governed by section 13D.04 ~~of the Open Meeting Law.~~

Subd. 5. **Public comment period during health pandemic or emergency.** If attendance at the regular meeting location is not feasible due to the health pandemic or emergency declaration and the public body's practice is to offer a public comment period at in-person meetings, members of the public shall be permitted to comment from a remote location during the public comment period of the meeting, to the extent practical."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 820 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Draheim	Howe	Marty	Rest
Anderson	Duckworth	Ingebrigtsen	Mathews	Rosen
Bakk	Dziedzic	Isaacson	McEwen	Ruud
Benson	Eaton	Jasinski	Miller	Senjem
Bigham	Eichorn	Johnson	Murphy	Tomassoni
Carlson	Eken	Johnson Stewart	Nelson	Torres Ray
Chamberlain	Fateh	Kent	Newman	Utke
Champion	Franzen	Kiffmeyer	Newton	Weber
Clausen	Frentz	Klein	Osmek	Westrom
Coleman	Gazelka	Koran	Pappas	Wiger
Cwodzinski	Goggin	Kunesh	Port	Wiklund
Dahms	Hawj	Lang	Pratt	
Dibble	Hoffman	Latz	Putnam	
Dornink	Housley	Limmer	Rarick	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Duckworth, Eichorn, Howe, Nelson, Newman, Osmek, Rosen, and Senjem.

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Champion, Clausen, Dibble, Eaton, Eken, Fateh, Isaacson, Klein, Latz, Marty, Newton, Torres Ray, and Wiklund.

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

36TH DAY]

MONDAY, APRIL 12, 2021

2279

MEMBERS EXCUSED

Senator Nelson was excused from the Session of today from 12:20 to 12:40 p.m.

ADJOURNMENT

Senator Gazelka moved that the Senate do now adjourn until 12:00 noon, Tuesday, April 13, 2021. The motion prevailed.

Cal R. Ludeman, Secretary of the Senate

