

ONE HUNDRED NINTH DAY

St. Paul, Minnesota, Wednesday, May 1, 2024

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

CALL OF THE SENATE

Senator Murphy imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Pastor Sue Koesterman.

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	Dziedzic	Johnson	Maye Quade	Rarick
Anderson	Eichorn	Klein	McEwen	Rasmusson
Bahr	Farnsworth	Koran	Miller	Rest
Boldon	Fatch	Kreun	Mitchell	Seeberger
Carlson	Frentz	Kunesh	Mohamed	Utke
Champion	Green	Kupec	Morrison	Weber
Coleman	Gruenhagen	Lang	Murphy	Wesenberg
Cwodzinski	Gustafson	Latz	Nelson	Westlin
Dahms	Hauschild	Lieske	Oumou Verbeten	Westrom
Dibble	Hawj	Limmer	Pappas	Wiklund
Dornink	Hoffman	Lucero	Pha	Xiong
Draheim	Housley	Mann	Port	
Drazkowski	Howe	Marty	Pratt	
Duckworth	Jasinski	Mathews	Putnam	

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 3492: A bill for an act relating to housing; amending provisions relating to residential housing leases; amending landlord and tenant rights and obligations; providing for tenant associations; amending provisions relating to residential housing evictions; making clarifying, technical, and conforming changes to landlord and tenant provisions; amending Minnesota Statutes 2022, sections 504B.001, by adding subdivisions; 504B.113, subdivision 3; 504B.177; 504B.205, subdivisions 2, 3; 504B.206, subdivisions 1, 2, 3, 6; 504B.285, subdivision 1; 504B.385, subdivision 2; Minnesota Statutes 2023 Supplement, sections 484.014, subdivision 3; 504B.144; 504B.268, subdivision 1; 504B.345, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 504B; repealing Minnesota Statutes 2023 Supplement, section 504B.331.

There has been appointed as such committee on the part of the House:

Agbaje, Howard and Myers.

Senate File No. 3492 is herewith returned to the Senate.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned April 30, 2024

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 4124 and 5237.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted April 30, 2024

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

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

Referred to the Committee on Rules and Administration for comparison with S.F. No. 5116, now on General Orders.

H.F. No. 5237: A bill for an act relating to education; providing for supplemental funding for prekindergarten through grade 12 education; modifying provisions for general education, education excellence, the Read Act, American Indian education, teachers, charter schools, special education, school facilities, school nutrition and libraries, early childhood education, and state agencies; requiring reports; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2022, sections 13.321, by adding a subdivision; 120A.41; 122A.415, by adding a subdivision; 122A.73, subdivision 4; 124D.093, subdivisions 3, 4, 5; 124D.19, subdivision 8; 124D.957, subdivision 1; 124E.22; 126C.05, subdivision 15; 126C.10, subdivision 13a; 127A.45, subdivisions 12, 13, 14a; 127A.51;

Minnesota Statutes 2023 Supplement, sections 120B.018, subdivision 6; 120B.021, subdivisions 1, 2, 3, 4; 120B.024, subdivision 1; 120B.1117; 120B.1118, subdivisions 7, 10, by adding a subdivision; 120B.12, subdivisions 1, 2, 2a, 3, 4, 4a; 120B.123, subdivisions 1, 2, 5, 7, by adding a subdivision; 120B.124, subdivisions 1, 2, by adding subdivisions; 121A.642; 122A.415, subdivision 4; 122A.73, subdivisions 2, 3; 122A.77, subdivisions 1, 2; 123B.92, subdivision 11; 124D.111, subdivision 3; 124D.151, subdivision 6; 124D.165, subdivisions 3, 6; 124D.42, subdivision 8; 124D.65, subdivision 5; 124D.81, subdivision 2b; 124D.901, subdivision 3; 124D.98, subdivision 5; 124D.995, subdivision 3; 124E.13, subdivision 1; 126C.10, subdivisions 2e, 3, 3c, 13, 18a; 127A.21; 256B.0625, subdivision 26; 256B.0671, by adding a subdivision; Laws 2023, chapter 18, section 4, subdivisions 2, as amended, 3, as amended; Laws 2023, chapter 54, section 20, subdivisions 6, 24; Laws 2023, chapter 55, article 1, section 36, subdivisions 2, as amended, 8; article 2, section 64, subdivisions 2, as amended, 6, as amended, 9, 14, 16, 31, 33; article 3, section 11, subdivisions 3, 4; article 5, sections 64, subdivisions 3, as amended, 5, 10, 12, 13, 15, 16; 65, subdivisions 3, 6, 7; article 7, section 18, subdivision 4, as amended; article 8, section 19, subdivisions 5, 6, as amended; proposing coding for new law in Minnesota Statutes, chapters 120B; 123B; repealing Laws 2023, chapter 55, article 10, section 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 5252, now on General Orders.

REPORTS OF COMMITTEES

Senator Murphy moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 5284.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 36 and nays 30, as follows:

Those who voted in the affirmative were:

Abeler	Frentz	Latz	Murphy	Seeberger
Boldon	Gustafson	Limmer	Nelson	Westlin
Carlson	Hauschild	Mann	Oumou Verbeten	Wiklund
Champion	Hawj	Maye Quade	Pappas	Xiong
Cwodzinski	Hoffman	McEwen	Pha	
Dibble	Klein	Mitchell	Port	
Dziedzic	Kunesh	Mohamed	Putnam	
Fateh	Kupec	Morrison	Rest	

Pursuant to Rule 40, Senator Oumou Verbeten cast the affirmative vote on behalf of the following Senator: Dziedzic.

Those who voted in the negative were:

Anderson	Drazkowski	Housley	Lang	Rarick
Bahr	Duckworth	Howe	Lieske	Rasmusson
Coleman	Eichorn	Jasinski	Lucero	Utke
Dahms	Farnsworth	Johnson	Mathews	Weber
Dornink	Green	Koran	Miller	Wesenberg
Draheim	Gruenhagen	Kreun	Pratt	Westrom

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson and Kreun.

The motion prevailed.

Senator Marty from the Committee on Finance, to which was re-referred

S.F. No. 3887: A bill for an act relating to state government; appropriating money for environment and natural resources; modifying prior appropriations; providing for and modifying disposition of certain receipts; modifying and establishing duties, authorities, and prohibitions regarding environment and natural resources; modifying and creating environment and natural resources programs; modifying and creating grant programs; modifying remedies, penalties, and enforcement; modifying requirements for recreation vehicles; modifying state trail, state forest, and state park provisions; modifying forestry provisions; modifying game and fish provisions; modifying water law; modifying environmental review and permitting requirements; authorizing sales, conveyances, and leases of certain state lands; establishing a Packaging Waste and Cost Reduction program; modifying and providing for fees; making technical changes; requiring reports; authorizing rulemaking; amending Minnesota Statutes 2022, sections 84.788, subdivisions 5a, 6; 85.015, subdivision 1b; 93.25, subdivisions 1, 2; 94.343, subdivision 8a; 94.3495, by adding a subdivision; 97A.475, subdivisions 2, 3; 115.071, subdivisions 1, 4, by adding subdivisions; 116.07, subdivision 9, by adding subdivisions; 116.11; 116.92, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 115.03, subdivision 1; 325E.3892, subdivision 2; Laws 2023, chapter 60, article 1, section 3, subdivision 3; article 3, section 35; article 8, section 6, subdivision 9; proposing coding for new law in Minnesota Statutes, chapters 84; 86B; 93; 115A; 116; 282; repealing Minnesota Statutes 2022, sections 85.012, subdivisions 27b, 58; 97B.802; 138.662, subdivision 33.

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

Page 18, line 1, delete "This appropriation is" and insert "The general fund appropriations are available until June 30, 2025, and the heritage enhancement account appropriations are"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Marty from the Committee on Finance, to which was referred

H.F. No. 4993: A bill for an act relating to state government; making human services forecast adjustments; appropriating money.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Marty from the Committee on Finance, to which was re-referred

S.F. No. 5284: A bill for an act relating to transportation; appropriating money for a supplemental budget for the Department of Transportation, Department of Public Safety, and the Metropolitan Council; modifying prior appropriations; modifying various provisions related to transportation and public safety, including but not limited to greenhouse gas emissions, electric-assisted bicycles, high voltage transmission lines, railroad safety, roadable aircraft, overweight vehicle permits, pedestrian malls, motorcycle riding rules, vehicle registration, auto dealers, deputy registrars and driver's license

agents, drivers' licenses, traffic safety camera systems, and transit; establishing an antidisplacement program in Blue Line light rail extension project corridor; establishing civil penalties; establishing criminal penalties; establishing an advisory committee; establishing pilot programs; requiring studies; requiring reports; amending Minnesota Statutes 2022, sections 13.6905, by adding a subdivision; 13.824, subdivision 1, by adding a subdivision; 134A.09, subdivision 2a; 134A.10, subdivision 3; 161.3203, subdivision 4; 161.45, by adding subdivisions; 161.46, subdivision 1; 162.02, by adding a subdivision; 162.081, subdivision 4; 162.09, by adding a subdivision; 162.145, subdivision 5; 168.002, subdivision 18; 168.092; 168.12, subdivision 1; 168.127; 168.1282, subdivision 1; 168.27, by adding a subdivision; 168.33, by adding a subdivision; 168A.03, subdivision 2; 168A.11, subdivisions 1, 2; 168B.035, subdivision 3; 169.011, subdivisions 3a, 44, by adding subdivisions; 169.04; 169.06, by adding subdivisions; 169.14, subdivision 10, by adding subdivisions; 169.222, subdivisions 2, 6a, 6b; 169.346, subdivision 2; 169.685, subdivision 7; 169.79, by adding a subdivision; 169.869, subdivision 1; 169.974, subdivision 5; 169.99, subdivision 1; 171.01, by adding subdivisions; 171.06, subdivision 2a, by adding a subdivision; 171.061, by adding a subdivision; 171.12, by adding a subdivision; 171.13, subdivision 9, by adding a subdivision; 171.16, subdivision 3; 171.30, subdivision 1, by adding subdivisions; 171.335, subdivision 3; 174.02, by adding a subdivision; 174.185; 174.40, subdivision 3; 174.75, subdivisions 1, 2, by adding a subdivision; 216E.02, subdivision 1; 221.0255, subdivision 4, by adding a subdivision; 297A.815, subdivision 3; 360.013, by adding a subdivision; 430.01, subdivisions 1, 2; 430.011, subdivisions 1, 2, 3; 430.023; 430.031, subdivision 1; 430.13; 473.13, by adding a subdivision; 473.388, by adding a subdivision; 473.3927; 473.3994, subdivisions 1a, 4, 7, 9, 14; 473.3995; 473.3997; 473.405, subdivision 4; 473.4485, by adding a subdivision; 473.452; 480.15, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 123B.935, subdivision 1; 161.178; 161.46, subdivision 2; 162.146, by adding a subdivision; 168.33, subdivision 7; 168.345, subdivision 2; 169.011, subdivision 27; 171.06, subdivision 3; 171.061, subdivision 4; 171.0705, subdivision 2; 171.13, subdivision 1; 171.301, subdivisions 3, 6; 174.49, subdivision 6; 174.634, subdivision 2, by adding a subdivision; 297A.993, subdivision 2a; 357.021, subdivision 6; 473.412, subdivisions 2, 3; 473.4465, subdivisions 4, 5; Laws 2021, First Special Session chapter 5, article 2, section 3; Laws 2023, chapter 68, article 1, sections 2, subdivision 4; 3, subdivision 2; 17, subdivisions 7, 18; 20; article 2, sections 2, subdivisions 3, 4, 5, 7, 9; 3; article 4, section 108; proposing coding for new law in Minnesota Statutes, chapters 161; 168; 169; 174; 219; 325F; 430; repealing Minnesota Statutes 2022, section 430.01, subdivision 4.

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

Page 2, line 28, delete "66,450,000" and insert "66,449,000"

Page 2, line 31, delete "1,695,000" and insert "1,694,000"

Page 3, line 10, delete "136" and insert "138"

Page 3, line 23, delete "149" and insert "151"

Page 5, line 20, delete "245,000" and insert "244,000"

Page 5, line 24, after the period, insert "The base for this appropriation is \$243,000 in each of fiscal years 2026 and 2027."

Page 6, line 22, delete "3,051,000" and insert "3,223,000"

Page 6, line 26, delete "2,551,000" and insert "2,723,000"

Page 6, line 32, delete "2,351,000" and insert "2,523,000"

Page 7, line 10, delete "147" and insert "149"

Page 7, line 23, delete "138" and insert "148"

Page 7, after line 23 insert:

"\$172,000 in fiscal year 2025 is from the driver and vehicle services operating account in the special revenue fund for costs related to translating written materials and providing them to driver's license agents and deputy registrars as required under article 2, section 140. This is a onetime appropriation."

Page 8, line 5, delete "141" and insert "143"

Page 9, line 4, delete "139" and insert "141"

Page 9, line 9, delete "86" and insert "88" and delete "117 to 124" and insert "119 to 126"

Page 10, line 18, delete "144" and insert "146"

Page 10, delete section 15

Page 15, after line 2, insert:

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

Page 15, delete section 19

Page 18, delete section 26

Page 21, after line 28, insert:

"Sec. 8. Minnesota Statutes 2022, section 161.089, is amended to read:

161.089 REPORT ON DEDICATED FUND EXPENDITURES.

By January 15 of each odd-numbered year, the commissioners of transportation and public safety, in consultation with the commissioner of management and budget, must jointly submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance. The report must:

(1) list detailed expenditures and transfers from the trunk highway fund and highway user tax distribution fund for the previous two fiscal years and must include information on the purpose of each expenditure. ~~The report must;~~

(2) include a separate section that lists detailed expenditures and transfers from the trunk highway fund and highway user tax distribution fund for cybersecurity; and

(3) include for each expenditure from the trunk highway fund an estimate of the percentage of activities performed or purchases made with that expenditure that are not for trunk highway purposes."

Page 26, line 22, delete "and"

Page 26, after line 22, insert:

"(6) identification of any exemptions provided under subdivision 7, paragraph (b); and"

Page 26, line 23, delete "(6)" and insert "(7)"

Page 26, line 26, before "The" insert "(a)"

Page 26, after line 28, insert:

"(b) The commissioner may exempt a project from the requirements under this section if the commissioner determines the project will result in a reduction in fatal and serious injuries and:

(1) the project is at an intersection or segment with a fatal and serious injury critical crash index rate of 1.5 or greater over the last five years; or

(2) the project is identified as a traffic safety priority with a high number of fatalities or serious injuries by the Metropolitan Council and Department of Transportation's principal arterial intersection conversion study or similar study.

(c) If the commissioner exempts a project under the conditions specified in paragraph (b), the reasons must be submitted to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation within 90 days of the commissioner's decision."

Page 28, line 18, delete "by" and insert "and"

Page 28, line 19, delete "performing" and insert "perform"

Page 28, line 21, delete "reviewing" and insert "review" and delete "making" and insert "make"

Page 28, line 27, delete "advising" and insert "advise"

Page 28, line 29, delete "developing" and insert "develop"

Page 28, line 31, delete "performing" and insert "perform"

Page 29, delete section 10 and insert:

"Sec. 11. Minnesota Statutes 2022, section 161.3203, subdivision 4, is amended to read:

Subd. 4. **Reports Report.** (a) By September 1 of each year, the commissioner ~~shall provide, no later than September 1, an annual written must submit~~ a report to the legislature, in compliance with sections 3.195 and 3.197, and ~~shall submit the report to the chairs~~ and ranking minority members

of the ~~senate and house of representatives~~ legislative committees having jurisdiction over transportation policy and finance.

(b) The report must list all privatization transportation contracts ~~within the meaning of this section~~ that were executed or performed, whether wholly or in part, in the previous fiscal year. The report must identify, with respect to each contract:

(1) the contractor;

(2) contract amount;

(3) duration;

(4) work, provided or to be provided;

(5) the comprehensive estimate derived under subdivision 3, paragraph (a);

(6) the comprehensive estimate derived under subdivision 3, paragraph (b);

(7) the actual cost to the agency of the contractor's performance of the contract; and

(8) for contracts of at least \$250,000, a statement containing the commissioner's determinations under subdivision 3, paragraph (c).

(c) The report must collect aggregate data on each of the commissioner's district offices and the bridge office on barriers and challenges to the reduction of transportation contract privatization. The aggregate data must identify areas of concern related to transportation contract privatization and include information on:

(1) recruitment and retention of staff;

(2) expertise gaps;

(3) access to appropriate equipment; and

(4) the effects of geography, demographics, and socioeconomic data on transportation contract privatization rates.

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

Page 35, after line 28, insert:

"Sec. 24. Minnesota Statutes 2022, section 168.002, subdivision 24, is amended to read:

Subd. 24. **Passenger automobile.** (a) "Passenger automobile" means any motor vehicle designed and used for carrying not more than 15 individuals, including the driver.

(b) "Passenger automobile" does not include motorcycles, motor scooters, buses, school buses, or commuter vans as defined in section 168.126.

(c) "Passenger automobile" includes, but is not limited to:

- (1) a vehicle that is a pickup truck or a van as defined in subdivisions 26 and 40;
- (2) neighborhood electric vehicles, as defined in section 169.011, subdivision 47; ~~and~~
- (3) medium-speed electric vehicles, as defined in section 169.011, subdivision 39; and
- (4) roadable aircraft, as defined in section 169.011, subdivision 67a."

Page 42, line 9, delete "A" and insert "If available, the"

Page 42, line 10, delete "may" and insert "must" and after "location" insert ". If the existing office location is not available to the replacement deputy registrar, the replacement office location must be within the same county"

Page 44, delete section 34

Page 61, delete section 52 and insert:

"Sec. 53. Minnesota Statutes 2022, section 169.222, subdivision 2, is amended to read:

Subd. 2. **Manner and number riding.** ~~No bicycle, including a tandem bicycle, cargo or utility bicycle, or trailer, shall be used to carry more persons at one time than the number for which it is designed and equipped, except an adult rider may carry a child in a seat designed for carrying children that is securely attached to the bicycle.~~ (a) For purposes of this subdivision, bicycle includes a tandem bicycle, electric-assisted bicycle, cargo or utility bicycle, or trailer.

(b) No person may operate a bicycle while carrying more than the number of riders for which the bicycle is designed and equipped.

(c) Notwithstanding paragraph (b), an adult bicycle operator may carry a child in a trailer or seat designed for carrying children that is securely attached to a bicycle."

Page 69, after line 13, insert:

"Sec. 64. Minnesota Statutes 2022, section 171.01, subdivision 40, is amended to read:

Subd. 40. **Motorcycle.** "Motorcycle" means every motor vehicle having a seat or saddle for the use of the rider and designed to travel on not more than three wheels in contact with the ground; ~~including. Motorcycle includes~~ motor scooters and bicycles with motor attached, but excluding.

(b) Motorcycle excludes tractors ~~and~~, motorized bicycles, and roadable aircraft as defined in section 169.011, subdivision 67a."

Page 73, line 29, delete "specified in paragraph (c)" and insert "under this section and section 171.13, subdivision 1"

Page 74, line 5, after "commissioner" insert "from the driver and vehicle services operating account in the special revenue fund"

Page 75, line 16, delete "A" and insert "If available, the"

Page 75, line 17, delete "may" and insert "must" and after "location" insert ". If the existing office location is not available to the replacement driver's license agent, the replacement office location must be within the same county"

Page 103, line 17, delete "POWERED" and insert "OTHER ELECTRIC"

Page 119, delete section 128

Page 120, after line 30, insert:

"Sec. 133. Laws 2021, First Special Session chapter 5, article 4, section 141, is amended to read:

Sec. 141. 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) The design and construction of a noncompliant driver's license, instruction permit, or identification card issued under the pilot project must be substantially similar to centrally issued drivers' licenses, instruction permits, or identification cards issued under Minnesota Statutes, chapter 171.

(e) A same-day noncompliant driver's license, instruction permit, or identification card must, as much as practicable, contain the same security features as centrally issued noncompliant drivers' licenses, identification cards, or instruction permits. The security features of a same-day noncompliant driver's license, instruction permit, or identification card must not obscure the colored photograph of the licensee.

(f) To the extent practicable, the materials used in printing the noncompliant driver's license, instruction permit, or identification card must be substantially similar to and must not have significant differences in weight, thickness, or rigidity when compared to centrally issued licenses or cards.

(g) By January 1, 2024 ~~2026~~, 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 an updated recommendation on whether the issuance of same-day noncompliant drivers' licenses, instruction permits, or identification cards should be expanded statewide or whether the pilot project should be expanded to additional locations across the state; and

(5) detailed information on the commissioner's implementation of the requirements in paragraphs (d) to (f), including a review of security features and a comparison of a centrally issued noncompliant driver's license, instruction permit, or identification card versus a noncompliant driver's license, instruction permit, or identification card issued under the pilot project.

Sec. 134. Laws 2021, First Special Session chapter 5, article 4, section 141, the effective date, is amended to read:

EFFECTIVE DATE. ~~This section is~~ Paragraphs (a) to (c) are effective on October 1, 2022, and applies apply to applications received on or after that date. Paragraphs (d) to (g) are effective August 1, 2024, and apply to applications received on or after that date."

Page 121, line 23, delete "135" and insert "137"

Page 122, line 7, delete everything after the comma and insert "with one representative appointed by the senate majority leader and one representative appointed by the senate minority leader; and"

Page 122, line 9, delete everything after the comma and insert "with one representative appointed by the speaker of the house of representatives and one representative appointed by the house of representatives minority leader."

Page 122, lines 19, 24, and 25, delete "135" and insert "137"

Page 123, line 3, delete "135" and insert "137"

Page 124, line 28, delete the first "legislative"

Page 126, lines 4 and 28, delete "133" and insert "135"

Page 128, line 10, delete "in identifying" and insert "to identify"

Page 129, line 19, delete "for administering and enforcing" and insert "to establish"

Page 129, line 20, delete "select" and insert "appoint"

Page 129, line 21, after "location" insert "or approved replacement location"

Page 129, line 23, delete "using" and insert "conducting"

Page 134, line 27, delete "barriers for" and insert "challenges to the"

Page 135, line 1, delete "changes to" and insert "whether to change"

Page 140, line 26, after "commissioner" insert "of public safety"

Page 145, after line 6, insert:

"ARTICLE 3

LABOR APPROPRIATIONS

Section 1. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in sections 2 to 5. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

<u>APPROPRIATIONS</u>			
<u>Available for the Year</u>			
<u>Ending June 30</u>			
	<u>2024</u>		<u>2025</u>
Sec. 2. <u>DEPARTMENT OF HEALTH</u>	\$	<u>-0-</u>	\$ <u>174,000</u>
<u>\$174,000 the second year is for technical assistance for rulemaking for acceptable blood lead levels for workers. This appropriation is onetime and is available until June 30, 2026.</u>			
Sec. 3. <u>BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA</u>	\$	<u>-0-</u>	\$ <u>299,000</u>
<u>\$299,000 the second year is for labor relations staffing costs. The base for this appropriation is \$314,000 for fiscal year 2026 and \$265,000 for fiscal year 2027 and each year thereafter.</u>			
Sec. 4. <u>BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND UNIVERSITIES</u>	\$	<u>-0-</u>	\$ <u>138,000</u>
<u>\$138,000 the second year is for labor relations staffing costs.</u>			

**Sec. 5. DEPARTMENT OF LABOR AND
INDUSTRY****\$****-0- \$****9,000,000**

(a) \$9,000,000 the second year is for a grant to Tending the Soil to redevelop a building located at 2808 Hennepin Avenue South in Minneapolis, for use as the Rise Up Center to house a workforce development and job training center, office spaces for the administration of workforce development programs, and a public gathering space. The center, when complete, shall be capable of training up to 3,000 low-income workers annually from diverse backgrounds in the fields of green energy, construction, food processing, and other stable careers through preapprenticeships and job readiness training, in partnership with labor and grassroots organizations. This is a onetime appropriation and is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to one percent of this appropriation for administrative costs.

(b) Beginning January 15, 2025, the commissioner of labor and industry must annually report to the legislative committees with jurisdiction over economic development, workforce development, jobs, and labor regarding the uses of funds in this grant. The report must include how much of the grant funds remain unspent. The report must also detail the number of workers served by the grant. A final report is due the January 15 immediately following the cancellation or exhaustion of this grant. As a condition of receiving the grant, Tending the Soil must agree to provide the commissioner any information needed to complete this report.

Sec. 6. Laws 2023, chapter 53, article 14, section 1, is amended to read:

Section 1. **EARNED SICK AND SAFE TIME APPROPRIATIONS.**

(a) \$1,445,000 in fiscal year 2024 and ~~\$2,209,000~~ \$1,899,000 in fiscal year 2025 are appropriated from the general fund to the commissioner of labor and industry for enforcement and other duties regarding earned sick and safe time under Minnesota Statutes, sections 181.9445 to 181.9448, and chapter 177. ~~The base for this appropriation is \$1,899,000 for fiscal year 2026 and each year thereafter.~~

(b) \$300,000 in fiscal year 2024 and \$300,000 in fiscal year 2025 are appropriated from the general fund to the commissioner of labor and industry for grants to community organizations under Minnesota Statutes, section 177.50, subdivision 4. This is a onetime appropriation.

(c) \$310,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of labor and industry for rulemaking related to earned sick and safe time under Minnesota Statutes, sections 181.9445 to 181.9448, and chapter 177. This is a onetime appropriation and is available until June 30, 2027.

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

Sec. 7. Laws 2023, chapter 53, article 19, section 2, subdivision 1, is amended to read:

Subdivision 1. Total Appropriation		\$	47,710,000	\$	<u>44,044,000</u>
Appropriations by Fund					<u>44,525,000</u>
	2024	2025			
General	7,200,000	<u>4,889,000</u>			
Workers'		<u>5,030,000</u>			
Compensation	30,599,000	<u>32,390,000</u>			
Workforce		<u>32,669,000</u>			
Development	9,911,000	<u>6,765,000</u>			
		<u>6,826,000</u>			

The amounts that may be spent for each purpose are specified in the following subdivisions. The general fund base for this appropriation is ~~\$4,936,000~~ \$5,077,000 in fiscal year 2026 and ~~\$4,958,000~~ \$5,099,000 in fiscal year 2027 and each year thereafter. The workers compensation fund base is ~~\$32,749,000~~ \$32,892,000 in fiscal year 2026 and \$32,458,000 in fiscal year 2027 and each year thereafter. The workforce development fund base is ~~\$6,765,000~~ \$6,826,000 in fiscal year 2026 and each year thereafter.

Sec. 8. Laws 2023, chapter 53, article 19, section 2, subdivision 3, is amended to read:

Subd. 3. Labor Standards	6,520,000	<u>6,270,000</u>
		<u>6,472,000</u>

Appropriations by Fund

		4,635,000
General	4,957,000	<u>4,776,000</u>
Workforce		1,635,000
Development	1,563,000	<u>1,696,000</u>

The general fund base for this appropriation is ~~\$4,682,000~~ \$4,823,000 in fiscal year 2026 and ~~\$4,704,000~~ \$4,845,000 in fiscal year 2027 and each year thereafter.

(a) \$2,046,000 each year is for wage theft prevention.

(b) \$1,563,000 the first year and ~~\$1,635,000~~ \$1,696,000 the second year are from the workforce development fund for prevailing wage enforcement.

(c) \$134,000 the first year and \$134,000 the second year are for outreach and enforcement efforts related to changes to the nursing mothers, lactating employees, and pregnancy accommodations law.

(d) \$661,000 the first year and \$357,000 the second year are to perform work for the Nursing Home Workforce Standards Board. The base for this appropriation is \$404,000 in fiscal year 2026 and \$357,000 in fiscal year 2027.

(e) \$225,000 the first year and \$169,000 the second year are for the purposes of the Safe Workplaces for Meat and Poultry Processing Workers Act.

(f) \$27,000 the first year is for the creation and distribution of a veterans' benefits and services poster under Minnesota Statutes, section 181.536.

(g) \$141,000 the second year is to inform and educate employers relating to Minnesota Statutes, section 181.960.

Sec. 9. Laws 2023, chapter 53, article 19, section 2, subdivision 5, is amended to read:

Subd. 5. Workplace Safety		8,644,000	7,559,000 <u>7,838,000</u>
Appropriations by Fund			
General	2,000,000	-0-	
Workers'		7,559,000	
Compensation	6,644,000	<u>7,838,000</u>	

The workers compensation fund base for this appropriation is ~~\$7,918,000~~ \$8,061,000 in fiscal year 2026 and \$7,627,000 in fiscal year 2027 and each year thereafter.

\$2,000,000 the first year is for the ergonomics safety grant program. This appropriation is available until June 30, 2026. This is a onetime appropriation.

Sec. 10. Laws 2023, chapter 53, article 19, section 4, is amended to read:

Sec. 4. **BUREAU OF MEDIATION SERVICES** \$ **3,707,000** \$ **3,789,000**

~~(a) \$750,000 each year is for purposes of the Public Employment Relations Board under Minnesota Statutes, section 179A.041.~~

~~(b) \$68,000 each year is for grants to area labor management committees. Grants may be awarded for a 12-month period beginning July 1 each year. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.~~

~~(c) \$47,000 each year is for rulemaking, staffing, and other costs associated with peace officer grievance procedures.~~

EFFECTIVE DATE. This section is effective retroactively from July 1, 2023.

ARTICLE 4

COMBATIVE SPORTS - DEPARTMENT OF LABOR AND INDUSTRY

Section 1. Minnesota Statutes 2023 Supplement, section 341.25, is amended to read:

341.25 RULES.

(a) The commissioner may adopt rules that include standards for the physical examination and condition of combatants and referees.

(b) The commissioner may adopt other rules necessary to carry out the purposes of this chapter, including, but not limited to, the conduct of all combative sport contests and their manner, supervision, time, and place.

(c) The most recent version of the Unified Rules of Mixed Martial Arts, as promulgated by the Association of Boxing Commissions, is incorporated by reference and made a part of this chapter except as qualified by this chapter and Minnesota Rules, chapter 2202. In the event of a conflict between this chapter and the Unified Rules, this chapter must govern.

(d) The most recent version of the Unified Rules of Boxing, as promulgated by the Association of Boxing Commissions, is incorporated by reference and made a part of this chapter except as qualified by this chapter and Minnesota Rules, chapter 2201. In the event of a conflict between this chapter and the Unified Rules, this chapter must govern.

(e) The most recent version of the Unified Rules of Kickboxing and Unified Rules of Muay Thai, as promulgated by the Association of Boxing Commissions, ~~is~~ are incorporated by reference and made a part of this chapter except as qualified by this chapter and any applicable Minnesota Rules. In the event of a conflict between this chapter and ~~the Unified Rules~~ those rules, this chapter must govern. If a promoter seeks to hold a kickboxing event governed by a different set of kickboxing rules, the promoter must send the commissioner a copy of the rules under which the proposed bouts will be conducted at least 45 days before the event. The commissioner may approve or deny the use of the alternative rules at the commissioner's discretion. If the alternative rules are approved for an event, this chapter and any applicable Minnesota Rules, except of those incorporating the Unified Rules of Kickboxing and Unified Rules of Muay Thai, must govern if there is a conflict between the rules and Minnesota law.

Sec. 2. Minnesota Statutes 2023 Supplement, section 341.28, subdivision 5, is amended to read:

Subd. 5. **Regulatory authority; martial arts and amateur boxing.** (a) Unless this chapter specifically states otherwise, contests or exhibitions for martial arts and amateur boxing are exempt from the requirements of this chapter and officials at these events are not required to be licensed under this chapter.

(b) Martial arts and amateur boxing contests, unless subject to the exceptions set forth in subdivision 6 or 7, must be regulated by a nationally recognized organization approved by the commissioner. The organization must have a set of written standards, procedures, or rules used to sanction the combative sports it oversees.

(c) Any regulatory body overseeing a martial arts or amateur boxing event must submit bout results to the commissioner within 72 hours after the event. If the regulatory body issues suspensions, the regulatory body must submit to the commissioner a list of any suspensions resulting from the event within 72 hours after the event. Regulatory bodies that oversee combative sports or martial arts contests under subdivision 6 or 7 are not subject to this paragraph.

Sec. 3. Minnesota Statutes 2022, section 341.28, is amended by adding a subdivision to read:

Subd. 7. **Regulatory authority; youth competition.** Combative sports or martial arts contests between individuals under the age of 18 years are exempt from the requirements of this chapter and officials at these events are not required to be licensed under this chapter. A contest under this subdivision must be regulated by (1) a widely recognized organization that regularly oversees youth competition, or (2) a local government.

Sec. 4. Minnesota Statutes 2022, section 341.29, is amended to read:

341.29 JURISDICTION OF COMMISSIONER.

The commissioner shall:

(1) have sole direction, supervision, regulation, control, and jurisdiction over all combative sport contests that are held within this state unless a contest is exempt from the application of this chapter under federal law;

(2) have sole control, authority, and jurisdiction over all licenses required by this chapter;

(3) grant a license to an applicant if, in the judgment of the commissioner, the financial responsibility, experience, character, and general fitness of the applicant are consistent with the public interest, ~~convenience, or necessity~~ and in the best interests of combative sports and conforms with this chapter and the commissioner's rules;

(4) deny, suspend, or revoke a license using the enforcement provisions of section 326B.082, except that the licensing reapplication time frames remain within the sole discretion of the commissioner; and

(5) serve final nonlicensing orders in performing the duties of this chapter which are subject to the contested case procedures provided in sections 14.57 to 14.69.

Sec. 5. Minnesota Statutes 2023 Supplement, section 341.30, subdivision 4, is amended to read:

Subd. 4. **Prelicensure requirements.** (a) Before the commissioner issues a promoter's license to an individual, corporation, or other business entity, the applicant shall complete a licensing application on the Office of Combative Sports website or on forms prescribed by the commissioner and shall:

(1) show on the licensing application the owner or owners of the applicant entity and the percentage of interest held by each owner holding a 25 percent or more interest in the applicant;

(2) provide the commissioner with a copy of the latest financial statement of the applicant;

(3) provide proof, where applicable, of authorization to do business in the state of Minnesota; and

(4) deposit with the commissioner a surety bond in an amount set by the commissioner, which must not be less than \$10,000. The bond shall be executed in favor of this state and shall be conditioned on the faithful performance by the promoter of the promoter's obligations under this chapter and the rules adopted under it.

(b) Before the commissioner issues a license to a combatant, the applicant shall:

(1) submit to the commissioner the results of current medical examinations on forms prescribed by the commissioner that state that the combatant is cleared to participate in a combative sport contest. The applicant must undergo and submit the results of the following medical examinations, which do not exempt a combatant from the requirements in section 341.33:

(i) a physical examination performed by a licensed medical doctor, doctor of osteopathic medicine, advance practice nurse practitioner, or a physician assistant. Physical examinations are valid for one year from the date of the exam;

(ii) an ophthalmological examination performed by an ophthalmologist or optometrist that includes dilation designed to detect any retinal defects or other damage or a condition of the eye that could be aggravated by combative sports. Ophthalmological examinations are valid for one year from the date of the exam;

(iii) blood work results for HBsAg (Hepatitis B surface antigen), HCV (Hepatitis C antibody), and HIV. Blood work results are good for one year from the date blood was drawn. The commissioner shall not issue a license to an applicant submitting positive test results for HBsAg, HCV, or HIV; and

(iv) other appropriate neurological or physical examinations before any contest, if the commissioner determines that the examination is desirable to protect the health of the combatant;

(2) complete a licensing application on the Office of Combative Sports website or on forms prescribed by the commissioner; and

(3) provide proof that the applicant is 18 years of age. Acceptable proof is a photo driver's license, state photo identification card, passport, or birth certificate combined with additional photo identification.

(c) Before the commissioner issues an amateur combatant license to an individual, the applicant must submit proof of qualifications that includes at a minimum: (1) an applicant's prior bout history and evidence showing that the applicant has completed at least six months of training in a combative sport; or (2) a letter of recommendation from a coach or trainer.

(d) Before the commissioner issues a professional combatant license to an individual, the applicant must submit proof of qualifications that includes an applicant's prior bout history showing the applicant has competed in at least four sanctioned combative sports contests. If the applicant has not competed in at least four sanctioned combative sports contests, the commissioner may still grant the applicant a license if the applicant provides evidence demonstrating that the applicant has sufficient skills and experience in combative sports or martial arts to compete as a professional combatant.

~~(e)~~ (e) Before the commissioner issues a license to a referee, judge, or timekeeper, the applicant must submit proof of qualifications that may include certified training from the Association of Boxing Commissions, licensure with other regulatory bodies, professional references, or a log of bouts worked.

~~(d)~~ (f) Before the commissioner issues a license to a ringside physician, the applicant must submit proof that they are licensed to practice medicine in the state of Minnesota and in good standing.

Sec. 6. Minnesota Statutes 2023 Supplement, section 341.321, is amended to read:

341.321 FEE SCHEDULE.

(a) The fee schedule for professional and amateur licenses issued by the commissioner is as follows:

- (1) referees, \$25;
- (2) promoters, \$700;
- (3) judges and knockdown judges, \$25;
- (4) trainers and seconds, \$40;
- (5) timekeepers, \$25;
- (6) professional combatants, \$70;
- (7) amateur combatants, \$35; and
- (8) ringside physicians, \$25.

All license fees shall be paid no later than the weigh-in prior to the contest. No license may be issued until all prelicensure requirements in section 341.30 are satisfied and fees are paid.

(b) A promoter or event organizer of an event regulated by the Department of Labor and Industry must pay, per event, a combative sport contest fee of ~~of~~.

(c) If the promoter sells tickets for the event, the event fee is \$1,500 per event or four percent of the gross ticket sales, whichever is greater. The fee must be paid as follows:

- (1) \$500 at the time the combative sport contest is scheduled, which is nonrefundable;
- (2) \$1,000 at the weigh-in prior to the contest;
- (3) if four percent of the gross ticket sales is greater than \$1,500, the balance is due to the commissioner within 14 days of the completed contest; and
- (4) the value of all complimentary tickets distributed for an event, to the extent they exceed five percent of total event attendance, counts toward gross tickets sales for the purposes of determining a combative sports contest fee. For purposes of this clause, the lowest advertised ticket price shall be used to calculate the value of complimentary tickets.

(d) If the promoter does not sell tickets and receives only a flat payment from a venue to administer the event, the event fee is \$1,500 per event or four percent of the flat payment, whichever is greater. The fee must be paid as follows:

(1) \$500 at the time the combative sport contest is scheduled, which is nonrefundable;

(2) \$1,000 at the weigh-in prior to the contest; and

(3) if four percent of the flat payment is greater than \$1,500, the balance is due to the commissioner within 14 days of the completed contest.

~~(e)~~ (c) All fees and penalties collected by the commissioner must be deposited in the commissioner account in the special revenue fund.

Sec. 7. Minnesota Statutes 2023 Supplement, section 341.33, is amended by adding a subdivision to read:

Subd. 3. **Medical records.** The commissioner may, if the commissioner determines that doing so would be desirable to protect the health of a combatant, provide the combatant's medical information collected under this chapter to the physician conducting a prebout exam under this section or to the ringside physician or physicians assigned to the combatant's combative sports contest.

Sec. 8. **[341.352] DATA PRIVACY.**

All health records collected, created, or maintained under this chapter are private data on individuals, as defined in section 13.02, subdivision 12.

Sec. 9. Minnesota Statutes 2023 Supplement, section 341.355, is amended to read:

341.355 CIVIL PENALTIES.

When the commissioner finds that a person has violated one or more provisions of any statute, rule, or order that the commissioner is empowered to regulate, enforce, or issue, the commissioner may impose, for each violation, a civil penalty of up to \$10,000 for each violation, or a civil penalty that deprives the person of any economic advantage gained by the violation, or both. The commissioner may also impose these penalties against a person who has violated section 341.28, subdivision 5, paragraph (b) or (c), or subdivision 7.

ARTICLE 5

BUREAU OF MEDIATION SERVICES

Section 1. Minnesota Statutes 2022, section 626.892, subdivision 10, is amended to read:

Subd. 10. **Training.** (a) A person appointed to the arbitrator roster under this section must complete training as required by the commissioner during the person's appointment. At a minimum, an initial training must include:

(1) at least six hours on the topics of cultural competency, racism, implicit bias, and recognizing and valuing community diversity and cultural differences; and

(2) at least six hours on topics related to the daily experience of peace officers, which may include ride-alongs with on-duty officers or other activities that provide exposure to the environments, choices, and judgments required of officers in the field.

(b) The commissioner may adopt rules establishing training requirements consistent with this subdivision.

~~(b) An arbitrator appointed to the roster of arbitrators in 2020 must complete the required initial training by July 1, 2021.~~ (c) An arbitrator appointed to the roster of arbitrators after 2020 must complete the required initial training within six months of the arbitrator's appointment.

~~(e) (d) The Bureau of Mediation Services must pay for all costs associated with the required training must be borne by the arbitrator.~~

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

Sec. 2. **REPEALER.**

(a) Minnesota Statutes 2022, sections 179.81; 179.82; 179.83, subdivision 1; 179.84, subdivision 1; and 179.85, are repealed.

(b) Minnesota Rules, parts 5520.0100; 5520.0110; 5520.0120, subparts 1, 2, 3, 4, 5, 6, and 7; 5520.0200; 5520.0250, subparts 1, 2, and 4; 5520.0300; 5520.0500, subparts 1, 2, 3, 4, 5, and 6; 5520.0520; 5520.0540; 5520.0560; 5520.0600; 5520.0620; 5520.0700; 5520.0710; and 5520.0800, are repealed.

ARTICLE 6

PUBLIC EMPLOYEE LABOR RELATIONS (PELRA)

Section 1. Minnesota Statutes 2023 Supplement, section 13.43, subdivision 6, is amended to read:

Subd. 6. **Access by labor organizations, Bureau of Mediation Services, Public Employment Relations Board.** (a) Notwithstanding classification by any other provision of this chapter upon request from an exclusive representative, personnel data must be disseminated to labor organizations and the Public Employment Relations Board to the extent necessary to conduct elections, investigate and process grievances, and implement the provisions of chapters 179 and 179A. Personnel data shall be disseminated to labor organizations, the Public Employment Relations Board, and the Bureau of Mediation Services to the extent the dissemination is ordered or authorized by the commissioner of the Bureau of Mediation Services or the Public Employment Relations Board or its employees or agents. Employee Social Security numbers are not necessary to implement the provisions of chapters 179 and 179A.

(b) Personnel data described under section 179A.07, subdivision 8, must be disseminated to an exclusive representative under the terms of that subdivision.

(c) An employer who disseminates personnel data to a labor organization pursuant to this subdivision shall not be subject to liability under section 13.08. Nothing in this paragraph shall impair or limit any remedies available under section 325E.61.

(d) The home addresses, nonemployer issued phone numbers and email addresses, dates of birth, and emails or other communications between exclusive representatives and their members, prospective members, and nonmembers are private data on individuals.

Sec. 2. Minnesota Statutes 2023 Supplement, section 179A.03, subdivision 14, is amended to read:

Subd. 14. **Public employee or employee.** (a) "Public employee" or "employee" means any person appointed or employed by a public employer except:

(1) elected public officials;

(2) election officers;

(3) commissioned or enlisted personnel of the Minnesota National Guard;

(4) emergency employees who are employed for emergency work caused by natural disaster;

(5) part-time employees whose service does not exceed the lesser of 14 hours per week or 35 percent of the normal work week in the employee's appropriate unit;

(6) employees, other than employees working for a Minnesota school district or charter school in a position for which no license is required by the Professional Educator Licensing Standards Board, whose positions are basically temporary or seasonal in character and: (i) are not for more than 67 working days in any calendar year; or (ii) are not working for a Minnesota school district or charter school; or (iii) are not for more than 100 working days in any calendar year and the employees are under the age of 22, are full-time students enrolled in a nonprofit or public educational institution prior to being hired by the employer, and have indicated, either in an application for employment or by being enrolled at an educational institution for the next academic year or term, an intention to continue as students during or after their temporary employment;

(7) employees providing services for not more than two consecutive quarters to the Board of Trustees of the Minnesota State Colleges and Universities under the terms of a professional or technical services contract as defined in section 16C.08, subdivision 1;

(8) employees of charitable hospitals as defined by section 179.35, subdivision 3, except that employees of charitable hospitals as defined by section 179.35, subdivision 3, are public employees for purposes of sections 179A.051, 179A.052, and 179A.13;

(9) full-time undergraduate students employed by the school which they attend under a work-study program or in connection with the receipt of financial aid, irrespective of number of hours of service per week;

(10) an individual who is employed for less than 300 hours in a fiscal year as an instructor in an adult vocational education program;

(11) with respect to court employees:

(i) personal secretaries to judges;

- (ii) law clerks;
- (iii) managerial employees;
- (iv) confidential employees; and
- (v) supervisory employees; or

(12) with respect to employees of Hennepin Healthcare System, Inc., managerial, supervisory, and confidential employees.

(b) The following individuals are public employees regardless of the exclusions of paragraph (a), clauses (5) to (7):

(1) an employee hired by a school district or the Board of Trustees of the Minnesota State Colleges and Universities except at the university established in the Twin Cities metropolitan area under section 136F.10 or for community services or community education instruction offered on a noncredit basis: (i) to replace an absent teacher or faculty member who is a public employee, where the replacement employee is employed more than 30 working days as a replacement for that teacher or faculty member; or (ii) to take a teaching position created due to increased enrollment, curriculum expansion, courses which are a part of the curriculum whether offered annually or not, or other appropriate reasons;

(2) an employee hired for a position under paragraph (a), clause (6), item (i), if that same position has already been filled under paragraph (a), clause (6), item (i), in the same calendar year and the cumulative number of days worked in that same position by all employees exceeds 67 calendar days in that year. For the purpose of this paragraph, "same position" includes a substantially equivalent position if it is not the same position solely due to a change in the classification or title of the position;

(3) an early childhood family education teacher employed by a school district; and

(4) an individual hired by the Board of Trustees of the Minnesota State Colleges and Universities as the instructor of record to teach (i) one class for more than three credits in a fiscal year, or (ii) two or more credit-bearing classes in a fiscal year.

Sec. 3. Minnesota Statutes 2023 Supplement, section 179A.03, subdivision 18, is amended to read:

Subd. 18. **Teacher.** "Teacher" means any public employee other than a superintendent or assistant superintendent, principal, assistant principal, or a supervisory or confidential employee, employed by a school district:

(1) in a position for which the person must be licensed by the Professional Educator Licensing and Standards Board or the commissioner of education;

(2) in a position as a physical therapist, occupational therapist, art therapist, music therapist, or audiologist; or

(3) in a position creating and delivering instruction to children in a preschool, school readiness, school readiness plus, or prekindergarten program or other school district or charter school-based

early education program, except that ~~an employee~~ employees in a bargaining unit certified before January 1, 2023, may remain in a bargaining unit that does not include teachers unless an exclusive representative files a petition for a unit clarification ~~or to transfer exclusive representative status~~.

Sec. 4. Minnesota Statutes 2022, section 179A.041, subdivision 2, is amended to read:

Subd. 2. **Alternate members.** (a) The appointing authorities shall appoint alternate members to serve ~~only~~ in the ~~case event~~ event of a member having a conflict of interest or being unavailable for a meeting under subdivision 9, as follows:

(1) one alternate, appointed by the governor, who is an officer or employee of an exclusive representative of public employees, to serve as an alternate to the member appointed by the governor who is an officer or employee of an exclusive representative of public employees. This alternate must not be an officer or employee of the same exclusive representative of public employees as the member for whom the alternate serves;

(2) one alternate, appointed by the governor, who is a representative of public employers, to serve as an alternate to the member appointed by the governor who is a representative of public employers. This alternate must not represent the same public employer as the member for whom the alternate serves; and

(3) one alternate, appointed by the member who is an officer or employee of an exclusive representative of public employees and the member who is a representative of public employers, who is not an officer or employee of an exclusive representative of public employees, or a representative of a public employer, to serve as an alternate for the member that represents the public at large.

(b) Each alternate member shall serve a term that is coterminous with the term of the member for whom the alternate member serves as an alternate.

Sec. 5. Minnesota Statutes 2023 Supplement, section 179A.041, subdivision 10, is amended to read:

Subd. 10. **Open Meeting Law; exceptions.** Chapter 13D does not apply to ~~meetings of the~~ a board meeting when it the board is:

(1) deliberating on the merits of an unfair labor practice ~~charges~~ charge under sections 179.11, 179.12, and 179A.13;

(2) reviewing a hearing officer's recommended decision and order ~~of a hearing officer~~ under section 179A.13; or

(3) reviewing ~~decisions of the~~ a commissioner of the Bureau of Mediation Services relating to decision on an unfair labor ~~practices~~ practice under section 179A.12, subdivision 11.

Sec. 6. Minnesota Statutes 2023 Supplement, section 179A.06, subdivision 6, is amended to read:

Subd. 6. **Payroll deduction, authorization, and remittance.** (a) ~~Public employees have the right to~~ A public employee may request and be allowed payroll deduction for the exclusive

representative that represents the employee's position and the its associated political fund associated with the exclusive representative and registered pursuant to under section 10A.12. If no exclusive representative represents an employee's position, the public employee may request payroll deduction for the organization of the employee's choice. A public employer must provide payroll deduction according to any public employee's request under this paragraph.

(b) A public employer must rely on a certification from any an exclusive representative requesting remittance of a deduction that the organization has and will maintain an authorization, signed, either by hand or electronically according to section 325L.02, paragraph (h), by the public employee from whose salary or wages the deduction is to be made, which may include an electronic signature by the public employee as defined in section 325L.02, paragraph (h). An exclusive representative making such a certification must not be is not required to provide the public employer a copy of the authorization unless a dispute arises about the authorization's existence or terms of the authorization. The exclusive representative must indemnify the public employer for any successful claims made by the employee for unauthorized deductions in reliance on the certification.

(b) (c) A dues payroll deduction authorization remains in effect is effective until the exclusive representative notifies the employer receives notice from the exclusive representative that a public employee has changed or canceled their the employee's authorization in writing in accordance with the terms of the original authorizing document, and authorization. When determining whether deductions have been properly changed or canceled, a public employer must rely on information from the exclusive representative receiving remittance of the deduction regarding whether the deductions have been properly changed or canceled. The exclusive representative must indemnify the public employer, including any reasonable attorney fees and litigation costs, for any successful claims made by the employee for unauthorized deductions made in reliance on such information.

(e) (d) Deduction authorization under this section is:

(1) independent from the public employee's membership status in the organization to which payment is remitted; and is

(2) effective regardless of whether a collective bargaining agreement authorizes the deduction.

(d) Employers (e) An employer must commence:

(1) begin deductions within 30 days of notice of authorization from the after an exclusive representative submits a certification under paragraph (b); and must

(2) remit the deductions to the exclusive representative within 30 days of the deduction. The failure of an employer to comply with the provisions of this paragraph shall be an unfair labor practice under section 179A.13, the relief for which shall be reimbursement by the employer of deductions that should have been made or remitted based on a valid authorization given by the employee or employees.

(e) In the absence of an exclusive representative, public employees have the right to request and be allowed payroll deduction for the organization of their choice.

(f) An exclusive representative must indemnify a public employer:

(1) for any successful employee claim for unauthorized employer deductions made by relying on an exclusive representative's certification under paragraph (b); and

(2) for any successful employee claim for unauthorized employer deductions made by relying on information for changing or canceling deductions under paragraph (c), with indemnification including any reasonable attorney fees and litigation costs.

(f) (g) Any dispute under this subdivision must be resolved through an unfair labor practice proceeding under section 179A.13. It is an unfair labor practice if an employer fails to comply with paragraph (e), and the employer must reimburse deductions that should have been made or remitted based on a valid authorization given by the employee or employees.

Sec. 7. Minnesota Statutes 2023 Supplement, section 179A.07, subdivision 8, is amended to read:

Subd. 8. **Bargaining unit information.** (a) Within 20 calendar days ~~from the date of hire of~~ after a bargaining unit employee is hired, a public employer must provide the following ~~contact~~ information on the employee to ~~an~~ the unit's exclusive representative or its affiliate in an Excel file format or other format agreed to by the exclusive representative:

(1) name;

(2) job title;

(3) worksite location, including location ~~within~~ in a facility when appropriate;

(4) home address;

(5) work telephone number;

(6) home and personal cell phone numbers on file with the public employer;

(7) date of hire; and

(8) work email address and personal email address on file with the public employer.

(b) Every 120 calendar days ~~beginning on January 1, 2024,~~ a public employer must provide to ~~an~~ a bargaining unit's exclusive representative in an Excel file or similar format agreed to by the exclusive representative the ~~following~~ information under paragraph (a) for all bargaining unit employees: ~~name; job title; worksite location, including location within a facility when appropriate; home address; work telephone number; home and personal cell phone numbers on file with the public employer; date of hire; and work email address and personal email address on file with the public employer.~~

(c) ~~A public employer must notify an exclusive representative within 20 calendar days of the separation of~~ If a bargaining unit employee separates from employment or ~~transfer~~ transfers out of the bargaining unit of a bargaining unit employee, the employee's public employer must notify the employee's exclusive representative within 20 calendar days after the separation or transfer, including whether the unit departure was due to a transfer, promotion, demotion, discharge, resignation, or retirement.

Sec. 8. Minnesota Statutes 2023 Supplement, section 179A.07, subdivision 9, is amended to read:

Subd. 9. **Access.** (a) A public employer must allow an exclusive representative or the representative's agent to meet in person with a newly hired employee within 30 calendar days from the date of hire; during new employee orientations or, if the employer does not conduct new employee orientations, at individual or group meetings arranged by the employer in coordination with the exclusive representative or the representative's agent during the newly hired employees' regular working hours. For an orientation or meeting under this paragraph, an employer must allow the employee and exclusive representative up to 30 minutes to meet and must not charge the employee's pay or leave time during the orientation or meeting, or the pay or leave time of an employee of the public employer acting as an agent of the exclusive representative using time off under subdivision 6. An orientation or meeting may be held virtually or for longer than 30 minutes only by mutual agreement of the employer and exclusive representative.

(b) An exclusive representative ~~shall~~ must receive ~~no less than at least~~ at least ten days' notice ~~in advance~~ of an orientation, ~~except that~~ but a shorter notice may be provided ~~where~~ if there is an urgent need critical to the ~~employer's~~ operations of the public employer that was not reasonably foreseeable. Notice of and attendance at new employee orientations and other meetings under this paragraph ~~must be~~ and paragraph (a) are limited to the public employer;

(1) the employees;

(2) the exclusive representative; and;

(3) any vendor contracted to provide a service for purposes of the meeting. Meetings may be held virtually or for longer than 30 minutes; and

(4) the public employer or its designee, who may attend only by mutual agreement of the public employer and exclusive representative.

~~(b)~~ (c) A public employer must allow an exclusive representative to communicate with bargaining unit members ~~using their employer-issued email addresses regarding~~ by email on:

(1) collective bargaining;

(2) the administration of collective bargaining agreements;

(3) the investigation of grievances; and other workplace-related complaints and issues; and

(4) internal matters involving the governance or business of the exclusive representative; consistent with the employer's generally applicable technology use policies.

(d) An exclusive representative may communicate with bargaining unit members under paragraph (c) via the members' employer-issued email addresses, but the communication must be consistent with the employer's generally applicable technology use policies.

~~(e)~~ (e) A public employer must allow an exclusive representative to meet with bargaining unit members in facilities owned or leased by the public employer ~~regarding~~ to communicate on:

- (1) collective bargaining;
- (2) the administration of collective bargaining agreements;
- (3) the investigation of grievances and other workplace-related complaints and issues; and
- (4) internal matters involving the governance or business of the exclusive representative, ~~provided the use does not interfere with governmental operations and the exclusive representative complies with worksite security protocols established by the public employer. Meetings conducted.~~

(f) The following applies for a meeting under paragraph (e):

- (1) a meeting cannot interfere with government operations;
- (2) the exclusive representative must comply with employer-established worksite security protocols;
- (3) a meeting in a government building pursuant to this paragraph must not building cannot be for the purpose of supporting or opposing any candidate for partisan political office or for the purpose of distributing literature or information regarding on partisan elections; and
- (4) an exclusive representative conducting a meeting in a government building or other government facility pursuant to this subdivision may be charged for maintenance, security, and other costs related to the use of using the government building or facility that would not otherwise be incurred by the government entity.

Sec. 9. Minnesota Statutes 2022, section 179A.09, is amended by adding a subdivision to read:

Subd. 4. **Unit mergers.** Upon the request of an exclusive representative for bargaining units other than those defined in section 179A.10, subdivision 2, the commissioner must designate as a single unit two bargaining units represented by the exclusive representative, subject to subdivision 2 as well as any other statutory bargaining unit designation.

Sec. 10. Minnesota Statutes 2022, section 179A.09, is amended by adding a subdivision to read:

Subd. 5. **Position classifications.** For the purpose of determining whether a new position should be included in an existing bargaining unit, the position shall be analyzed with respect to its assigned duties, without regard to title or telework status.

Sec. 11. Minnesota Statutes 2023 Supplement, section 179A.10, subdivision 2, is amended to read:

Subd. 2. **State employees.** (a) Unclassified employees, unless otherwise excluded, are included within the units ~~which~~ that include the classifications to which they are assigned for purposes of compensation. Supervisory employees ~~shall only~~ can be assigned only to ~~units~~ unit 12 ~~and~~ or 16. The following units are the appropriate units of executive branch state employees:

- (1) law enforcement unit;
- (2) craft, maintenance, and labor unit;

- (3) service unit;
- (4) health care nonprofessional unit;
- (5) health care professional unit;
- (6) clerical and office unit;
- (7) technical unit;
- (8) correctional guards unit;
- (9) state university instructional unit;
- (10) state college instructional unit;
- (11) state university administrative unit;
- (12) professional engineering unit;
- (13) health treatment unit;
- (14) general professional unit;
- (15) professional state residential instructional unit;
- (16) supervisory employees unit;
- (17) public safety radio communications operator unit;
- (18) licensed peace officer special unit; and
- (19) licensed peace officer leader unit.

~~Each unit consists of the classifications or positions assigned to it in the schedule of state employee job classification and positions maintained by the commissioner. The commissioner may only make changes in the schedule in existence on the day prior to August 1, 1984, as required by law or as provided in subdivision 4.~~

- (b) The following positions are included in the licensed peace officer special unit:
 - (1) State Patrol lieutenant;
 - (2) NR district supervisor - enforcement;
 - (3) assistant special agent in charge;
 - (4) corrections investigation assistant director 2;
 - (5) corrections investigation supervisor; and
 - (6) commerce supervisor special agent.

(c) The following positions are included in the licensed peace officer leader unit:

- (1) State Patrol captain;
- (2) NR program manager 2 enforcement; and
- (3) special agent in charge.

(d) Each unit consists of the classifications or positions assigned to it in the schedule of state employee job classification and positions maintained by the commissioner. The commissioner may make changes in the schedule in existence on the day before August 1, 1984, only:

- (1) as required by law; or
- (2) as provided in subdivision 4.

Sec. 12. Minnesota Statutes 2023 Supplement, section 179A.12, subdivision 2a, is amended to read:

Subd. 2a. **Majority verification procedure.** ~~(a) Notwithstanding any other provision of this section,~~ An employee organization may file a petition with the commissioner requesting certification as the exclusive representative of ~~an~~ a proposed appropriate unit ~~based on a verification that for which there is no currently certified exclusive representative. The petition must include over 50 percent of the employees in the proposed appropriate unit who wish to be represented by the petitioner organization. The commissioner shall require dated representation authorization signatures of affected employees as verification of the employee organization's claim of majority status.~~

~~(b) Upon receipt of an employee organization's petition, accompanied by employee authorization signatures under this subdivision, the commissioner shall investigate the petition. If the commissioner determines that over 50 percent of the employees in an the appropriate unit have provided authorization signatures designating the petitioning employee organization specified in the petition as their exclusive representative, the commissioner shall not order an election but shall must certify the employee organization as the employees' exclusive representative without ordering an election under this section.~~

Sec. 13. Minnesota Statutes 2022, section 179A.12, subdivision 5, is amended to read:

Subd. 5. **Commissioner to investigate.** ~~The commissioner shall,~~ Upon receipt of an employee organization's receiving a petition to the commissioner under subdivision 3 ~~1a or 2a,~~ the commissioner must:

- (1) investigate to determine if sufficient evidence of a question of representation exists; and
- (2) hold hearings necessary to determine the appropriate unit and other matters necessary to determine the representation rights of the affected employees and employer.

Sec. 14. Minnesota Statutes 2023 Supplement, section 179A.12, subdivision 6, is amended to read:

Subd. 6. **Authorization signatures.** ~~In (a) When determining the numerical status of an employee organization for purposes of this section, the commissioner shall must require a dated representation authorization signatures of affected employees signature of each affected employee as verification of the statements contained in the joint request or petitions petition. These~~

~~(b) An authorization signatures shall be signature is privileged and confidential information available to the commissioner only. An electronic signatures signature, as defined in section 325L.02, paragraph (h), shall be is valid as an authorization signatures signature.~~

~~(c) An authorization signatures shall be signature is valid for a period of one year following the signature date of signature.~~

Sec. 15. Minnesota Statutes 2023 Supplement, section 179A.12, subdivision 11, is amended to read:

Subd. 11. **Unfair labor practices.** The commissioner may void the result of an election or majority verification procedure and order a new election or procedure if the commissioner finds that one of the following:

(1) there was an unfair labor practice that:

(i) was committed by an employer or, a representative candidate or, an employee, or a group of employees; and ~~that the unfair labor practice~~

(ii) affected the result of an the election or the majority verification procedure pursuant to subdivision 2a; or ~~that~~

(2) procedural or other irregularities in the conduct of the election or majority verification procedure may have substantially affected its the results; ~~the commissioner may void the result and order a new election or majority verification procedure.~~

Sec. 16. Minnesota Statutes 2022, section 179A.13, subdivision 1, is amended to read:

Subdivision 1. **Actions.** (a) The practices specified in this section are unfair labor practices. Any employee, employer, employee or employer organization, exclusive representative, or any other person or organization aggrieved by an unfair labor practice as defined in this section may file an unfair labor practice charge with the board.

(b) Whenever it is charged that any party has engaged in or is engaging in any unfair labor practice, an investigator designated by the board shall promptly conduct an investigation of the charge. Unless after the investigation the board finds that the charge has no reasonable basis in law or fact, the board shall promptly issue a complaint and cause to be served upon the party a complaint stating the charges, accompanied by a notice of hearing before a qualified hearing officer designated by the board at the offices of the bureau or other location as the board deems appropriate, not less than five days nor more than 20 days more than 30 days after serving the complaint absent mutual agreement of the parties, provided that no complaint shall be issued based upon any unfair labor practice occurring more than six months prior to the filing of a charge. A complaint issued under this subdivision may be amended by the board at any time prior to the issuance of an order based thereon. The party who is the subject of the complaint has the right to file an answer to the original

or amended complaint prior to hearing and to appear in person or by a representative and give testimony at the place and time fixed in the complaint. In the discretion of the hearing officer conducting the hearing or the board, any other party may be allowed to intervene in the proceeding and to present testimony. The board or designated hearing officers shall not be bound by the rules of evidence applicable to courts, except as to the rules of privilege recognized by law.

(c) Designated investigators must conduct the investigation of charges.

(d) Hearing officers must ~~be licensed to practice law in the state of Minnesota~~ have a juris doctor and must conduct the hearings and issue recommended decisions and orders.

(e) The board or its designees shall have the power to issue subpoenas and administer oaths. If any party willfully fails or neglects to appear or testify or to produce books, papers, and records pursuant to the issuance of a subpoena, the board may apply to a court of competent jurisdiction to request that the party be ordered to appear to testify or produce the requested evidence.

(f) A full and complete record shall be kept of all proceedings before the board or designated hearing officer and shall be transcribed by a reporter appointed by the board.

(g) The party on whom the burden of proof rests shall be required to sustain the burden by a preponderance of the evidence.

(h) At any time prior to the close of a hearing, the parties may by mutual agreement request referral to mediation, at which time the commissioner shall appoint a mediator, and the hearing shall be suspended pending the results of the mediation.

(i) If, upon a preponderance of the evidence taken, the hearing officer determines that any party named in the charge has engaged in or is engaging in an unfair labor practice, then a recommended decision and order shall be issued stating findings of fact and conclusions, and requiring the party to cease and desist from the unfair labor practice, to post a cease-and-desist notice in the workplace, and ordering any appropriate relief to effectuate the policies of this section, including but not limited to reinstatement, back pay, and any other remedies that make a charging party whole. If back pay is awarded, the award must include interest at the rate of seven percent per annum. The order further may require the party to make reports from time to time, and demonstrate the extent to which the party has complied with the order.

(j) If there is no preponderance of evidence that the party named in the charge has engaged in or is engaging in the unfair labor practice, then the hearing officer shall issue a recommended decision and order stating findings of fact and dismissing the complaint.

(k) Parties may file exceptions to the hearing officer's recommended decision and order with the board no later than 30 days after service of the recommended decision and order. The board shall review the recommended decision and order upon timely filing of exceptions or upon its own motion. If no timely exceptions have been filed, the parties must be deemed to have waived their exceptions. Unless the board reviews the recommended decision and order upon its own motion, it must not be legal precedent and must be final and binding only on the parties to the proceeding as issued in an order issued by the board. If the board does review the recommended decision and order, the board may adopt all, part, or none of the recommended decision and order, depending on the extent to which it is consistent with the record and applicable laws. The board shall issue and

serve on all parties its decision and order. The board shall retain jurisdiction over the case to ensure the parties' compliance with the board's order. Unless overturned by the board, the parties must comply with the recommended decision and order.

(l) Until the record has been filed in the court of appeals or district court, the board at any time, upon reasonable notice and in a manner it deems appropriate, may modify or set aside, in whole or in part, any finding or order made or issued by it.

(m) Upon a final order that an unfair labor practice has been committed, the board or the charging party may petition the district court for the enforcement of the order and for appropriate temporary relief or a restraining order. When the board petitions the court, the charging party may intervene as a matter of right.

(n) Whenever it appears that any party has violated a final order of the board issued pursuant to this section, the board must petition the district court for an order directing the party and its officers, agents, servants, successors, and assigns to comply with the order of the board. The board shall be represented in this action by its general counsel, who has been appointed by the board. The court may grant or refuse, in whole or in part, the relief sought, provided that the court also may stay an order of the board pending disposition of the proceedings. The court may punish a violation of its order as in civil contempt.

(o) The board shall have power, upon issuance of an unfair labor practice complaint alleging that a party has engaged in or is engaging in an unfair labor practice, to petition the district court for appropriate temporary relief or a restraining order. Upon the filing of any such petition, the court shall cause notice thereof to be served upon such parties, and thereupon shall have jurisdiction to grant to the board or commissioner temporary relief or a restraining order as it deems appropriate. Nothing in this paragraph precludes a charging party from seeking injunctive relief in district court after filing the unfair labor practice charge.

(p) The proceedings in paragraphs (m), (n), and (o) shall be commenced in the district court for the county in which the unfair labor practice which is the subject of the order or administrative complaint was committed, or where a party alleged to have committed the unfair labor practice resides or transacts business.

Sec. 17. Minnesota Statutes 2022, section 179A.13, subdivision 2, is amended to read:

Subd. 2. **Employers.** Public employers, their agents and representatives are prohibited from:

(1) interfering, restraining, or coercing employees in the exercise of the rights guaranteed in sections 179A.01 to 179A.25;

(2) dominating or interfering with the formation, existence, or administration of any employee organization or contributing other support to it;

(3) discriminating in regard to hire or tenure to encourage or discourage membership in an employee organization;

(4) discharging or otherwise discriminating against an employee because the employee has signed or filed an affidavit, petition, or complaint or given information or testimony under sections 179A.01 to 179A.25;

(5) refusing to meet and negotiate in good faith with the exclusive representative of its employees in an appropriate unit;

(6) refusing to comply with grievance procedures contained in an agreement;

(7) distributing or circulating a blacklist of individuals exercising a legal right or of members of a labor organization for the purpose of preventing blacklisted individuals from obtaining or retaining employment;

(8) violating rules established by the commissioner regulating the conduct of representation elections;

(9) refusing to comply with a valid decision of a binding arbitration panel or arbitrator;

(10) violating or refusing to comply with any lawful order or decision issued by the commissioner or the board;

(11) refusing to provide, upon the request of the exclusive representative, all information pertaining to the public employer's budget both present and proposed, revenues, and other financing information provided that in the executive branch of state government this clause may not be considered contrary to the budgetary requirements of sections 16A.10 and 16A.11; ~~or~~

(12) granting or offering to grant the status of permanent replacement employee to a person for performing bargaining unit work for the employer during a lockout of employees in an employee organization or during a strike authorized by an employee organization that is an exclusive representative;

(13) failing or refusing to provide information that is relevant to enforcement or negotiation of a contract within a reasonable time from receiving a request by an exclusive representative, not to exceed ten days for information relevant to contract enforcement or 30 days for information relevant to contract negotiation; or

(14) refusing to reassign a position after the commissioner has determined the position was not placed into the correct bargaining unit.

Sec. 18. Minnesota Statutes 2022, section 179A.40, subdivision 1, is amended to read:

Subdivision 1. **Units.** The following are the appropriate employee units of the Hennepin Healthcare System, Inc. All units shall exclude supervisors, managerial employees, and confidential employees. No additional units of Hennepin Healthcare System, Inc., shall be eligible to be certified for the purpose of meeting and negotiating with an exclusive representative. The units include all:

(1) registered nurses;

(2) physicians except those employed as interns, residents, or fellows;

- (3) professionals except for registered nurses and physicians;
- (4) technical and paraprofessional employees;
- (5) carpenters, electricians, painters, and plumbers;
- (6) health general service employees;
- (7) interpreters;
- (8) emergency medical technicians/emergency medical dispatchers (EMT/EMD), and paramedics;
- (9) bioelectronics specialists, bioelectronics technicians, and electronics technicians;
- (10) skilled maintenance employees; ~~and~~
- (11) clerical employees; and
- (12) physicians employed as interns, residents, and fellows.

Sec. 19. Minnesota Statutes 2022, section 179A.54, subdivision 5, is amended to read:

Subd. 5. ~~Legislative action on Collective bargaining agreements. Any agreement reached between the state and the exclusive representative of individual providers under chapter 179A shall be submitted to the legislature to be accepted or rejected in accordance with sections 3.855 and 179A.22~~ The commissioner of management and budget is authorized to enter into and implement agreements, including interest arbitration decisions, with the exclusive representative of individual providers as provided in section 179A.22, subdivision 4, except for terms and conditions requiring appropriations, changes to state law, or approval from the federal government which shall be contingent upon and executed following receipt of appropriations and state and federal approval.

Sec. 20. **RULEMAKING.**

The commissioner of the Bureau of Mediation Services must adopt rules on petitions for majority verification, including technical changes needed for consistency with Minnesota Statutes, section 179A.12, and the commissioner may use the expedited rulemaking process under Minnesota Statutes, section 14.389.

Sec. 21. **REVISOR INSTRUCTION.**

The revisor of statutes must renumber Minnesota Statutes, section 179A.12, subdivision 3, as Minnesota Statutes, section 179A.12, subdivision 1a.

ARTICLE 7

EARNED SICK AND SAFE TIME MODIFICATIONS

Section 1. Minnesota Statutes 2023 Supplement, section 177.27, subdivision 4, is amended to read:

Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an employer to comply with sections 177.21 to 177.435, 177.50, 179.86, 181.02, 181.03, 181.031, 181.032, 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.165, 181.172, paragraph (a) or (d), 181.214 to 181.217, 181.275, subdivision 2a, 181.635, 181.722, 181.79, 181.85 to 181.89, 181.939 to 181.943, 181.9445 to 181.9448, 181.987, 181.991, 268B.09, subdivisions 1 to 6, and 268B.14, subdivision 3, with any rule promulgated under section 177.28, 181.213, or 181.215. The commissioner shall issue an order requiring an employer to comply with sections 177.41 to 177.435, 181.165, or 181.987 if the violation is repeated. For purposes of this subdivision only, a violation is repeated if at any time during the two years that preceded the date of violation, the commissioner issued an order to the employer for violation of sections 177.41 to 177.435, 181.165, or 181.987 and the order is final or the commissioner and the employer have entered into a settlement agreement that required the employer to pay back wages that were required by sections 177.41 to 177.435. The department shall serve the order upon the employer or the employer's authorized representative in person or by certified mail at the employer's place of business. An employer who wishes to contest the order must file written notice of objection to the order with the commissioner within 15 calendar days after being served with the order. A contested case proceeding must then be held in accordance with sections 14.57 to 14.69 or 181.165. If, within 15 calendar days after being served with the order, the employer fails to file a written notice of objection with the commissioner, the order becomes a final order of the commissioner. For the purposes of this subdivision, an employer includes a contractor that has assumed a subcontractor's liability within the meaning of section 181.165.

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

Sec. 2. Minnesota Statutes 2023 Supplement, section 177.50, is amended by adding a subdivision to read:

Subd. 6. **Rulemaking authority.** The commissioner may adopt rules to carry out the purposes of this section and sections 181.9445 to 181.9448.

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

Sec. 3. Minnesota Statutes 2023 Supplement, section 177.50, is amended by adding a subdivision to read:

Subd. 7. **Remedies.** (a) If an employer does not provide earned sick and safe time pursuant to section 181.9446, or does not allow the use of earned sick and safe time pursuant to section 181.9447, the employer is liable to all employees who were not provided or not allowed to use earned sick and safe time for an amount equal to all earned sick and safe time that should have been provided or could have been used, plus an additional equal amount as liquidated damages.

(b) If the employer does not possess records sufficient to determine the earned sick and safe time an employee should have been provided pursuant to paragraph (a), the employer is liable to the employee for an amount equal to 48 hours of earned sick and safe time for each year earned sick and safe time was not provided, plus an additional equal amount as liquidated damages.

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

Sec. 4. Minnesota Statutes 2023 Supplement, section 181.032, is amended to read:

181.032 REQUIRED STATEMENT OF EARNINGS BY EMPLOYER; NOTICE TO EMPLOYEE.

(a) At the end of each pay period, the employer shall provide each employee an earnings statement, either in writing or by electronic means, covering that pay period. An employer who chooses to provide an earnings statement by electronic means must provide employee access to an employer-owned computer during an employee's regular working hours to review and print earnings statements, and must make statements available for review or printing for a period of three years.

(b) The earnings statement may be in any form determined by the employer but must include:

(1) the name of the employee;

(2) the rate or rates of pay and basis thereof, including whether the employee is paid by hour, shift, day, week, salary, piece, commission, or other method;

(3) allowances, if any, claimed pursuant to permitted meals and lodging;

(4) the total number of hours worked by the employee unless exempt from chapter 177;

~~(5) the total number of earned sick and safe time hours accrued and available for use under section 181.9446;~~

~~(6) the total number of earned sick and safe time hours used during the pay period under section 181.9447;~~

~~(7)~~ (5) the total amount of gross pay earned by the employee during that period;

~~(8)~~ (6) a list of deductions made from the employee's pay;

~~(9)~~ (7) any amount deducted by the employer under section 268B.14, subdivision 3, and the amount paid by the employer based on the employee's wages under section 268B.14, subdivision 1;

~~(10)~~ (8) the net amount of pay after all deductions are made;

~~(11)~~ (9) the date on which the pay period ends;

~~(12)~~ (10) the legal name of the employer and the operating name of the employer if different from the legal name;

~~(13)~~ (11) the physical address of the employer's main office or principal place of business, and a mailing address if different; and

~~(14)~~ (12) the telephone number of the employer.

(c) An employer must provide earnings statements to an employee in writing, rather than by electronic means, if the employer has received at least 24 hours notice from an employee that the employee would like to receive earnings statements in written form. Once an employer has received

notice from an employee that the employee would like to receive earnings statements in written form, the employer must comply with that request on an ongoing basis.

(d) At the start of employment, an employer shall provide each employee a written notice containing the following information:

(1) the rate or rates of pay and basis thereof, including whether the employee is paid by the hour, shift, day, week, salary, piece, commission, or other method, and the specific application of any additional rates;

(2) allowances, if any, claimed pursuant to permitted meals and lodging;

(3) paid vacation, sick time, or other paid time-off accruals and terms of use;

(4) the employee's employment status and whether the employee is exempt from minimum wage, overtime, and other provisions of chapter 177, and on what basis;

(5) a list of deductions that may be made from the employee's pay;

(6) the number of days in the pay period, the regularly scheduled pay day, and the pay day on which the employee will receive the first payment of wages earned;

(7) the legal name of the employer and the operating name of the employer if different from the legal name;

(8) the physical address of the employer's main office or principal place of business, and a mailing address if different; and

(9) the telephone number of the employer.

(e) The employer must keep a copy of the notice under paragraph (d) signed by each employee acknowledging receipt of the notice. The notice must be provided to each employee in English. The English version of the notice must include text provided by the commissioner that informs employees that they may request, by indicating on the form, the notice be provided in a particular language. If requested, the employer shall provide the notice in the language requested by the employee. The commissioner shall make available to employers the text to be included in the English version of the notice required by this section and assist employers with translation of the notice in the languages requested by their employees.

(f) An employer must provide the employee any written changes to the information contained in the notice under paragraph (d) prior to the date the changes take effect.

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

Sec. 5. Minnesota Statutes 2023 Supplement, section 181.9445, subdivision 4, is amended to read:

Subd. 4. **Earned sick and safe time.** "Earned sick and safe time" means leave, including paid time off and other paid leave systems, that is paid at the same ~~hourly~~ base rate as an employee earns from employment that may be used for the same purposes and under the same conditions as provided

under section 181.9447, but in no case shall this ~~hourly~~ base rate be less than that provided under section 177.24 or an applicable local minimum wage.

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

Sec. 6. Minnesota Statutes 2023 Supplement, section 181.9445, is amended by adding a subdivision to read:

Subd. 4a. **Base rate.** "Base rate" means:

(1) for employees paid on an hourly basis, the same rate received per hour of work;

(2) for employees paid on an hourly basis who receive multiple hourly rates, the rate the employee would have been paid for the period of time in which leave was taken;

(3) for employees paid on a salary basis, the same rate guaranteed to the employee as if the employee had not taken the leave; and

(4) for employees paid solely on a commission, piecework, or any basis other than hourly or salary, a rate no less than the applicable local, state, or federal minimum wage, whichever is greater.

For purposes of this section and section 181.9446, base rate does not include commissions; shift differentials that are in addition to an hourly rate; premium payments for overtime work; premium payments for work on Saturdays, Sundays, holidays, or scheduled days off; bonuses; or gratuities as defined by section 177.23.

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

Sec. 7. Minnesota Statutes 2023 Supplement, section 181.9445, subdivision 5, is amended to read:

Subd. 5. **Employee.** "Employee" means any person who is employed by an employer, including temporary and part-time employees, who ~~performs~~ is anticipated by the employer to perform work for at least 80 hours in a year for that employer in Minnesota. Employee does not include:

(1) an independent contractor; ~~or~~

(2) an individual who is a paid on-call member of a department charged with the prevention or suppression of fires within the boundaries of the state; or

(3) an individual employed by a farmer, family farm, or a family farm corporation to provide physical labor on or management of a farm if:

(i) the farmer, family farm, or family farm corporation employs five or fewer employees; or

(ii) the farmer, family farm, or family farm corporation employs the individual to perform work for 28 days or less each year.

~~(2) an individual employed by an air carrier as a flight deck or cabin crew member who:~~

~~(i) is subject to United States Code, title 45, sections 181 to 188;~~

~~(ii) works less than a majority of their hours in Minnesota in a calendar year; and~~

~~(iii) is provided with paid leave equal to or exceeding the amounts in section 181.9446.~~

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

Sec. 8. Minnesota Statutes 2023 Supplement, section 181.9446, is amended to read:

181.9446 ACCRUAL OF EARNED SICK AND SAFE TIME.

(a) An employee accrues a minimum of one hour of earned sick and safe time for every 30 hours worked up to a maximum of 48 hours of earned sick and safe time in a year. Employees may not accrue more than 48 hours of earned sick and safe time in a year unless the employer agrees to a higher amount.

(b)(1) Except as provided in clause (2), employers must permit an employee to carry over accrued but unused sick and safe time into the following year. The total amount of accrued but unused earned sick and safe time for an employee must not exceed 80 hours at any time, unless an employer agrees to a higher amount.

(2) In lieu of permitting the carryover of accrued but unused sick and safe time into the following year as provided under clause (1), an employer may provide an employee with earned sick and safe time for the year that meets or exceeds the requirements of this section that is available for the employee's immediate use at the beginning of the subsequent year as follows: (i) 48 hours, if an employer pays an employee for accrued but unused sick and safe time at the end of a year at the same hourly base rate as an employee earns from employment and in no case at a rate less than that provided under section 177.24 or an applicable local minimum wage; or (ii) 80 hours, if an employer does not pay an employee for accrued but unused sick and safe time at the end of a year ~~at the same or greater hourly rate as an employee earns from employment. In no case shall this hourly rate be less than that provided under section 177.24, or an applicable local minimum wage.~~

(c) Employees who are exempt from overtime requirements under United States Code, title 29, section 213(a)(1), as amended through January 1, 2024, are deemed to work 40 hours in each workweek for purposes of accruing earned sick and safe time, except that an employee whose normal workweek is less than 40 hours will accrue earned sick and safe time based on the normal workweek.

(d) Earned sick and safe time under this section begins to accrue at the commencement of employment of the employee.

(e) Employees may use earned sick and safe time as it is accrued.

Sec. 9. Minnesota Statutes 2023 Supplement, section 181.9447, subdivision 1, is amended to read:

Subdivision 1. **Eligible use.** An employee may use accrued earned sick and safe time for:

(1) an employee's:

(i) mental or physical illness, injury, or other health condition;

(ii) need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; ~~or~~

(iii) need for preventive medical or health care; or

(iv) need to make arrangements for or attend funeral services or a memorial, or address financial or legal matters that arise after the death of a family member;

(2) care of a family member:

(i) with a mental or physical illness, injury, or other health condition;

(ii) who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or other health condition; or

(iii) who needs preventive medical or health care;

(3) absence due to domestic abuse, sexual assault, or stalking of the employee or employee's family member, provided the absence is to:

(i) seek medical attention related to physical or psychological injury or disability caused by domestic abuse, sexual assault, or stalking;

(ii) obtain services from a victim services organization;

(iii) obtain psychological or other counseling;

(iv) seek relocation or take steps to secure an existing home due to domestic abuse, sexual assault, or stalking; or

(v) seek legal advice or take legal action, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from domestic abuse, sexual assault, or stalking;

(4) closure of the employee's place of business due to weather or other public emergency or an employee's need to care for a family member whose school or place of care has been closed due to weather or other public emergency;

(5) the employee's inability to work or telework because the employee is: (i) prohibited from working by the employer due to health concerns related to the potential transmission of a communicable illness related to a public emergency; or (ii) seeking or awaiting the results of a diagnostic test for, or a medical diagnosis of, a communicable disease related to a public emergency and such employee has been exposed to a communicable disease or the employee's employer has requested a test or diagnosis; and

(6) when it has been determined by the health authorities having jurisdiction or by a health care professional that the presence of the employee or family member of the employee in the community would jeopardize the health of others because of the exposure of the employee or family member of the employee to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease.

For the purposes of this subdivision, a public emergency shall include a declared emergency as defined in section 12.03 or a declared local emergency under section 12.29.

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

Sec. 10. Minnesota Statutes 2023 Supplement, section 181.9447, subdivision 3, is amended to read:

Subd. 3. **Documentation.** (a) When an employee uses earned sick and safe time for more than three consecutive scheduled work days, an employer may require reasonable documentation that the earned sick and safe time is covered by subdivision 1.

(b) For earned sick and safe time under subdivision 1, clauses (1), (2), (5), and (6), reasonable documentation may include a signed statement by a health care professional indicating the need for use of earned sick and safe time. However, if the employee or employee's family member did not receive services from a health care professional, or if documentation cannot be obtained from a health care professional in a reasonable time or without added expense, then reasonable documentation for the purposes of this paragraph may include a written statement from the employee indicating that the employee is using or used earned sick and safe time for a qualifying purpose covered by subdivision 1, clause (1), (2), (5), or (6).

(c) For earned sick and safe time under subdivision 1, clause (3), an employer must accept a court record or documentation signed by a volunteer or employee of a victims services organization, an attorney, a police officer, or an antiviolence counselor as reasonable documentation. If documentation cannot be obtained in a reasonable time or without added expense, then reasonable documentation for the purposes of this paragraph may include a written statement from the employee indicating that the employee is using or used earned sick and safe time for a qualifying purpose covered under subdivision 1, clause (3).

(d) For earned sick and safe time to care for a family member under subdivision 1, clause (4), an employer must accept as reasonable documentation a written statement from the employee indicating that the employee is using or used earned sick and safe time for a qualifying purpose as reasonable documentation.

(e) An employer must not require disclosure of details relating to domestic abuse, sexual assault, or stalking or the details of an employee's or an employee's family member's medical condition as related to an employee's request to use earned sick and safe time under this section.

(f) Written statements by an employee may be written in the employee's first language and need not be notarized or in any particular format.

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

Sec. 11. Minnesota Statutes 2023 Supplement, section 181.9447, subdivision 5, is amended to read:

Subd. 5. **Increment of time used.** Earned sick and safe time may be used in the ~~smallest increment of time tracked by the employer's payroll system, provided such increment is not more than four hours~~ same increment of time for which employees are paid, provided an employer is not

required to provide leave in less than 15-minute increments nor can the employer require use of earned sick and safe time in more than four-hour increments.

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

Sec. 12. Minnesota Statutes 2023 Supplement, section 181.9447, subdivision 10, is amended to read:

Subd. 10. **Employer records and required statement to employees.** (a) Employers shall retain accurate records documenting hours worked by employees and earned sick and safe time taken and comply with all requirements under section 177.30.

(b) At the end of each pay period, the employer shall provide, in writing or electronically, information stating the employee's current amount of:

(1) the total number of earned sick and safe time hours available to the employee for use under section 181.9446; and

(2) the total number of earned sick and safe time hours used during the pay period under section 181.9447.

Employers may choose a reasonable system for providing this information, including but not limited to listing information on or attached to each earnings statement or an electronic system where employees can access this information. An employer who chooses to provide this information by electronic means must provide employee access to an employer-owned computer during an employee's regular working hours to review and print.

~~(b)~~ (c) An employer must allow an employee to inspect records required by this section and relating to that employee at a reasonable time and place.

(d) The records required by this section must be kept for three years.

(e) All records required to be kept under this section must be readily available for inspection by the commissioner upon demand. The records must be either kept at the place where employees are working or kept in a manner that allows the employer to comply with this paragraph within 72 hours.

Sec. 13. Minnesota Statutes 2023 Supplement, section 181.9447, subdivision 11, is amended to read:

Subd. 11. **Confidentiality and nondisclosure.** (a) If, in conjunction with this section, an employer possesses:

(1) health or medical information regarding an employee or an employee's family member;

(2) information pertaining to domestic abuse, sexual assault, or stalking;

(3) information that the employee has requested or obtained leave under this section; or

(4) any written or oral statement, documentation, record, or corroborating evidence provided by the employee or an employee's family member, the employer must treat such information as confidential.

Information given by an employee may only be disclosed by an employer if the disclosure is requested or consented to by the employee, when ordered by a court or administrative agency, or when otherwise required by federal or state law.

(b) Records and documents relating to medical certifications, recertifications, or medical histories of employees or family members of employees created for purposes of section 177.50 or sections 181.9445 to 181.9448 must be maintained as confidential medical records separate from the usual personnel files. At the request of the employee, the employer must destroy or return the records required by sections 181.9445 to 181.9448 that are older than three years prior to the current calendar year, unless state or federal law, rule, or regulation requires the employer to retain such records.

(c) Employers may not discriminate against any employee based on records created for the purposes of section 177.50 or sections 181.9445 to 181.9448.

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

Sec. 14. Minnesota Statutes 2023 Supplement, section 181.9447, is amended by adding a subdivision to read:

Subd. 12. Weather event exception. Notwithstanding subdivision 1, an employee may not use sick and safe time under the conditions in subdivision 1, clause (4), if:

(1) the employee's preassigned or foreseeable work duties during a public emergency or weather event would require the employee to respond to the public emergency or weather event;

(2) the employee is a firefighter; a peace officer subject to licensure under sections 626.84 to 626.863; a 911 telecommunicator as defined in section 403.02, subdivision 17c; a guard at a correctional facility; or a public employee holding a commercial driver's license; and

(3) one of the following two conditions are met:

(i) the employee is represented by an exclusive representative under section 179A.03, subdivision 8, and the collective bargaining agreement or memorandum of understanding governing the employee's position explicitly references section 181.9447, subdivision 1, clause (4), and clearly and unambiguously waives application of that section for the employee's position; or

(ii) the employee is not represented by an exclusive representative, the employee is needed for the employer to maintain minimum staffing requirements, and the employer has a written policy explicitly referencing section 181.9447, subdivision 1, clause (4), that is provided to such employees in a manner that meets the requirements of other earned sick and safe time notices under section 181.9447, subdivision 9.

Sec. 15. Minnesota Statutes 2023 Supplement, section 181.9448, subdivision 1, is amended to read:

Subdivision 1. **No effect on more generous sick and safe time policies.** (a) Nothing in sections 181.9445 to 181.9448 shall be construed to discourage employers from adopting or retaining earned sick and safe time policies that meet or exceed, and do not otherwise conflict with, the minimum standards and requirements provided in sections 181.9445 to 181.9448, provided that all time provided to an employee by an employer for absences from work due to personal illness or injury, but not including short-term or long-term disability or other salary continuation benefits, meet or exceed the minimum standards and requirements provided in sections 181.9445 to 181.9448.

(b) Nothing in sections 181.9445 to 181.9448 shall be construed to limit the right of parties to a collective bargaining agreement to bargain and agree with respect to earned sick and safe time policies or to diminish the obligation of an employer to comply with any contract, collective bargaining agreement, or any employment benefit program or plan that meets or exceeds, and does not otherwise conflict with, the minimum standards and requirements provided in this section.

(c) Nothing in sections 181.9445 to 181.9448 shall be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for a greater amount, accrual, or use by employees of paid sick and safe time or that extends other protections to employees.

(d) Nothing in sections 181.9445 to 181.9448 shall be construed or applied so as to create any power or duty in conflict with federal law.

(e) Employers who provide earned sick and safe time to their employees under a paid time off policy or other paid leave policy that may be used for the same purposes and under the same conditions as earned sick and safe time, and that meets or exceeds, and does not otherwise conflict with, the minimum standards and requirements provided in sections 181.9445 to 181.9448 are not required to provide additional earned sick and safe time.

(f) The provisions of sections 181.9445 to 181.9448 may be waived by a collective bargaining agreement with a bona fide building and construction trades labor organization that has established itself as the collective bargaining representative for the affected building and construction industry employees, provided that for such waiver to be valid, it shall explicitly reference sections 181.9445 to 181.9448 and clearly and unambiguously waive application of those sections to such employees.

(g) An individual provider, as defined in section 256B.0711, subdivision 1, paragraph (d), who provides services through a consumer support grant under section 256.476, consumer-directed community supports under section 256B.4911, or community first services and supports under section 256B.85, to a family member who is a participant, as defined in section 256B.0711, subdivision 1, paragraph (e), may individually waive the provisions of sections 181.9445 to 181.9448 for the remainder of the participant's service plan year, provided that the funds are returned to the participant's budget. Once an individual provider has waived the provisions of sections 181.9445 to 181.9448, they may not accrue earned sick and safe time until the start of the participant's next service plan year.

~~(g)~~ (h) Sections 181.9445 to 181.9448 do not prohibit an employer from establishing a policy whereby employees may donate unused accrued sick and safe time to another employee.

~~(h)~~ (i) Sections 181.9445 to 181.9448 do not prohibit an employer from advancing sick and safe time to an employee before accrual by the employee.

EFFECTIVE DATE. This section is effective the day following final enactment, except paragraph (a) is effective January 1, 2025.

Sec. 16. Minnesota Statutes 2023 Supplement, section 181.9448, subdivision 2, is amended to read:

Subd. 2. **Termination; separation; transfer.** Sections 181.9445 to 181.9448 do not require financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned sick and safe time that has not been used. If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned sick and safe time accrued at the prior division, entity, or location and is entitled to use all earned sick and safe time as provided in sections 181.9445 to 181.9448. When there is a separation from employment and the employee is rehired within 180 days of separation by the same employer, previously accrued earned sick and safe time that had not been used or otherwise disbursed to the benefit of the employee upon separation must be reinstated. An employee is entitled to use accrued earned sick and safe time and accrue additional earned sick and safe time at the commencement of reemployment.

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

Sec. 17. Minnesota Statutes 2023 Supplement, section 181.9448, subdivision 3, is amended to read:

Subd. 3. **Employer succession.** (a) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned sick and safe time accrued but not used when employed by the original employer, and are entitled to use all earned sick and safe time previously accrued but not used.

(b) ~~If, at the time of transfer of the business,~~ employees are terminated by the original employer and hired within 30 days by the successor employer following the ~~transfer~~ employer succession, those employees are entitled to all earned sick and safe time accrued but not used when employed by the original employer, and are entitled to use all earned sick and safe time previously accrued but not used.

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

ARTICLE 8

MISCELLANEOUS LABOR PROVISIONS

Section 1. Minnesota Statutes 2023 Supplement, section 116J.871, subdivision 1, is amended to read:

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

(b) "Economic development" means financial assistance provided to a person directly or to a local unit of government or nonprofit organization on behalf of a person who is engaged in the

manufacture or sale of goods and services. Economic development does not include (1) financial assistance for rehabilitation of existing housing; (2) financial assistance for new housing construction in which total financial assistance at a single project site is less than \$100,000; or (3) financial assistance for the new construction of fully detached single-family affordable homeownership units for which the financial assistance covers no more than ten fully detached single-family affordable homeownership units. For purposes of this paragraph, "affordable homeownership" means housing targeted at households with incomes, at initial occupancy, at or below 115 percent of the state or area median income, whichever is greater, as determined by the United States Department of Housing and Urban Development.

(c) "Financial assistance" means (1) a grant awarded by a state agency for economic development related purposes if a single business receives \$200,000 or more of the grant proceeds; (2) a loan or the guaranty or purchase of a loan made by a state agency for economic development related purposes if a single business receives \$500,000 or more of the loan proceeds; ~~or~~ (3) a reduction, credit, or abatement of a tax assessed under chapter 297A where the tax reduction, credit, or abatement applies to a geographic area smaller than the entire state and was granted for economic development related purposes; or (4) allocations of low-income housing credits by all suballocators as defined under section 462A.222, for which tax credits are used for multifamily housing projects consisting of more than ten units. Financial assistance does not include payments by the state of aids and credits under chapter 273 or 477A to a political subdivision.

(d) "Project site" means the location where improvements are made that are financed in whole or in part by the financial assistance; or the location of employees that receive financial assistance in the form of employment and training services as defined in section 116L.19, subdivision 4, or customized training from a technical college.

(e) "State agency" means any agency defined under section 16B.01, subdivision 2, Enterprise Minnesota, Inc., and the Iron Range Resources and Rehabilitation Board.

EFFECTIVE DATE. This section is effective for financial assistance provided after August 1, 2024, except Minnesota Statutes, section 462A.051, subdivision 2, does not apply for requests for proposals that were initiated prior to August 1, 2024.

Sec. 2. [181.912] UNDERGROUND TELECOMMUNICATIONS INFRASTRUCTURE.

Subdivision 1. Definitions. For the purposes of this section:

(1) "directional drilling" means a drilling method that utilizes a steerable drill bit to cut a bore hole for installing underground utilities;

(2) "safety-qualified underground telecommunications installer" means a person who has completed underground utilities installation certification under subdivision 3;

(3) "underground telecommunications utilities" means buried broadband, telephone and other telecommunications transmission, distribution and service lines, and associated facilities; and

(4) "underground utilities" means buried electric transmission and distribution lines, gas and hazardous liquids pipelines and distribution lines, sewer and water pipelines, telephone or telecommunications lines, and associated facilities.

Subd. 2. **Installation requirements.** The installation of underground telecommunications infrastructure that is located within ten feet of existing underground utilities or that crosses said utilities must be performed by safety-qualified underground telecommunications installers as follows:

(1) the location of existing utilities by hand or hydro excavation or other accepted methods must be performed by a safety-qualified underground telecommunications installer;

(2) where telecommunications infrastructure is installed by means of directional drilling, the monitoring of the location and depth of the drill head must be performed by a safety-qualified underground telecommunications installer; and

(3) no less than two safety-qualified underground telecommunications installers must be present at all times at any location where telecommunications infrastructure is being installed by means of directional drilling.

Subd. 3. **Certification standards.** (a) The commissioner of labor and industry shall approve standards for a safety-qualified underground telecommunications installer certification program that requires a person to:

(1) complete a 40-hour initial course that includes classroom and hands-on instruction covering proper work procedures for safe installation of underground utilities, including:

(i) regulations applicable to excavation near existing utilities;

(ii) identification, location, and verification of utility lines using hand or hydro excavation or other accepted methods;

(iii) response to line strike incidents;

(iv) traffic control procedures;

(v) use of a tracking device to safely guide directional drill equipment along a drill path; and

(vi) avoidance and mitigation of safety hazards posed by underground utility installation projects;

(2) demonstrate knowledge of the course material by successfully completing an examination approved by the commissioner; and

(3) complete a four-hour refresher course within three years of completing the original course and every three years thereafter in order to maintain certification.

(b) The commissioner must develop an approval process for training providers under this subdivision, and may suspend or revoke the approval of any training provider that fails to demonstrate consistent delivery of approved curriculum or success in preparing participants to complete the examination.

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

Sec. 3. Minnesota Statutes 2022, section 181.960, subdivision 3, is amended to read:

Subd. 3. **Employer.** "Employer" means a person who has ~~20~~ one or more employees. Employer does not include a state agency, statewide system, political subdivision, or advisory board or commission that is subject to chapter 13.

Sec. 4. Minnesota Statutes 2022, section 181A.03, subdivision 1, is amended to read:

Subdivision 1. **General.** As used in sections 181A.01 to ~~181A.12~~ 181A.13, the terms defined in this section shall have the following meanings.

Sec. 5. Minnesota Statutes 2022, section 181A.03, is amended by adding a subdivision to read:

Subd. 5a. **Online platform.** "Online platform" means any public-facing website, web application, or digital application, including a mobile application. Online platform includes a social network, advertising network, mobile operating system, search engine, email service, monetization platform to sell digital services, streaming service, paid subscription, or Internet access service.

Sec. 6. Minnesota Statutes 2022, section 181A.03, is amended by adding a subdivision to read:

Subd. 8. **Content creation.** "Content creation" means content shared on an online platform that generates compensation.

Sec. 7. Minnesota Statutes 2022, section 181A.03, is amended by adding a subdivision to read:

Subd. 9. **Content creator.** "Content creator" means an individual or individuals 18 years of age or older, including family members, who create content performed in Minnesota that generates compensation, and includes any proprietorship, partnership, company, or other corporate entity assuming the name or identity of a particular individual or individuals, or family members, for the purposes of that content creator.

Sec. 8. **[181A.13] COMPENSATION FOR INTERNET CONTENT CREATION.**

Subdivision 1. **Minors featured in content creation.** (a) Except as otherwise provided in this section, a minor is considered engaged in the work of content creation when the following criteria are met at any time during the previous 12-month period:

(1) at least 30 percent of the content creator's compensated content produced within a 30-day period included the likeness, name, or photograph of any minor. Content percentage is measured by the percentage of time the likeness, name, or photograph of a minor or, if more than one minor regularly appears in the creator's content, any of the minors, visually appears or is the subject of an oral narrative in a segment as compared to the total length of the segment; and

(2) the number of views received on any online platform met the online platform's threshold for generating compensation or the content creator received actual compensation for content equal to or greater than \$0.01 per view.

(b) A minor under the age of 14 is prohibited from engaging in the work of content creation as provided in paragraph (a). If a minor under the age of 14 is featured by a content creator, the minor shall receive 100 percent of the proceeds of the creator's compensation for the content the minor has appeared in, less any amount owed to another minor.

(c) A minor who is under the age of 18 and over the age of 13 may produce, create, and publish their own content and are entitled to all compensation for their own content creation. A minor engaged in the work of content creation as the producer, creator, and publisher of content must also follow the requirements in paragraph (b).

(d) A minor who appears incidentally in a video that depicts a public event that a reasonable person would know to be a broadcast, including a concert, competition, or sporting event, and is published by a content creator is not considered a violation of this section.

Subd. 2. **Records required.** (a) All content creators whose content features a minor engaged in the work of content creation shall maintain the following records and retain the records until the minor reaches the age of 21:

(1) the name and documentary proof of the age of the minor engaged in the work of content creation;

(2) the amount of content creation that generated compensation as described in subdivision 1 during the reporting period;

(3) the total number of minutes of content creation for which the content creator received compensation during the reporting period;

(4) the total number of minutes a minor was featured in content creation during the reporting period;

(5) the total compensation generated from content creation featuring a minor during the reporting period; and

(6) the amount deposited into the trust account for the benefit of the minor engaged in the work of content creation as required by subdivision 3.

(b) The records required by this subdivision must be readily accessible to the minor for review. The content creator shall provide notice to the minor of the existence of the records.

Subd. 3. **Trust required.** (a) A minor who is engaged in the work of content creation consistent with this section must be compensated by the content creator. The content creator must set aside gross earnings on the content that includes the likeness, name, or photograph of the minor in a trust account to be preserved for the benefit of the minor until the minor reaches the age of majority, according to the following distribution:

(1) if only one minor meets the content threshold described in subdivision 1, the percentage of total gross earnings on any segment, including the likeness, name, or photograph of the minor that is equal to or greater than half of the content percentage that includes the minor as described in subdivision 1; or

(2) if more than one minor meets the content threshold described in subdivision 1 and a segment includes more than one of those minors, the percentage described in clause (1) for all minors in any segment must be equally divided between the minors regardless of differences in percentage of content provided by the individual minors.

(b) A trust account required under this section must, at a minimum, provide that:

(1) the money in the account is available only to the minor engaged in the work of content creation;

(2) the account is held by a bank, corporate fiduciary, or trust company, as those terms are defined in chapter 48A;

(3) the money in the account becomes available to the minor engaged in the work of content creation upon the minor attaining the age of 18 years or upon a declaration that the minor is emancipated; and

(4) that the account meets the requirements of chapter 527, the Uniform Transfers to Minors Act.

Subd. 4. **Civil action; enforcement.** (a) If a content creator knowingly or recklessly violates this section, a minor or a person who was a minor at the time of the alleged violation may commence a civil action to enforce the provisions of this section regarding the trust account. In any action brought in accordance with this paragraph, the court may award actual damages, including any compensation owed under this section.

(b) Along with the civil action provided in paragraph (a), the minor may commence a civil action against the content creator for damages, injunctive relief, and any other relief the court finds just and equitable to enforce this section.

(c) The attorney general may enforce subdivision 1 of this section, pursuant to section 8.31, and may recover costs and fees.

(d) This section does not affect a right or remedy available under any other law of the state.

(e) Nothing in this section shall be interpreted to have any effect on a party that is neither the content creator nor the minor who engaged in the work of content creation.

Subd. 5. **Content deletion requests.** (a) A person 13 years of age or older who was featured as a minor child in content of a content creator may request the permanent deletion of the content from an online platform. An online platform must have an easily accessible form available online for submission of the deletion request.

(b) An online platform that receives a deletion request shall remove and permanently delete the content for which the request was made within seven days after the request was submitted.

(c) Any contract between a content creator and an online platform that would reasonably be anticipated to feature a minor child must include notification to the social media platform of the rights under this subdivision.

Subd. 6. **Minimum age exemption.** A minor 14 years of age or older who is compensated under this section is exempt from the minimum age provisions of section 181A.04, subdivision 1.

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

Sec. 9. [462A.051] WAGE THEFT PREVENTION AND USE OF RESPONSIBLE CONTRACTORS.

Subdivision 1. Application. This section applies to all forms of financial assistance provided by the Minnesota Housing Finance Agency, as well as the allocation of federal low-income housing credits, for the development, construction, rehabilitation, renovation, or retrofitting of multiunit residential housing, including loans, grants, tax credits, loan guarantees, loan insurance, and other financial assistance.

Subd. 2. Disclosures. An applicant for financial assistance under this chapter shall disclose in the application any conviction, court judgment, agency determination, legal settlement, ongoing criminal or civil investigation, or lawsuit involving alleged violations of sections 177.24, 177.25, 177.32, 177.41 to 177.44, 181.03, 181.101, 181.13, 181.14, 181.722, 181.723, 181A.01 to 181A.12, or 609.52, subdivision 2, paragraph (a), clause (19), or United States Code, title 29, sections 201 to 219, or title 40, sections 3141 to 3148, arising or occurring within the preceding five years on a construction project owned or managed by the developer or owner of the proposed project, the intended general contractor for the proposed project, or any of their respective parent companies, subsidiaries, or other affiliated companies. An applicant for financial assistance shall make the disclosures required by this subdivision available within 14 calendar days to any member of the public who submits a request by mail or electronic correspondence. The applicant shall designate a public information officer who will serve as a point of contact for public inquiries.

Subd. 3. Responsible contractors required. As a condition of receiving financial assistance, the applicant shall verify that every contractor or subcontractor of any tier performing work on the proposed project meets the minimum criteria to be a responsible contractor under section 16C.285, subdivision 3. This verification must meet the criteria defined in section 16C.285, subdivision 4.

Subd. 4. Certified contractor lists. As a condition of receiving financial assistance, the applicant shall have available at the development site main office, a list of every contractor and subcontractor of any tier that performs work or is expected to perform work on the proposed project, as described in section 16C.285, subdivision 5, including the following information for each contractor and subcontractor: business name, scope of work, Department of Labor and Industry registration number, business name of the entity contracting its services, business telephone number and email address, and actual or anticipated number of workers on the project. The applicant shall establish the initial contractor list 30 days before the start of construction and shall update the list each month thereafter until construction is complete. The applicant shall post the contractor list in a conspicuous location at the project site and make the contractor list available to members of the public upon request.

Subd. 5. Wage theft remedy. If any contractor or subcontractor of any tier is found to have failed to pay statutorily required wages under section 609.52, subdivision 1, clause (13), on a project receiving financial assistance or an allocation of federal low-income housing tax credits from or through the agency, the recipient is responsible for correcting the violation.

Subd. 6. Wage theft prevention plans; disqualification. (a) If any contractor or subcontractor of any tier fails to pay statutorily required wages on a project receiving financial assistance from or through the agency as determined by an enforcement entity, the recipient must have a wage theft prevention plan to be eligible for further financial assistance from the agency. The project developer's wage theft prevention plan must describe detailed measures that the project developer and its general

contractor have taken and are committed to take to prevent wage theft on the project, including provisions in any construction contracts and subcontracts on the project. The plan must be submitted to the Department of Labor and Industry for review. The Department of Labor and Industry may require the project developer to amend the plan or adopt policies or protocols in the plan. Once approved by the Department of Labor and Industry, the wage theft prevention plan must be submitted by the project developer to the agency with any subsequent application for financial assistance from the agency. Such wage theft prevention plans shall be made available to members of the public by the agency upon request.

(b) A developer is disqualified from receiving financial assistance from or through the agency for three years if any of the developer's contractors or subcontractors of any tier are found by an enforcement agency to have, within three years after entering into a wage theft prevention plan under paragraph (a), failed to pay statutorily required wages on a project receiving financial assistance from or through the agency for a total underpayment of \$25,000 or more.

Subd. 7. **Enforcement.** The agency may deny an application for financial assistance that does not comply with this section or if the applicant refuses to enter into the agreements required by this section. The agency may withhold financial assistance that has been previously approved if the agency determines that the applicant has engaged in unacceptable practices by failing to comply with this section until the violation is cured.

EFFECTIVE DATE. This section is effective for financial assistance provided after August 1, 2024, except Minnesota Statutes, section 462A.051, subdivision 2, does not apply for requests for proposals that were initiated prior to August 1, 2024.

Sec. 10. **RULEMAKING; ACCEPTABLE BLOOD LEAD LEVELS FOR WORKERS.**

The commissioner of labor and industry, in consultation with the commissioner of health, shall adopt rules to:

(1) lower the acceptable blood lead levels above which require mandatory removal of workers from the lead exposure; and

(2) lower the blood lead levels required before a worker is allowed to return to work. The thresholds established must be based on the most recent public health information on the safety of lead exposure.

ARTICLE 9

CONSTRUCTION CODES AND LICENSING

Section 1. Minnesota Statutes 2022, section 326B.89, subdivision 5, is amended to read:

Subd. 5. **Payment limitations.** The commissioner shall not pay compensation from the fund to an owner or a lessee in an amount greater than ~~\$75,000~~ \$100,000 per licensee. The commissioner shall not pay compensation from the fund to owners and lessees in an amount that totals more than \$550,000 per licensee. The commissioner shall only pay compensation from the fund for a final judgment that is based on a contract directly between the licensee and the homeowner or lessee that

was entered into prior to the cause of action and that requires licensure as a residential building contractor or residential remodeler.

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

ARTICLE 10

UNIVERSITY OF MINNESOTA COLLECTIVE BARGAINING

Section 1. Minnesota Statutes 2023 Supplement, section 179A.03, subdivision 14, is amended to read:

Subd. 14. **Public employee or employee.** (a) "Public employee" or "employee" means any person appointed or employed by a public employer except:

- (1) elected public officials;
- (2) election officers;
- (3) commissioned or enlisted personnel of the Minnesota National Guard;
- (4) emergency employees who are employed for emergency work caused by natural disaster;

(5) part-time employees whose service does not exceed the lesser of 14 hours per week or 35 percent of the normal work week in the employee's appropriate unit;

(6) employees whose positions are basically temporary or seasonal in character and: (i) are not for more than 67 working days in any calendar year; or (ii) are not working for a Minnesota school district or charter school; ~~or (iii) are not for more than 100 working days in any calendar year and the employees are under the age of 22, are full-time students enrolled in a nonprofit or public educational institution prior to being hired by the employer, and have indicated, either in an application for employment or by being enrolled at an educational institution for the next academic year or term, an intention to continue as students during or after their temporary employment;~~

(7) employees providing services for not more than two consecutive quarters to the Board of Trustees of the Minnesota State Colleges and Universities under the terms of a professional or technical services contract as defined in section 16C.08, subdivision 1;

(8) employees of charitable hospitals as defined by section 179.35, subdivision 3, except that employees of charitable hospitals as defined by section 179.35, subdivision 3, are public employees for purposes of sections 179A.051, 179A.052, and 179A.13;

~~(9) full-time undergraduate students employed by the school which they attend under a work-study program or in connection with the receipt of financial aid, irrespective of number of hours of service per week;~~

~~(10)~~ (9) an individual who is employed for less than 300 hours in a fiscal year as an instructor in an adult vocational education program;

~~(11)~~ (10) with respect to court employees:

(i) personal secretaries to judges;

(ii) law clerks;

(iii) managerial employees;

(iv) confidential employees; and

(v) supervisory employees; or

~~(12)~~ (11) with respect to employees of Hennepin Healthcare System, Inc., managerial, supervisory, and confidential employees.

(b) The following individuals are public employees regardless of the exclusions of paragraph (a), clauses (5) to (7):

(1) an employee hired by a school district or the Board of Trustees of the Minnesota State Colleges and Universities except at the university established in the Twin Cities metropolitan area under section 136F.10 or for community services or community education instruction offered on a noncredit basis: (i) to replace an absent teacher or faculty member who is a public employee, where the replacement employee is employed more than 30 working days as a replacement for that teacher or faculty member; or (ii) to take a teaching position created due to increased enrollment, curriculum expansion, courses which are a part of the curriculum whether offered annually or not, or other appropriate reasons;

(2) an employee hired for a position under paragraph (a), clause (6), item (i), if that same position has already been filled under paragraph (a), clause (6), item (i), in the same calendar year and the cumulative number of days worked in that same position by all employees exceeds 67 calendar days in that year. For the purpose of this paragraph, "same position" includes a substantially equivalent position if it is not the same position solely due to a change in the classification or title of the position;

(3) an early childhood family education teacher employed by a school district; ~~and~~

(4) an individual hired by the Board of Trustees of the Minnesota State Colleges and Universities or the University of Minnesota as the instructor of record to teach (i) one class for more than three credits in a fiscal year, or (ii) two or more credit-bearing classes in a fiscal year; and

(5) an individual who: (i) is paid by the Board of Regents of the University of Minnesota for work performed at the direction of the university or any of its employees or contractors; and (ii) is enrolled in three or more university credit-bearing classes or one semester as a full-time student or postdoctoral fellow during the fiscal year in which the work is performed. For purposes of this section, work paid by the university includes but is not limited to work that is required as a condition of receiving a stipend or tuition benefit, whether or not the individual also receives educational benefit from performing that work. Individuals who perform supervisory functions in regard to any of the aforementioned workers are not considered supervisory employees for the purpose of section 179A.06, subdivision 2.

Sec. 2. Minnesota Statutes 2022, section 179A.11, subdivision 1, is amended to read:

Subdivision 1. **Units.** (a) The following are ~~the~~ appropriate units of University of Minnesota employees. The listed units include but are not limited to the positions described. A position may be added to a unit if the commissioner makes a determination under section 179A.09 that the unit is appropriate for the position. All units shall exclude managerial and confidential employees. ~~Supervisory employees shall only be assigned to unit 13. No additional units of University of Minnesota employees shall be recognized for the purpose of meeting and negotiating.~~

(1) The Law Enforcement Unit ~~consists of~~ includes the positions of all employees with the power of arrest.

(2) The Craft and Trades Unit ~~consists of~~ includes the positions of all employees whose work requires specialized manual skills and knowledge acquired through formal training or apprenticeship or equivalent on-the-job training or experience.

(3) The Service, Maintenance, and Labor Unit ~~consists of~~ includes the positions of all employees whose work is typically that of maintenance, service, or labor and which does not require extensive previous training or experience, except as provided in unit 4.

(4) The Health Care Nonprofessional and Service Unit ~~consists of~~ includes the positions of all nonprofessional employees of the University of Minnesota hospitals, dental school, and health service whose work is unique to those settings, excluding labor and maintenance employees as defined in unit 3.

(5) The Nursing Professional Unit ~~consists of~~ includes all positions which are required to be filled by registered nurses.

(6) The Clerical and Office Unit ~~consists of~~ includes the positions of all employees whose work is typically clerical or secretarial, including nontechnical data recording and retrieval and general office work, except as provided in unit 4.

(7) The Technical Unit ~~consists of~~ includes the positions of all employees whose work is not typically manual and which requires specialized knowledge or skills acquired through two-year academic programs or equivalent experience or on-the-job training, except as provided in unit 4.

~~(8) The Twin Cities Instructional Unit consists of the positions of all instructional employees with the rank of professor, associate professor, assistant professor, including research associate or instructor, including research fellow, located on the Twin Cities campuses.~~

~~(9)~~ (8) The Outstate Instructional Unit ~~consists of~~ includes the positions of all instructional employees with the rank of professor, associate professor, assistant professor, including research associate or instructor, including research fellow, located at the Duluth campus, provided that the positions of instructional employees of the same ranks at the Morris, Crookston, or ~~Waseca~~ Rochester campuses shall be included within this unit if a majority of the eligible employees voting at a campus so vote during an election conducted by the commissioner, provided that the election or majority verification procedure shall not be held until the Duluth campus has voted in favor of representation. The election shall be held or majority verification procedure shall take place when an employee organization or group of employees petitions the commissioner stating that a majority of the eligible employees at one of these campuses wishes to join the unit and this petition is supported by a showing

of at least 30 percent support from eligible employees at that campus and is filed between September 1 and November 1.

~~Should both units 8 and 9 elect exclusive bargaining representatives, those representatives may by mutual agreement jointly negotiate a contract with the regents, or may negotiate separate contracts with the regents. If the exclusive bargaining representatives jointly negotiate a contract with the regents, the contract shall be ratified by each unit. For the purposes of this section, an "instructional employee" is an individual who spends 35 percent or more of their work time creating, delivering, and assessing the mastery of credit-bearing coursework.~~

(10) The Graduate Assistant Unit ~~consists of~~ includes the positions of all graduate assistants who are enrolled in the graduate school and who hold the rank of research assistant, teaching assistant, teaching associate I or II, project assistant, graduate school fellow, graduate school trainee, professional school fellow, professional school trainee, or administrative fellow I or II. The listed ranks do not coincide with the ranks that are categorized by the University of Minnesota as professionals in training, even though in some cases the job titles may be the same.

~~(11) The Academic Professional and Administrative Staff Unit consists of all academic professional and administrative staff positions that are not defined as included in an instructional unit, the supervisory unit, the clerical unit, or the technical unit.~~

~~(12) The Noninstructional Professional Unit consists of the positions of all employees meeting the requirements of section 179A.03, subdivision 13, clause (1) or (2), which are not defined as included within an instructional unit, the Academic Professional and Administrative Staff Unit, or the supervisory unit.~~

~~(13) The Supervisory Employees Unit consists of the positions of all supervisory employees.~~

(b) An employee of the University of Minnesota whose position is not enumerated in paragraph (a) may petition the commissioner to determine an appropriate unit for the position. The commissioner must make a determination for an appropriate unit as provided in section 179A.09 and the commissioner must give special weight to the desires of the petitioning employee or representatives of the petitioning employee.

Sec. 3. Minnesota Statutes 2022, section 179A.11, subdivision 2, is amended to read:

Subd. 2. **University of Minnesota employee severance.** (a) Each of the following groups of University of Minnesota employees has the right, as specified in this subdivision, to separate from the instructional and supervisory units: (1) health sciences instructional employees at all campuses with the rank of professor, associate professor, assistant professor, including research associate, or instructor, including research fellow, (2) instructional employees of the law school with the rank of professor, associate professor, assistant professor, including research associate, or instructor, including research fellow, (3) instructional supervisors, (4) noninstructional professional supervisors, and (5) academic professional and administrative staff supervisors.

~~This~~ (b) The right to separate may be exercised:

(1) by petition between September 1 and November 1. If a group separates from its unit, it has no right to meet and negotiate, but retains the right to meet and confer with the appropriate officials

on any matter of concern to the group. The right to separate must be exercised as follows: An employee organization or group of employees claiming that a majority of any one of these groups of employees on a statewide basis wish to separate from their unit may petition the commissioner for an election during the petitioning period. If the petition is supported by a showing of at least 30 percent support from the employees, the commissioner ~~shall~~ may hold an election on the separation issue or the petitioning group may proceed under the process set forth in section 179A.12. This election must be conducted within 30 days of the close of the petition period. If a majority of votes cast endorse severance from their unit, the commissioner shall certify that result; or

(2) by the group's exclusion from a proposed unit in a representation petition.

(c) Where not inconsistent with other provisions of this section, the election is governed by section 179A.12. If a group of employees severs, it may rejoin that unit by following the procedures for severance during the periods for severance.

Sec. 4. Minnesota Statutes 2022, section 179A.11, is amended by adding a subdivision to read:

Subd. 3. **Joint bargaining.** Units organized under this section that have elected exclusive bargaining representatives may by mutual agreement of the exclusive representatives jointly negotiate a contract with the regents or may negotiate separate contracts with the regents. If the exclusive bargaining representatives jointly negotiate a contract with the regents, the contract must be ratified by each unit.

ARTICLE 11

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

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

Sec. 2. HOUSING FINANCE AGENCY

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>63,025,000</u>
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(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.

Subd. 2. Family Homeless Prevention

-0-

8,804,000

This appropriation is for the family homeless prevention and assistance program under Minnesota Statutes, section 462A.204. Notwithstanding procurement provisions outlined in Minnesota Statutes, section 16C.06, subdivisions 1, 2, and 6, the agency may award grants to existing program grantees. This is a onetime appropriation.

Subd. 3. Minnesota Homeless Study

-0-

500,000

This appropriation is for a grant to the Amherst H. Wilder Foundation for the Minnesota homeless study. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to one percent of this appropriation for administrative costs. This is a onetime appropriation.

Subd. 4. Wilder Park Association Capital Repair Project

-0-

3,250,000

This appropriation is for a grant to the Wilder Park Association to assist with the cost of a major capital repair project for the rehabilitation of portions of the owner-occupied senior high-rise facility. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to one percent of this appropriation for administrative costs. This is a onetime appropriation.

Subd. 5. Housing Affordability Preservation Investment

-0-

50,000,000

This appropriation is for the housing affordability preservation investment program under article 12, section 25. This is a onetime appropriation.

Subd. 6. Expediting Rental Assistance**-0-****471,000**

This appropriation is for the agency's work under article 13 of this act. This is a onetime appropriation.

Subd. 7. Availability of Appropriations for Administrative Expenses and Report

(a) Money appropriated in this section for grants must not be spent on institutional overhead charges that are not directly related to and necessary for the grant.

(b) By February 15, 2025, the commissioner shall report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy the anticipated costs for administering each grant in this section. Within 90 days after a grantee has fulfilled the obligations of their grant agreement, the commissioner shall report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy on the final cost for administering each grant in this section.

Sec. 3. DEPARTMENT OF LABOR AND INDUSTRY**\$****-0- \$****225,000**

This appropriation is for the single-exit stairway apartment building report under article 12, section 27. This is a onetime appropriation.

Sec. 4. Laws 2023, chapter 37, article 1, section 2, subdivision 17, is amended to read:

Subd. 17. Housing Infrastructure

100,000,000

~~100,000,000~~60,000,000

This appropriation is for the housing infrastructure program for the eligible purposes under Minnesota Statutes, section 462A.37, subdivision 2. This is a onetime appropriation.

Sec. 5. Laws 2023, chapter 37, article 1, section 2, subdivision 25, is amended to read:

Subd. 25. **Manufactured Home Lending Grants Program**

10,000,000

-0-

(a) This appropriation is for ~~the~~ a grant to NeighborWorks Home Partners for a manufactured home lending ~~grant~~ program. This is a onetime appropriation.

(b) The funds must be used for new manufactured home financing programs; manufactured home down payment assistance; or manufactured home repair, renovation, removal, and site preparation financing programs.

(c) Interest earned and repayments of principal from loans issued under this subdivision must be used for the purposes of this subdivision.

(d) For the purposes of this subdivision, the term "manufactured home" has the meaning given in Minnesota Statutes, section 327B.01, subdivision 13.

Sec. 6. Laws 2023, chapter 37, article 1, section 2, subdivision 29, is amended to read:

Subd. 29. **Community Stabilization**

45,000,000

~~45,000,000~~31,750,000

This appropriation is for the community stabilization program. This a onetime appropriation. Of this amount, \$10,000,000 is for a grant to AEON for Huntington Place.

Sec. 7. **REPEALER.**

Laws 2023, chapter 37, article 2, section 13, is repealed.

ARTICLE 12

HOUSING POLICY

Section 1. Minnesota Statutes 2022, section 462A.02, subdivision 10, is amended to read:

Subd. 10. **Energy conservation decarbonization and climate resilience.** It is further declared that supplies of conventional energy resources are rapidly depleting in quantity and rising in price and that the burden of these occurrences falls heavily upon the citizens of Minnesota generally and persons of low and moderate income in particular. These conditions are adverse to the health, welfare,

and safety of all of the citizens of this state. It is further declared that it is a public purpose to ensure the availability of financing to be used by all citizens of the state, while giving preference to low and moderate income people, to assist in the installation in their dwellings of reasonably priced energy conserving systems including the use of alternative energy resources and equipment so that by the improvement of the energy efficiency of, clean energy, greenhouse gas emissions reduction, climate resiliency, and other qualified projects for all housing, the adequacy of the total energy supply may be preserved for the benefit of all citizens.

Sec. 2. Minnesota Statutes 2023 Supplement, section 462A.05, subdivision 14, is amended to read:

Subd. 14. **Rehabilitation loans.** It may agree to purchase, make, or otherwise participate in the making, and may enter into commitments for the purchase, making, or participation in the making, of eligible loans for rehabilitation, with terms and conditions as the agency deems advisable, to persons and families of low and moderate income, and to owners of existing residential housing for occupancy by such persons and families, for the rehabilitation of existing residential housing owned by them. Rehabilitation may include the addition or rehabilitation of a detached accessory dwelling unit. The loans may be insured or uninsured and may be made with security, or may be unsecured, as the agency deems advisable. The loans may be in addition to or in combination with long-term eligible mortgage loans under subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness secured by the property, if refinancing is determined by the agency to be necessary to permit the owner to meet the owner's housing cost without expending an unreasonable portion of the owner's income thereon. No loan for rehabilitation shall be made unless the agency determines that the loan will be used primarily to make the housing more desirable to live in, to increase the market value of the housing, for compliance with state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing, or to accomplish energy conservation-related improvements decarbonization, climate resiliency, and other qualified projects. In unincorporated areas and municipalities not having codes and standards, the agency may, solely for the purpose of administering the provisions of this chapter, establish codes and standards. No loan under this subdivision for the rehabilitation of owner-occupied housing shall be denied solely because the loan will not be used for placing the owner-occupied residential housing in full compliance with all state, county, or municipal building, housing maintenance, fire, health, or similar codes and standards applicable to housing. Rehabilitation loans shall be made only when the agency determines that financing is not otherwise available, in whole or in part, from private lenders upon equivalent terms and conditions. Accessibility rehabilitation loans authorized under this subdivision may be made to eligible persons and families without limitations relating to the maximum incomes of the borrowers if:

(1) the borrower or a member of the borrower's family requires a level of care provided in a hospital, skilled nursing facility, or intermediate care facility for persons with developmental disabilities;

(2) home care is appropriate; and

(3) the improvement will enable the borrower or a member of the borrower's family to reside in the housing.

The agency may waive any requirement that the housing units in a residential housing development be rented to persons of low and moderate income if the development consists of four or fewer dwelling units, one of which is occupied by the owner.

Sec. 3. Minnesota Statutes 2022, section 462A.05, subdivision 14a, is amended to read:

Subd. 14a. **Rehabilitation loans; existing owner-occupied residential housing.** It may make loans to persons and families of low and moderate income to rehabilitate or to assist in rehabilitating existing residential housing owned and occupied by those persons or families. Rehabilitation may include replacement of manufactured homes. No loan shall be made unless the agency determines that the loan will be used primarily for rehabilitation work necessary for health or safety, essential accessibility improvements, or to improve the energy efficiency of, clean energy, greenhouse gas emissions reductions, climate resiliency, and other qualified projects in the dwelling. No loan for rehabilitation of owner-occupied residential housing shall be denied solely because the loan will not be used for placing the residential housing in full compliance with all state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing. The amount of any loan shall not exceed the lesser of (a) a maximum loan amount determined under rules adopted by the agency not to exceed \$37,500, or (b) the actual cost of the work performed, or (c) that portion of the cost of rehabilitation which the agency determines cannot otherwise be paid by the person or family without the expenditure of an unreasonable portion of the income of the person or family. Loans made in whole or in part with federal funds may exceed the maximum loan amount to the extent necessary to comply with federal lead abatement requirements prescribed by the funding source. In making loans, the agency shall determine the circumstances under which and the terms and conditions under which all or any portion of the loan will be repaid and shall determine the appropriate security for the repayment of the loan. Loans pursuant to this subdivision may be made with or without interest or periodic payments.

Sec. 4. Minnesota Statutes 2022, section 462A.05, subdivision 14b, is amended to read:

Subd. 14b. **Energy ~~conservation~~ decarbonization and climate resiliency loans.** It may agree to purchase, make, or otherwise participate in the making, and may enter into commitments for the purchase, making, or participating in the making, of loans to persons and families, without limitations relating to the maximum incomes of the borrowers, to assist in energy ~~conservation~~ rehabilitation measures ~~decarbonization, climate resiliency, and other qualified projects~~ for existing housing owned by those persons or families including, but not limited to: weatherstripping and caulking; chimney construction or improvement; furnace or space heater repair, cleaning or replacement; central air conditioner installation, repair, maintenance, or replacement; air source or geothermal heat pump installation, repair, maintenance, or replacement; insulation; windows and doors; and structural or other directly related repairs or installations ~~essential for energy conservation~~ decarbonization, climate resiliency, and other qualified projects. Loans shall be made only when the agency determines that financing is not otherwise available, in whole or in part, from private lenders upon equivalent terms and conditions. Loans under this subdivision or subdivision 14 may:

(1) be integrated with a utility's on-bill repayment program approved under section 216B.241, subdivision 5d; and

(2) also be made for the installation of on-site solar energy or energy storage systems.

Sec. 5. Minnesota Statutes 2022, section 462A.05, subdivision 15, is amended to read:

Subd. 15. **Rehabilitation grants.** (a) It may make grants to persons and families of low and moderate income to pay or to assist in paying a loan made pursuant to subdivision 14, or to rehabilitate or to assist in rehabilitating existing residential housing owned or occupied by such persons or families. For the purposes of this section, persons of low and moderate income include administrators appointed pursuant to section 504B.425, paragraph (d). No grant shall be made unless the agency determines that the grant will be used primarily to make the housing more desirable to live in, to increase the market value of the housing or for compliance with state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing, or to accomplish energy conservation-related improvements decarbonization, climate resiliency, or other qualified projects. In unincorporated areas and municipalities not having codes and standards, the agency may, solely for the purpose of administering this provision, establish codes and standards. No grant for rehabilitation of owner occupied residential housing shall be denied solely because the grant will not be used for placing the residential housing in full compliance with all state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing. The amount of any grant shall not exceed the lesser of (a) \$6,000, or (b) the actual cost of the work performed, or (c) that portion of the cost of rehabilitation which the agency determines cannot otherwise be paid by the person or family without spending an unreasonable portion of the income of the person or family thereon. In making grants, the agency shall determine the circumstances under which and the terms and conditions under which all or any portion thereof will be repaid and shall determine the appropriate security should repayment be required.

(b) The agency may also make grants to rehabilitate or to assist in rehabilitating housing under this subdivision to persons of low and moderate income for the purpose of qualifying as foster parents.

Sec. 6. Minnesota Statutes 2022, section 462A.05, subdivision 15b, is amended to read:

Subd. 15b. **Energy conservation decarbonization and climate resiliency grants.** (a) It may make grants to assist in energy ~~conservation-rehabilitation measures~~ decarbonization, climate resiliency, and other qualified projects for existing owner occupied housing including, but not limited to: insulation, storm windows and doors, furnace or space heater repair, cleaning or replacement, chimney construction or improvement, weatherstripping and caulking, ~~and~~ structural or other directly related repairs, or installations essential for energy conservation decarbonization, climate resiliency, and other qualified projects. The grant to any household shall not exceed \$2,000.

(b) To be eligible for an emergency energy ~~conservation~~ decarbonization and climate resiliency grant, a household must be certified as eligible to receive emergency residential heating assistance under either the federal or the state program, and either (1) have had a heating cost for the preceding heating season that exceeded 120 percent of the regional average for the preceding heating season for that energy source as determined by the commissioner of employment and economic development, or (2) be eligible to receive a federal energy conservation grant, but be precluded from receiving the grant because of a need for directly related repairs that cannot be paid for under the federal program. The Housing Finance Agency shall make a reasonable effort to determine whether other state or federal loan and grant programs are available and adequate to finance the intended improvements. An emergency energy conservation grant may be made in conjunction with grants or loans from other state or federal programs that finance other needed rehabilitation work. The

receipt of a grant pursuant to this section shall not affect the applicant's eligibility for other Housing Finance Agency loan or grant programs.

Sec. 7. Minnesota Statutes 2022, section 462A.05, subdivision 21, is amended to read:

Subd. 21. **Rental property loans.** The agency may make or purchase loans to owners of rental property that is occupied or intended for occupancy primarily by low- and moderate-income tenants and which does not comply with the standards established in section 326B.106, subdivision 1, for the purpose of energy ~~improvements~~ decarbonization, climate resiliency, and other qualified projects necessary to bring the property into full or partial compliance with these standards. For property which meets the other requirements of this subdivision, a loan may also be used for moderate rehabilitation of the property. The authority granted in this subdivision is in addition to and not in limitation of any other authority granted to the agency in this chapter. The limitations on eligible mortgagors contained in section 462A.03, subdivision 13, do not apply to loans under this subdivision. Loans for the improvement of rental property pursuant to this subdivision may contain provisions that repayment is not required in whole or in part subject to terms and conditions determined by the agency to be necessary and desirable to encourage owners to maximize rehabilitation of properties.

Sec. 8. Minnesota Statutes 2022, section 462A.05, subdivision 23, is amended to read:

Subd. 23. **Insuring financial institution loans.** The agency may participate in loans or establish a fund to insure loans, or portions of loans, that are made by any banking institution, savings association, or other lender approved by the agency, organized under the laws of this or any other state or of the United States having an office in this state, to owners of renter-occupied homes or apartments that do not comply with standards set forth in section 326B.106, subdivision 1, without limitations relating to the maximum incomes of the owners or tenants. The proceeds of the insured portion of the loan must be used to pay the costs of improvements, including all related structural and other improvements, that will reduce energy consumption, that will decarbonize, and that will ensure the climate resiliency of housing.

Sec. 9. Minnesota Statutes 2023 Supplement, section 462A.05, subdivision 45, is amended to read:

Subd. 45. **Indian Tribes.** Notwithstanding any other provision in this chapter, at its discretion the agency may make any federally recognized Indian Tribe in Minnesota, or their associated Tribally Designated Housing Entity (TDHE) as defined by United States Code, title 25, section 4103(22), eligible for agency funding ~~authorized under this chapter.~~

Sec. 10. Minnesota Statutes 2022, section 462A.07, is amended by adding a subdivision to read:

Subd. 19. **Eligibility for agency programs.** The agency may determine that a household or project unit meets the rent or income requirements for a program if the household or unit receives or participates in income-based state or federal public assistance benefits, including but not limited to:

(1) child care assistance programs under chapter 119B;

(2) general assistance, Minnesota supplemental aid, or food support under chapter 256D;

(3) housing support under chapter 256I;

(4) Minnesota family investment program and diversionary work program under chapter 256J;
and

(5) economic assistance programs under chapter 256P.

Sec. 11. Minnesota Statutes 2022, section 462A.21, subdivision 7, is amended to read:

Subd. 7. **Energy efficiency loans.** The agency may make loans to low and moderate income persons who own existing residential housing for the purpose of improving the ~~efficient~~ energy ~~utilization~~ decarbonization and climate resiliency of the housing. Permitted improvements shall include installation or upgrading of ceiling, wall, floor and duct insulation, storm windows and doors, and caulking and weatherstripping. The improvements shall not be inconsistent with the energy standards as promulgated as part of the State Building Code; provided that the improvements need not bring the housing into full compliance with the energy standards. Any loan for such purpose shall be made only upon determination by the agency that such loan is not otherwise available, wholly or in part, from private lenders upon equivalent terms and conditions. The agency may promulgate rules as necessary to implement and make specific the provisions of this subdivision. The rules shall be designed to permit the state, to the extent not inconsistent with this chapter, to seek federal grants or loans for energy ~~purposes~~ decarbonization, climate resiliency, and other qualified projects.

Sec. 12. Minnesota Statutes 2023 Supplement, section 462A.22, subdivision 1, is amended to read:

Subdivision 1. **Debt ceiling.** The aggregate principal amount of general obligation bonds and notes which are outstanding at any time, excluding the principal amount of any bonds and notes refunded by the issuance of new bonds or notes, shall not exceed the sum of ~~\$5,000,000,000~~ \$7,000,000,000.

Sec. 13. Minnesota Statutes 2022, section 462A.35, subdivision 2, is amended to read:

Subd. 2. **Expending funds.** The agency may expend the money in the Minnesota manufactured home relocation trust fund to the extent necessary to carry out the objectives of section 327C.095, subdivision 13, by making payments to manufactured home owners, or other parties approved by the third-party neutral, under subdivision 13, paragraphs (a) and (e), and to pay the costs of administering the fund. Money in the fund is appropriated to the agency for these purposes and to the commissioner of ~~management and budget~~ the Minnesota Housing Finance Agency to pay costs incurred by the commissioner of ~~management and budget~~ the Minnesota Housing Finance Agency to administer the fund.

Sec. 14. Minnesota Statutes 2023 Supplement, section 462A.37, subdivision 2, is amended to read:

Subd. 2. **Authorization.** (a) The agency may issue up to \$30,000,000 in aggregate principal amount of housing infrastructure bonds in one or more series to which the payment made under this section may be pledged. The housing infrastructure bonds authorized in this subdivision may be

issued to fund loans, or grants for the purposes of clauses (4) and (7), on terms and conditions the agency deems appropriate, made for one or more of the following purposes:

(1) to finance the costs of the construction, acquisition, 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, rehabilitation, and replacement of federally assisted rental housing and for the refinancing of costs of the construction, acquisition, and rehabilitation of federally assisted rental housing, including providing funds to refund, in whole or in part, outstanding bonds previously issued by the agency or another government unit to finance or refinance such costs;

(7) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction of single-family housing; and

(8) to finance the costs of construction, acquisition, and rehabilitation of permanent housing that is affordable to households with incomes at or below 50 percent of the area median income for the applicable county or metropolitan area as published by the Department of Housing and Urban Development, as adjusted for household size.

(b) Among comparable proposals for permanent supportive housing, preference shall be given to permanent supportive housing for veterans and other individuals or families who:

(1) either have been without a permanent residence for at least 12 months or at least four times in the last three years; or

(2) are at significant risk of lacking a permanent residence for 12 months or at least four times in the last three years.

(c) Among comparable proposals for senior housing, the agency must give priority to requests for projects that:

(1) demonstrate a commitment to maintaining the housing financed as affordable to senior households;

(2) leverage other sources of funding to finance the project, including the use of low-income housing tax credits;

(3) provide access to services to residents and demonstrate the ability to increase physical supports and support services as residents age and experience increasing levels of disability; and

(4) include households with incomes that do not exceed 30 percent of the median household income for the metropolitan area.

(d) To the extent practicable, the agency shall balance the loans made between projects in the metropolitan area and projects outside the metropolitan area. Of the loans made to projects outside the metropolitan area, the agency shall, to the extent practicable, balance the loans made between projects in counties or cities with a population of 20,000 or less, as established by the most recent decennial census, and projects in counties or cities with populations in excess of 20,000.

(e) Among comparable proposals for permanent housing, the agency must give preference to projects that will provide housing that is affordable to households at or below 30 percent of the area median income.

(f) If a loan recipient uses the loan for new construction or substantial rehabilitation as defined by the agency on a building containing more than four units, the loan recipient must construct, convert, or otherwise adapt the building to include:

(1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are accessible units, as defined by section 1002 of the current State Building Code Accessibility Provisions for Dwelling Units in Minnesota, and include at least one roll-in shower in at least one accessible unit as defined by section 1002 of the current State Building Code Accessibility Provisions for Dwelling Units in Minnesota; and

(2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are sensory-accessible units that include:

(A) soundproofing between shared walls for first and second floor units;

(B) no florescent lighting in units and common areas;

(C) low-fume paint;

(D) low-chemical carpet; and

(E) low-chemical carpet glue in units and common areas.

Nothing in this paragraph relieves a project funded by the agency from meeting other applicable accessibility requirements.

Sec. 15. Minnesota Statutes 2022, section 462A.37, is amended by adding a subdivision to read:

Subd. 2j. **Additional authorization.** In addition to the amount authorized in subdivisions 2 to 2i, the agency may issue up to \$50,000,000 in one or more series to which the payments under this section may be pledged.

Sec. 16. Minnesota Statutes 2023 Supplement, section 462A.37, subdivision 5, is amended to read:

Subd. 5. **Additional appropriation.** (a) The agency must certify annually to the commissioner of management and budget the actual amount of annual debt service on each series of bonds issued under this section.

(b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure bonds issued under subdivision 2a, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$6,400,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure bonds issued under subdivision 2b, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$800,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(d) Each July 15, beginning in 2019 and through 2040, if any housing infrastructure bonds issued under subdivision 2c, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$2,800,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(e) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure bonds issued under subdivision 2d, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(f) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure bonds issued under subdivision 2e, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(g) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure bonds issued under subdivision 2f, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(h) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure bonds issued under subdivision 2g, or housing infrastructure bonds issued to refund those bonds, remain

outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(i) Each July 15, beginning in 2023 and through 2044, if any housing infrastructure bonds issued under subdivision 2h, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(j) Each July 15, beginning in 2026 and through 2047, if any housing infrastructure bonds issued under subdivision 2j, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

~~(j)~~ (k) The agency may pledge to the payment of the housing infrastructure bonds the payments to be made by the state under this section.

Sec. 17. Minnesota Statutes 2023 Supplement, section 462A.39, subdivision 2, is amended to read:

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

(b) "Eligible project area" means a home rule charter or statutory city located outside of a metropolitan county as defined in section 473.121, subdivision 4, ~~with a population exceeding 500; a community that has a combined population of 1,500 residents located within 15 miles of a home rule charter or statutory city located outside a metropolitan county as defined in section 473.121, subdivision 4;~~ federally recognized Tribal reservations; or an area served by a joint county-city economic development authority.

(c) "Joint county-city economic development authority" means an economic development authority formed under Laws 1988, chapter 516, section 1, as a joint partnership between a city and county and excluding those established by the county only.

(d) "Market rate residential rental properties" means properties that are rented at market value, including new modular homes, new manufactured homes, and new manufactured homes on leased land or in a manufactured home park, and may include rental developments that have a portion of income-restricted units.

(e) "Qualified expenditure" means expenditures for market rate residential rental properties including acquisition of property; construction of improvements; and provisions of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related financing costs.

Sec. 18. Minnesota Statutes 2023 Supplement, section 462A.395, is amended to read:

462A.395 GREATER MINNESOTA HOUSING INFRASTRUCTURE GRANT PROGRAM.

Subdivision 1. **Grant program established.** The commissioner of the Minnesota Housing Finance Agency may make grants to counties and cities to provide up to 50 percent of the capital costs of public infrastructure necessary for an eligible workforce housing development project. The commissioner may make a grant award only after determining that nonstate resources are committed to complete the project. The nonstate contribution may be cash, other committed grant funds, or in kind. In-kind contributions may include the value of the site, whether the site is prepared before or after the law appropriating money for the grant is enacted.

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

(b) "City" means a statutory or home rule charter city located outside the metropolitan area, as defined in section 473.121, subdivision 2.

(c) "Housing infrastructure" means publicly owned physical infrastructure necessary to support housing development projects, including but not limited to sewers, water supply systems, utility extensions, streets, wastewater treatment systems, stormwater management systems, and facilities for pretreatment of wastewater to remove phosphorus.

Subd. 3. **Eligible projects.** Housing projects eligible for a grant under this section may be a single-family or multifamily housing development, and either owner-occupied or rental. Housing projects eligible for a grant under this section may also be a manufactured home development qualifying for homestead treatment under section 273.124, subdivision 3a.

Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section. At a minimum, a city or county must include in its application a resolution of the county board or city council certifying that the required nonstate match is available. The commissioner must evaluate complete applications for funding for eligible projects to determine that:

(1) the project is necessary to increase sites available for housing development that will provide adequate housing stock for the current or future workforce; and

(2) the increase in workforce housing will result in substantial public and private capital investment in the county or city in which the project would be located.

(b) The determination of whether to make a grant for a site is within the discretion of the commissioner, subject to this section. The commissioner's decisions and application of the criteria are not subject to judicial review, except for abuse of discretion.

Subd. 5. **Maximum grant amount.** A county or city may receive no more than ~~\$30,000~~ \$40,000 per lot for single-family, duplex, triplex, or fourplex housing developed, no more than \$60,000 per manufactured housing lot, and no more than \$180,000 per lot for multifamily housing with more than four units per building. A county or city may receive no more than \$500,000 in two years for one or more housing developments. The \$500,000 limitation does not apply to use on manufactured housing developments.

Sec. 19. Minnesota Statutes 2022, section 462A.40, subdivision 2, is amended to read:

Subd. 2. **Use of funds; grant and loan program.** (a) The agency may award grants and loans to be used for multifamily and single family developments for persons and families of low and moderate income. Allowable use of the funds include: gap financing, as defined in section 462A.33, subdivision 1; new construction; acquisition; rehabilitation; demolition or removal of existing structures; construction financing; permanent financing; interest rate reduction; and refinancing.

(b) The agency may give preference for grants and loans to comparable proposals that include regulatory changes or waivers that result in identifiable cost avoidance or cost reductions, including but not limited to increased density, flexibility in site development standards, or zoning code requirements.

~~(c) The agency shall separately set aside:~~

~~(1) at least ten percent of the financing under this section for housing units located in a township or city with a population of 2,500 or less that is located outside the metropolitan area, as defined in section 473.121, subdivision 2;~~

~~(2) at least 35 percent of the financing under this section for housing for persons and families whose income is 50 percent or less of the area median income for the applicable county or metropolitan area as published by the Department of Housing and Urban Development, as adjusted for household size; and~~

~~(3) at least 25 percent of the financing under this section for single-family housing.~~

~~(d) If by September 1 of each year the agency does not receive requests to use all of the amounts set aside under paragraph (c), the agency may use any remaining financing for other projects eligible under this section.~~

Sec. 20. Minnesota Statutes 2022, section 462A.40, subdivision 3, is amended to read:

Subd. 3. **Eligible recipients; definitions; restrictions; use of funds.** (a) The agency may award a grant or a loan to any recipient that qualifies under subdivision 2. The agency must not award a grant or a loan to a disqualified individual or disqualified business.

(b) For the purposes of this subdivision disqualified individual means ~~an individual who~~:

(1) an individual who or an individual whose immediate family member made a contribution to the account in the current or prior taxable year and received a credit certificate;

(2) an individual who or an individual whose immediate family member owns the housing for which the grant or loan will be used ~~and is using that housing as their domicile~~;

(3) an individual who meets the following criteria:

(i) the individual is an officer or principal of a business entity; and

(ii) that business entity made a contribution to the account in the current or previous taxable year and received a credit certificate; or

(4) an individual who meets the following criteria:

(i) the individual directly owns, controls, or holds the power to vote 20 percent or more of the outstanding securities of a business entity; and

(ii) that business entity made a contribution to the account in the current or previous taxable year and received a credit certificate.

(c) For the purposes of this subdivision disqualified business means a business entity that:

(1) made a contribution to the account in the current or prior taxable year and received a credit certificate;

(2) has an officer or principal who is an individual who made a contribution to the account in the current or previous taxable year and received a credit certificate; or

(3) meets the following criteria:

(i) the business entity is directly owned, controlled, or is subject to the power to vote 20 percent or more of the outstanding securities by an individual or business entity; and

(ii) that controlling individual or business entity made a contribution to the account in the current or previous taxable year and received a credit certificate.

~~(d) The disqualifications in paragraphs (b) and (c) apply if the taxpayer would be disqualified either individually or in combination with one or more members of the taxpayer's family, as defined in the Internal Revenue Code, section 267(c)(4). For purposes of this subdivision, "immediate family" means the taxpayer's spouse, parent or parent's spouse, sibling or sibling's spouse, or child or child's spouse. For a married couple filing a joint return, the limitations in this paragraph subdivision apply collectively to the taxpayer and spouse. For purposes of determining the ownership interest of a taxpayer under paragraph (a), clause (4), the rules under sections 267(c) and 267(e) of the Internal Revenue Code apply.~~

(e) Before applying for a grant or loan, all recipients must sign a disclosure that the disqualifications under this subdivision do not apply. The Minnesota Housing Finance Agency must prescribe the form of the disclosure. The Minnesota Housing Finance Agency may rely on the disclosure to determine the eligibility of recipients under paragraph (a).

(f) The agency may award grants or loans to a city as defined in section 462A.03, subdivision 21; a federally recognized American Indian tribe or subdivision located in Minnesota; a tribal housing corporation; a private developer; a nonprofit organization; a housing and redevelopment authority under sections 469.001 to 469.047; a public housing authority or agency authorized by law to exercise any of the powers granted by sections 469.001 to 469.047; or the owner of the housing. The provisions of subdivision 2, and paragraphs (a) to (e) and (g) of this subdivision, regarding the use of funds and eligible recipients apply to grants and loans awarded under this paragraph.

~~(g) Except for the set aside provided in subdivision 2, paragraph (d),~~ Eligible recipients must use the funds to serve households that meet the income limits as provided in section 462A.33, subdivision 5.

Sec. 21. Minnesota Statutes 2022, section 469.012, is amended by adding a subdivision to read:

Subd. 14. **Assistance to preserve naturally occurring affordable housing.** An authority may provide financial assistance of any kind, including but not limited to grants, loans, forgivable loans, payment of interest, interest rate reduction, issuance of bonds and the spending of the proceeds of the bonds, to assist with the capital repair or replacement of an asset or category of assets with a regular life span in excess of 25 years and with a project cost in excess of \$5,000,000, where: (1) the capital repair project is in a multifamily housing building, whether owner-occupied or rental; (2) at least 25 percent of the units were sold or are rented to households meeting low-income requirements set by the United States Department of Housing and Urban Development; and (3) more than 25 years has elapsed since the asset or category of assets has been repaired or replaced. In the case of a common interest community, the assistance authorized herein may be provided whether or not the assets being repaired or replaced are owned by the individual unit owners or by the common interest community of which the individual unit owners are part of the membership, and may be provided to the common interest community or to individual unit owners, or both.

Sec. 22. Laws 2023, chapter 37, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. Challenge Program	60,425,000	60,425,000
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(a) This appropriation is for the economic development and housing challenge program under Minnesota Statutes, sections 462A.33 and 462A.07, subdivision 14.

(b) Of this amount, \$6,425,000 each year shall be made available during the first 11 months of the fiscal year exclusively for housing projects for American Indians. Any funds not committed to housing projects for American Indians within the annual consolidated request for funding processes may be available for any eligible activity under Minnesota Statutes, sections 462A.33 and 462A.07, subdivision 14.

(c) Of the amount in the first year, \$5,000,000 is for a grant to Urban Homeworks to expand initiatives pertaining to deeply affordable homeownership in Minneapolis neighborhoods with over 40 percent of residents identifying as Black, Indigenous, or People of Color and at least 40 percent of residents making less than 50 percent of the area median income. The grant is to be used for acquisition, rehabilitation, gap financing as defined in Minnesota Statutes, section 462A.33, subdivision 1, and

construction of homes to be sold to households with incomes ~~of 50 to~~ at or below 60 percent of the area median income. This is a onetime appropriation, ~~and is available until June 30, 2027.~~ By December 15 each year ~~until 2027~~, Urban Homeworks must submit a report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy. The report must include the amount used for (1) acquisition, (2) rehabilitation, and (3) construction of housing units, along with the number of housing units acquired, rehabilitated, or constructed, and the amount of the appropriation that has been spent. If any home was sold or transferred within the year covered by the report, Urban Homeworks must include the price at which the home was sold, as well as how much was spent to complete the project before sale.

(d) Of the amount in the first year, \$2,000,000 is for a grant to Rondo Community Land Trust. This is a onetime appropriation.

(e) The base for this program in fiscal year 2026 and beyond is \$12,925,000.

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

Sec. 23. Laws 2023, chapter 37, article 1, section 2, subdivision 32, is amended to read:

Subd. 32. Northland Foundation	1,000,000	-0-
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This appropriation is for a grant to Northland Foundation for use on expenditures authorized under Minnesota Statutes, section 462C.16, subdivision 3, to assist and support communities in providing housing locally, and ~~on~~ for assisting local governments to establish local or regional housing trust funds. Northland Foundation may award grants and loans to other entities to expend on authorized expenditures under this section. This appropriation is onetime and available until June 30, 2025.

Sec. 24. Laws 2023, chapter 37, article 2, section 12, subdivision 2, is amended to read:

Subd. 2. **Eligible homebuyer.** For the purposes of this section, an "eligible homebuyer" means an individual:

(1) whose income is at or below 130 percent of area median income;

~~(2) who resides in a census tract where at least 60 percent of occupied housing units are renter occupied, based on the most recent estimates or experimental estimates provided by the American Community Survey of the United States Census Bureau;~~

~~(3)~~ (2) who is financing the purchase of an eligible property with an interest-free, fee-based mortgage; and

~~(4)~~ (3) who is a first-time homebuyer as defined by Code of Federal Regulations, title 24, section 92.2.

Sec. 25. **HOUSING AFFORDABILITY PRESERVATION INVESTMENT.**

Subdivision 1. **Establishment.** The commissioner of the Minnesota Housing Finance Agency must establish and administer a grant program to support recapitalization of distressed buildings.

Subd. 2. **Definitions.** For purposes of this section:

(1) "distressed building" means an existing rental housing building in which the units are restricted to households at or below 60 percent of the area median income, and:

(i) is in foreclosure proceedings;

(ii) has two or more years of negative net operating income;

(iii) has two or more years with a debt service coverage ratio of less than one; or

(iv) has necessary costs of repair, replacement, or maintenance that exceed the project reserves available for those purposes; and

(2) "recapitalization" means financing for the physical and financial needs of a distressed building, including restructuring and forgiveness of amortizing and deferred debt, principal and interest paydown, interest rate write-down, deferral of debt payments, mortgage payment forbearance, deferred maintenance, security services, property insurance, capital improvements, funding of reserves for supportive services, and property operations.

Subd. 3. **Grant program.** The commissioner must use a request for proposal process to consider funding requests and award grants to finance recapitalization of distressed buildings. In awarding grants, the commissioner must give priority to distressed buildings most at risk of losing affordable housing, to the extent practicable.

Subd. 4. **Report.** By February 1, 2025, and November 30, 2025, the commissioner shall submit a report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing and homelessness. The report must detail the number of applications received, the amount of funding requested, the grants awarded, and the number of affordable housing units preserved through awards under this section.

Sec. 26. REPORT ON RENTAL HOUSING PROGRAMS.

The commissioner of the Minnesota Housing Finance Agency must review the financial impacts of the low-income rental property tax classification in Minnesota Statutes, section 273.128, and the low-income housing tax credit program under section 42 of the Internal Revenue Code, including the extent of rent increases and housing related expenses. By December 15, 2024, the commissioner must report on the findings and recommendations for legislative changes to the chairs and ranking minority members of the legislative committees with jurisdiction over human services, housing finance, and taxes. The commissioner must use existing financial resources for this review and report.

Sec. 27. SINGLE-EXIT STAIRWAY APARTMENT BUILDING REPORT.

The commissioner of labor and industry must evaluate conditions under which single-exit stairway apartment buildings above three stories up to 75 feet would achieve life safety outcomes equal to or superior to currently adopted codes, including those for multifamily buildings with very large footprints and single-family houses. The commissioner must use research techniques that include smoke modeling, egress modeling, an analysis of fire loss history in jurisdictions that have already adopted similar provisions, and interviews with fire services regarding fire suppression and rescue techniques in such buildings. The commissioner shall consult with relevant stakeholders, including but not limited to the Minnesota Fire Chiefs Association, Minnesota Professional Firefighters Association, Association of Minnesota Building Officials, Housing First Minnesota, Center for Building in North America, and faculty from the relevant department of a university which grants degrees in fire protection engineering. The commissioner may contract with external experts or an independent third party to develop the report and perform other functions required of the commissioner under this section. By December 31, 2025, the commissioner must report on the findings to the chairs and ranking minority members of the legislative committees with jurisdiction over housing and state building codes.

Sec. 28. REPORT TO THE LEGISLATURE.

By January 15 each year, the commissioner of the Minnesota Housing Finance Agency must submit a report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy containing the following information:

- (1) the total number of applications for funding;
- (2) the amount of funding requested;
- (3) the amounts of funding awarded; and
- (4) the number of housing units that are affected by funding awards, including the number of:
 - (i) newly constructed owner-occupied units;
 - (ii) renovated owner-occupied units;
 - (iii) newly constructed rental units; and
 - (iv) renovated rental units.

Sec. 29. REVISOR INSTRUCTION.

The revisor of statutes shall renumber Minnesota Statutes, section 462A.37, subdivision 2i, as Minnesota Statutes, section 462A.37, subdivision 3a. The revisor shall also make necessary cross-reference changes in Minnesota Statutes.

ARTICLE 13**EXPEDITING RENTAL ASSISTANCE****Section 1. [462A.2096] ANNUAL PROJECTION OF EMERGENCY RENTAL ASSISTANCE NEEDS.**

The agency must develop a projection of emergency rental assistance needs in consultation with the commissioner of human services and representatives from county and Tribal housing administrators and housing nonprofit agencies. The projection must identify the amount of funding required to meet all emergency rental assistance needs, including the family homelessness prevention and assistance program, the emergency assistance program, and emergency general assistance. By January 15 each year, the commissioner must submit a report on the projected need for emergency rental assistance to the chairs and ranking minority members of the legislative committees having jurisdiction over housing and human services finance and policy.

Sec. 2. DATA COLLECTION TO MEASURE TIMELINESS OF RENTAL ASSISTANCE.

The commissioner of the Minnesota Housing Finance Agency must work with the commissioner of human services to develop criteria for measuring the timeliness of processing applications for rental assistance. The commissioner of the Minnesota Housing Finance Agency must collect data to monitor application speeds of the family homelessness prevention and assistance program and use the collected data to inform improvements to application processing systems. By January 15, 2027, the commissioner of the Minnesota Housing Finance Agency must submit a report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy. The report must include analysis of the data collected and whether goals have been met to (1) process an emergency rental assistance application within two weeks of the receipt of a complete application, and (2) if approved, make payment to a landlord within 30 days of the receipt of a complete application.

Sec. 3. E-SIGNATURE OPTIONS FOR RENTAL ASSISTANCE.

The commissioner of the Minnesota Housing Finance Agency, working with the commissioner of human services, shall develop uniform e-signature options to be used in applications for the family homelessness prevention and assistance program. No later than June 30, 2026, the commissioner shall require administrators of the family homelessness prevention and assistance program to incorporate and implement the developed e-signature options. The commissioner must notify the chairs and ranking minority members of the legislative committees with jurisdiction over housing of the date when the e-signature options are implemented.

Sec. 4. VERIFICATION PROCEDURES FOR RENTAL ASSISTANCE.

(a) The commissioner of the Minnesota Housing Finance Agency, working with program administrators, must develop recommendations to simplify the process of verifying information in applications for the family homelessness prevention and assistance program. In developing recommendations, the commissioner must consider:

(1) allowing self-attestation of emergencies, assets, and income;

(2) allowing verbal authorization by applicants to allow emergency rental assistance administrators to communicate with landlords and utility providers regarding applications for assistance; and

(3) allowing landlords to apply for emergency rental assistance on tenants' behalf.

(b) The commissioner must:

(1) prepare recommendations by January 1, 2025;

(2) adopt any recommendations by July 1, 2025; and

(3) provide technical assistance to counties, Tribes, and other emergency rental assistance administrators to implement these recommendations.

(c) By January 13, 2025, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing detailing the proposed recommendations required by this section. By July 7, 2025, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing detailing the recommendations adopted as required by this section."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, delete "transportation" and insert "state government"

Page 1, line 9, after the second comma, insert "credentials issued in same-day driver's license pilot project, vulnerable road users,"

Page 1, line 10, after the semicolon, insert "modifying supplemental appropriations and other provisions related to the Department of Labor and Industry; modifying supplemental appropriations and other provisions related to the Bureau of Mediation Services; making technical and policy changes to certain public employee labor relations provisions; modifying earned sick and safe time; appropriating money to the Minnesota Housing Finance Agency; making policy, finance, and technical changes to housing provisions; authorizing housing infrastructure bonds;"

Page 1, line 12, after the second semicolon, insert "authorizing rulemaking;" and after the fifth semicolon, insert "appropriating money;"

Amend the title numbers accordingly

And when so amended the bill do pass.

Senator Rasmusson questioned the reference thereon and, under Rule 21, the bill was referred to the Committee on Rules and Administration.

REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the Pratt amendment to S.F. No. 5284.

There were yeas 5 and nays 7, as follows:

Those who voted in the affirmative were:

Senators Dahms, Draheim, Eichorn, Pratt, and Westrom.

Those who voted in the negative were:

Senators Champion, Frentz, Marty, Mohamed, Murphy, Pappas, and Wiklund.

The amendment was not adopted.

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the Frentz motion to amend S.F. No. 5284 by including the language of S.F. No. 5266.

There were yeas 7 and nays 5, as follows:

Those who voted in the affirmative were:

Senators Champion, Frentz, Marty, Mohamed, Murphy, Pappas, and Wiklund.

Those who voted in the negative were:

Senators Dahms, Draheim, Eichorn, Pratt, and Westrom.

The motion prevailed.

Senator Marty from the Committee on Finance, to which was re-referred

S.F. No. 4643: A bill for an act relating to retirement; accelerating the effective date from July 1, 2025, to July 1, 2024, for the change in the normal retirement age for the teachers retirement association from 66 to 65; reducing the employee contribution rates for two years by 0.25 percent for St. Paul Teachers Retirement Fund Association; extending the suspension of earnings limitation for retired teachers who return to teaching; authorizing eligible employees of Minnesota State Colleges and Universities who are members of the higher education individual retirement account plan to elect coverage by the Teachers Retirement Association and purchase past service credit; implementing the recommendations of the State Auditor's volunteer firefighter working group; adding a defined contribution plan and making other changes to the statewide volunteer firefighter plan; modifying requirements for electing to participate in the public employees defined contribution plan; increasing the multiplier in the benefit formula for prospective service and increasing employee and employer contribution rates for the local government correctional service retirement plan; eliminating the workers' compensation offset for the Public Employees Retirement Association

general and correctional plans; clarifying eligibility for firefighters in the public employees police and fire plan; making changes of an administrative nature for plans administered by the Minnesota State Retirement System; authorizing employees on a H-1B, H-1B1, or E3 visa to purchase service credit for a prior period of employment when excluded from the general state employees retirement plan; codifying the right to return to employment and continue receiving an annuity from the State Patrol plan; adding additional positions to the list of positions eligible for the correctional state employees retirement plan coverage and permitting the purchase of past service credit; establishing a work group on correctional state employees plan eligibility; modifying the Minnesota Secure Choice retirement program by permitting participation by home and community-based services employees; modifying requirements for Minnesota Secure Choice retirement program board of directors; allowing employer matching contributions on an employee's qualified student loan payments under Secure 2.0 and modifying investment rates of return and fee disclosure requirements and other provisions for supplemental deferred compensation plans; resolving a conflict in the statute setting the plans' established date for full funding and establishing an amortization work group; restructuring statutes applicable to tax-qualified pension and retirement plans that impose requirements under the Internal Revenue Code; modifying the authority of pension fund executive directors to correct operational and other errors and requiring an annual report; changing the expiration date for state aids by requiring three years at 100 percent funded rather than one year before the state aid expires; making other administrative and conforming changes; appropriating money to the IRAP to TRA transfer account, the Teachers Retirement Association, and St. Paul Teachers Retirement Association; amending Minnesota Statutes 2022, sections 352.01, subdivision 13; 352.03, subdivision 5; 352.113, subdivision 1; 352.1155, subdivision 3; 352.12, subdivisions 1, 2, 2b, 7, 8; 352.95, subdivision 4; 353.028, subdivisions 1, 2, 3, 5; 353.03, subdivision 3a; 353.27, subdivision 4; 353.33, subdivisions 7, 7a; 353.64, subdivisions 1, 2, 4, 5a; 353.65, subdivision 3b; 353.87, subdivision 1; 353D.02, as amended; 353E.03; 353E.04, subdivision 3; 353E.06, subdivision 6; 353G.01, subdivisions 9, 9a, 11, by adding subdivisions; 353G.05, as amended; 353G.08, subdivision 2; 354.435, subdivision 4; 354.436, subdivision 3; 354A.011, subdivision 7; 354A.021, subdivisions 2, 3, 6, 7, 8, 9; 354A.05; 354A.091; 354A.094; 354A.12, subdivisions 3a, 3c, 5; 354A.31, subdivision 3a; 354A.32, subdivision 1a; 354B.20, subdivision 18, by adding subdivisions; 356.215, subdivisions 2, 3; 356.24, subdivision 3; 356.611, subdivision 2, by adding a subdivision; 356.62; 356.635, subdivisions 1, 2, by adding subdivisions; 356A.06, subdivision 5; 423A.02, subdivision 5; 423A.022, subdivision 5; 424A.001, subdivisions 4, 5, 8, 9, 10, by adding subdivisions; 424A.003; 424A.01, subdivisions 1, 2, 5; 424A.015, subdivisions 1, 5, 7; 424A.016, subdivisions 2, 6; 424A.02, subdivisions 1, 3, 7, 9; 424A.021; 424A.092, subdivision 6; 424A.093, subdivision 6; 424A.094, subdivision 1; 424A.095, subdivision 2; 424A.10; 424B.22, subdivisions 2, 10; Minnesota Statutes 2023 Supplement, sections 187.03, by adding a subdivision; 187.05, subdivision 7; 187.08, subdivisions 1, 7, 8; 352.91, subdivision 3f, as amended; 353.335, subdivision 1; 353D.01, subdivision 2; 353G.01, subdivisions 7b, 8b, 12, 12a, 14a, 15; 353G.02, subdivisions 1, 3, 4; 353G.03, subdivision 3; 353G.07; 353G.08, subdivision 1; 353G.09, subdivisions 1, 1a, 2; 353G.10; 353G.11, subdivision 2, by adding a subdivision; 353G.115; 353G.12, subdivision 2, by adding a subdivision; 353G.14; 354.05, subdivision 38; 354.06, subdivision 2; 354A.12, subdivision 1; 356.215, subdivision 11; 356.24, subdivision 1; 477B.02, subdivision 3; Laws 2021, chapter 22, article 2, section 3; Laws 2022, chapter 65, article 3, section 1, subdivisions 2, 3; Laws 2023, chapter 46, section 11; proposing coding for new law in Minnesota Statutes, chapters 352B; 353G; 354B; 356; repealing Minnesota Statutes 2022, sections 353.33, subdivision 5; 353.86; 353.87, subdivisions 2, 3, 4; 353D.071; 353G.01, subdivision 10; 356.635, subdivisions 3, 4, 5, 6, 7, 8, 9a, 10, 11, 12, 13; 424A.01, subdivision 5a; Minnesota Statutes 2023 Supplement, sections 353.335, subdivision 2; 353G.01,

subdivisions 7a, 8a; 353G.02, subdivision 6; 353G.08, subdivision 3; 353G.11, subdivisions 1, 1a, 3, 4; 353G.112; 353G.121.

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

Page 3, line 3, delete "July 1, 2023" and insert "May 24, 2023, and applies to members and any former teacher if the former teacher is not receiving a retirement annuity under Minnesota Statutes, section 354.44, has returned to covered service, and has earned at least one-half year of credited service following the return to covered service, notwithstanding Minnesota Statutes, section 354.44, subdivision 9"

Page 3, after line 3, insert:

"Sec. 2. Minnesota Statutes 2022, section 354.44, subdivision 9, is amended to read:

Subd. 9. **Determining applicable law.** An annuity under this chapter must be computed under the law in effect as of the date of termination of teaching service. A former teacher who returns to covered service following a termination and who is not receiving a retirement annuity under this section must have earned at least one-half year of credited service following the return to covered service to be eligible for improved benefits resulting from any law change enacted subsequent to that termination.

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

Page 122, line 26, delete "the day following final enactment" and insert "beginning with aids payable in 2025"

Page 142, line 2, delete "\$28,462,200" and insert "\$28,462,000"

Page 142, line 5, delete "\$1,537,800" and insert "\$1,538,000"

Renumber the sections in sequence

Amend the title numbers accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Klein from the Committee on Commerce and Consumer Protection, to which was re-referred

S.F. No. 5430: A bill for an act relating to employees; modifying paid leave provisions; amending Minnesota Statutes 2023 Supplement, sections 268B.01, subdivisions 3, 5, 8, 15, 23, 44, by adding subdivisions; 268B.04; 268B.06, subdivisions 2, 3, 4, 5, by adding a subdivision; 268B.07, subdivisions 1, 2, 3; 268B.085, subdivision 3; 268B.09, subdivisions 1, 6, 7; 268B.10, subdivisions 1, 2, 3, 6, 12, 16, 17, by adding subdivisions; 268B.14, subdivisions 3, 7, by adding subdivisions; 268B.15, subdivision 7; 268B.155, subdivision 2; 268B.185, subdivision 2; 268B.19; 268B.26; 268B.27, subdivision 2; 268B.29; proposing coding for new law in Minnesota Statutes, chapter 268B; repealing Minnesota Statutes 2023 Supplement, sections 268B.06, subdivision 7; 268B.08; 268B.10, subdivision 11; 268B.14, subdivision 5.

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

Page 8, line 25, after the period, insert "The department must notify all employers from which the applicant is taking leave, either in writing or electronically, not more than five business days after a claim for benefits has been filed by an employee or former employee as provided under this section."

Page 15, after line 23, insert:

"(c) The commissioner may adopt rules regarding additional information that may be requested from an applicant and notifications provided to an employer as part of the application and eligibility determination process for benefits."

Page 43, line 29, delete the new language and strike "Beginning" and strike the comma

Page 43, line 30, delete the new language and reinstate the stricken language and before the first comma, insert "The commissioner may adjust the annual premium rates pursuant to this section prior to January 1, 2026. By July 31, 2026" and after "and" insert "then"

And when so amended the bill do pass and be re-referred to the Committee on Judiciary and Public Safety. Amendments adopted. Report adopted.

Senator Klein from the Committee on Commerce and Consumer Protection, to which was referred

H.F. No. 4757: A bill for an act relating to cannabis; transferring enforcement of edible cannabinoid products to the Office of Cannabis Management; clarifying workplace testing for cannabis; making technical changes related to the taxation of cannabis and related products; replacing medical cannabis licenses with endorsements; establishing a petition process to designate cannabinoids as nonintoxicating or approved for use in lower-potency hemp edibles; authorizing lower-potency hemp edibles to contain certain artificially derived cannabinoids created in making delta-9 tetrahydrocannabinol; allowing testing of certain hemp products to be performed by labs meeting accreditation standards regardless of licensing status; authorizing patients enrolled in the registry program to obtain cannabis flower from registered designated caregivers; authorizing registered designated caregivers to cultivate cannabis plants on behalf of patients enrolled in the registry program; authorizing the Office of Cannabis Management to recall certain cannabis and related products; transferring the duties of the medical cannabis program to the Office of Cannabis Management on July 1, 2025; authorizing the appointment of deputy directors; clarifying the process for transfer of certain licenses; providing for license preapproval; removing the requirement that local governments perform certain inspections; removing the requirement that license applications be scored based on identified criteria and requiring that license applications be assessed based on certain minimum criteria; requiring employees of cannabis businesses to meet certain background check requirements; establishing social equity licenses; limiting the number of certain licenses that can be made available in an application period; providing for the conversion of a registration to sell certain hemp-derived products into a hemp business license; providing for a cannabis research license classification; authorizing the Office of Cannabis Management to adjust limits on cultivation area; permitting certain businesses to transport cannabis and related products between facilities operated by the business; replacing the prohibition on certain sales of lower-potency hemp products with a prohibition on selling to an obviously intoxicated person; providing for enforcement of unlicensed businesses engaging in activities that require a license; making technical and conforming

changes; amending Minnesota Statutes 2022, sections 17.133, subdivision 1; 152.22, subdivisions 11, 14, by adding a subdivision; 152.25, subdivision 2; 152.27, subdivisions 1, 2, 3, 4, 6, by adding a subdivision; 152.28, subdivision 2; 152.29, subdivision 3; 181.950, subdivision 10; 181.952, as amended; Minnesota Statutes 2023 Supplement, sections 3.9224, subdivision 1; 151.72, subdivisions 1, 2, 3, 4, 5a, 5b, 6, 7; 152.28, subdivision 1; 152.30; 181.951, subdivisions 4, 5, 8; 181.954, subdivision 1; 342.01, subdivisions 14, 17, 19, 48, 50, 52, 54, 63, 64, 65, 66, by adding subdivisions; 342.02, subdivisions 2, 3, 6; 342.03, subdivisions 1, 4; 342.06; 342.07, subdivision 3; 342.09, subdivision 3; 342.10; 342.11; 342.12; 342.13; 342.14; 342.15, by adding a subdivision; 342.17; 342.18, subdivisions 2, 3, by adding subdivisions; 342.19, by adding a subdivision; 342.22; 342.24, subdivisions 1, 2; 342.28, subdivision 2, by adding subdivisions; 342.29, subdivision 4, by adding a subdivision; 342.30, subdivision 4; 342.31, subdivision 4; 342.32, subdivision 4; 342.35, subdivision 1; 342.37, subdivision 1; 342.40, subdivision 7; 342.41, subdivision 3; 342.46, subdivision 8; 342.51; 342.515, subdivision 1, by adding a subdivision; 342.52, subdivisions 1, 2, 3, 4, 5, 9, 11; 342.53; 342.54; 342.55, subdivisions 1, 2; 342.56, subdivisions 1, 2; 342.57, subdivisions 1, 2, 4; 342.60; 342.61, subdivisions 1, 4, 5; 342.62, by adding a subdivision; 342.63, subdivisions 2, 3, 6; 342.64, subdivision 1; 342.73, subdivision 4; 342.80; Laws 2023, chapter 63, article 1, sections 2; 51; 52; 53; 54; 55; 56; 57; 58; 59; 61; article 6, sections 10; 73; proposing coding for new law in Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2022, sections 152.22, subdivision 3; 152.36; Minnesota Statutes 2023 Supplement, sections 342.01, subdivision 28; 342.18, subdivision 1; 342.27, subdivision 13; 342.29, subdivision 9; 342.47; 342.48; 342.49; 342.50; Laws 2023, chapter 63, article 7, sections 4; 6.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2023 Supplement, section 3.9224, is amended to read:

3.9224 MEDICAL CANNABIS; COMPACTS TO BE NEGOTIATED.

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

(b) "Medical cannabis law" or "medical cannabis program" means the regulatory framework for cultivation, production, distribution, and sale of cannabis to qualifying patients for therapeutic use in the treatment of a qualifying condition.

(c) "~~Medical~~ Cannabis flower" means cannabis flower approved for sale under the medical cannabis law of a Minnesota Tribal government or under a compact entered into under this section.

(d) "Medical cannabis product" means a cannabis product approved for sale under the medical cannabis law of a Minnesota Tribal government or under a compact entered into under this section.

(e) "Medical cannabis business" means a ~~medical cannabis cultivator, processor, or retailer~~ business with a medical cannabis retail endorsement.

(f) "Medical cannabis industry" means every item, product, person, process, action, business, or other thing or activity related to ~~medical~~ cannabis flower or medical cannabis products and subject

to regulation under the law of a Minnesota Tribal government or under a compact entered into under this section.

(g) "Cannabis product" means any of the following:

- (1) cannabis concentrate;
- (2) a product infused with cannabinoids, whether artificially derived, or extracted or derived from cannabis plants or cannabis flower, including but not limited to tetrahydrocannabinol; or
- (3) any other product that contains cannabis concentrate.

(h) "Minnesota Tribal governments" means the following federally recognized Indian Tribes located in Minnesota:

- (1) Bois Forte Band;
- (2) Fond Du Lac Band;
- (3) Grand Portage Band;
- (4) Leech Lake Band;
- (5) Mille Lacs Band;
- (6) White Earth Band;
- (7) Red Lake Nation;
- (8) Lower Sioux Indian Community;
- (9) Prairie Island Indian Community;
- (10) Shakopee Mdewakanton Sioux Community; and
- (11) Upper Sioux Indian Community.

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

(j) "Tribally regulated land" means:

- (1) all land held in trust by the United States for the benefit of a Minnesota Tribal government ("trust land");
- (2) all land held by a Minnesota Tribal government in restricted fee status; and
- (3) all land within the exterior boundaries of the reservation of a Minnesota Tribal government that is subject to the civil regulatory jurisdiction of the Tribal government. For the purposes of this section, land that is subject to the civil regulatory jurisdiction of the Tribal government includes:

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

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

Subd. 2. Acknowledgment and purpose; negotiations authorized. (a) The state of Minnesota acknowledges the sovereign right of Minnesota Tribal governments to regulate the medical cannabis industry and address other matters of cannabis regulation related to the internal affairs of Minnesota Tribal governments or otherwise within their jurisdiction, without regard to whether such Tribal government has entered a compact authorized by this section. The purpose of this section is to provide for the negotiation of compacts to proactively address jurisdictional issues related to the regulation of the medical cannabis industry. The legislature finds that these agreements will facilitate and promote a cooperative and mutually beneficial relationship between the state and the Tribes regarding the legalization of cannabis. Such cooperative agreements will enhance public health and safety, ensure a lawful and well-regulated medical cannabis market, encourage economic development, and provide fiscal benefits to both Indian Tribes and the state.

(b) The governor or the governor's designee shall negotiate in good faith, and has the authority to execute and bind the state to, a compact with any Minnesota Tribal government wishing to enter into such a compact regulating ~~medical~~ cannabis flower and medical cannabis products.

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

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

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

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

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

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

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

(6) impose, or attempt to impose, and shall not require or attempt to require any Indian Tribe to impose, any taxes, fees, assessments, and other charges related to the production, processing, sale, purchase, distribution, or possession of ~~medical~~ cannabis flower and medical cannabis products on Minnesota Tribal governments, or their members, on a reservation or Tribally regulated land.

(c) Compacts agreed to under this section may allow an exemption from any otherwise applicable tax for: (i) sales to a Minnesota Tribal government, a Tribal medical cannabis business, or Tribal members, of ~~medical~~ cannabis flower and cannabis products grown, produced, or processed as provided for in said compacts; or (ii) for activities of Tribal medical cannabis businesses.

Subd. 4. Civil and criminal immunities. (a) Without limiting any immunity or exemption that may apply under federal law, the following acts, when performed by a Tribal medical cannabis business or an employee in the course of their employment for a Tribal medical cannabis business, pursuant to a compact entered into under this section, do not constitute a criminal or civil offense under state law:

(1) the cultivation of ~~medical~~ cannabis flower, and the extraction, processing, or manufacture of medical cannabis and artificially derived cannabinoid products, extracts, or concentrates;

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

(3) the delivery, distribution, and sale of ~~medical~~ cannabis seed, cannabis flower, and medical cannabis products as authorized under a compact entered into pursuant to this section and that takes place on, or originates from, the premises of a Tribal medical cannabis business on Tribally regulated land, to any person eligible to participate in a medical cannabis program.

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

(c) Without limiting any immunity or exemption that may apply under federal law, actions by a Tribal medical cannabis business, a Tribal member, employee, or agent of a Minnesota Tribal government or Tribal medical cannabis business on Tribally regulated land pursuant to Tribal laws governing cannabis, or a compact entered into under this section, do not constitute a criminal or civil offense under state law.

(d) The following acts, when performed by a state-licensed medical cannabis business, or an employee of such business, and which would be permitted under the terms of the applicable medical cannabis business license if undertaken with another state-licensed medical cannabis business, are permitted under the state license conditions when undertaken with a Tribal medical cannabis business and do not constitute a criminal or civil offense under state law: the possession, purchase, wholesale

and retail sale, delivery, transport, distribution, and receipt of ~~medical~~ cannabis; seed, cannabis flower, and medical cannabis products that are properly packaged and labeled as authorized under a compact entered into pursuant to this section.

(e) Without limiting any immunity or exemption that may apply under federal law, the following acts, when performed by a Minnesota Tribal government, a Tribal medical cannabis business licensed by such Tribal government, or an employee of such Tribal government or Tribal medical cannabis business, regardless of whether the Minnesota Tribal government issuing such license has compacted with the state under this section, do not constitute a criminal or civil offense under state law: purchase, sale, receipt, or delivery (including delivery that involves transit through the state, outside a reservation), of ~~medical~~ cannabis flower; cannabis seed; and medical cannabis products from or to another Minnesota Tribal government or cannabis business licensed by such government.

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

Subd. 5. **Publication.** The governor shall post any compact entered into under this section on a publicly accessible website.

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

Sec. 2. Minnesota Statutes 2022, section 18K.03, is amended by adding a subdivision to read:

Subd. 3. Sale to cannabis and hemp businesses. (a) An industrial hemp grower licensed under this chapter may sell hemp plant parts and propagules to a cannabis business or hemp business licensed under chapter 342.

(b) An industrial hemp processor licensed under this chapter may sell hemp concentrate to a cannabis business or hemp business licensed under chapter 342.

Sec. 3. Minnesota Statutes 2023 Supplement, section 151.72, subdivision 1, is amended to read:

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

(a) "Artificially derived cannabinoid" means a cannabinoid extracted from a hemp plant or hemp plant parts with a chemical makeup that is changed after extraction to create a different cannabinoid or other chemical compound by applying a catalyst other than heat or light. Artificially derived cannabinoid includes but is not limited to any tetrahydrocannabinol created from cannabidiol.

(b) "Batch" means a specific quantity of a specific product containing cannabinoids derived from hemp, including an edible cannabinoid product, that is manufactured at the same time and using the same methods, equipment, and ingredients that is uniform and intended to meet specifications for identity, strength, purity, and composition, and that is manufactured, packaged, and labeled according to a single batch production record executed and documented.

(c) "Certified hemp" means hemp plants that have been tested and found to meet the requirements of chapter 18K and the rules adopted thereunder.

~~(d) "Commissioner" means the commissioner of health.~~

~~(e)~~ (d) "Distributor" means a person who sells, arranges a sale, or delivers a product containing cannabinoids derived from hemp, including an edible cannabinoid product, that the person did not manufacture to a retail establishment for sale to consumers. Distributor does not include a common carrier used only to complete delivery to a retailer.

~~(f)~~ (e) "Edible cannabinoid product" means any product that is intended to be eaten or consumed as a beverage by humans, contains a cannabinoid in combination with food ingredients, and is not a drug.

~~(g)~~ (f) "Hemp" has the meaning given to "industrial hemp" in section 18K.02, subdivision 3.

~~(h)~~ (g) "Label" has the meaning given in section 151.01, subdivision 18.

~~(i)~~ (h) "Labeling" means all labels and other written, printed, or graphic matter that are:

(1) affixed to the immediate container in which a product regulated under this section is sold;

(2) provided, in any manner, with the immediate container, including but not limited to outer containers, wrappers, package inserts, brochures, or pamphlets; or

(3) provided on that portion of a manufacturer's website that is linked by a scannable barcode or matrix barcode.

~~(j)~~ (i) "Matrix barcode" means a code that stores data in a two-dimensional array of geometrically shaped dark and light cells capable of being read by the camera on a smartphone or other mobile device.

~~(k)~~ (j) "Nonintoxicating cannabinoid" means substances extracted from certified hemp plants that do not produce intoxicating effects when consumed by any route of administration.

(k) "Office" means the director of the Office of Cannabis Management.

(l) "Synthetic cannabinoid" means a substance with a similar chemical structure and pharmacological activity to a cannabinoid, but which is not extracted or derived from hemp plants, or hemp plant parts and is instead created or produced by chemical or biochemical synthesis.

(m) "Tincture" means a solution of hemp extract, derived either directly from a hemp plant or from a manufactured hemp extract, dissolved in glycerin, food-grade oils, or other food-grade solvents and is intended to be consumed through oral administration or intended to be consumed in combination with food products, including beverages.

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

Sec. 4. Minnesota Statutes 2023 Supplement, section 151.72, subdivision 2, is amended to read:

Subd. 2. **Scope.** (a) This section applies to the sale of any product that contains cannabinoids extracted from hemp and that is an edible cannabinoid product or is intended for human or animal consumption by any route of administration.

(b) This section does not apply to any product dispensed by a registered medical cannabis manufacturer pursuant to sections 152.22 to 152.37.

(c) The ~~commissioner~~ office must have no authority over food products, as defined in section 34A.01, subdivision 4, that do not contain cannabinoids extracted or derived from hemp.

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

Sec. 5. Minnesota Statutes 2023 Supplement, section 151.72, subdivision 4, is amended to read:

Subd. 4. **Testing requirements.** (a) A manufacturer of a product regulated under this section must submit representative samples of each batch of the product to an independent, accredited laboratory in order to certify that the product complies with the standards ~~adopted by the board on or before July 1, 2023, or the standards~~ adopted by the ~~commissioner~~ office. Testing must be consistent with generally accepted industry standards for herbal and botanical substances, and, at a minimum, the testing must confirm that the product:

(1) contains the amount or percentage of cannabinoids that is stated on the label of the product;

(2) does not contain more than trace amounts of any mold, residual solvents or other catalysts, pesticides, fertilizers, or heavy metals; and

(3) does not contain more than 0.3 percent of any tetrahydrocannabinol.

(b) A manufacturer of a product regulated under this section must disclose all known information regarding pesticides, fertilizers, solvents, or other foreign materials applied to industrial hemp or added to industrial hemp during any production or processing stages of any batch from which a representative sample has been sent for testing, including any catalysts used to create artificially derived cannabinoids. The disclosure must be made to the laboratory performing testing or sampling and, upon request, to the ~~commissioner~~ office. The disclosure must include all information known to the ~~licensee~~ manufacturer regardless of whether the application or addition was made intentionally or accidentally, or by the manufacturer or any other person.

(c) Upon the request of the ~~commissioner~~ office, the manufacturer of the product must provide the ~~commissioner~~ office with the results of the testing required in this section.

(d) The ~~commissioner~~ office may determine that any testing laboratory that does not operate formal management systems under the International Organization for Standardization is not an accredited laboratory and require that a representative sample of a batch of the product be retested by a testing laboratory that meets this requirement.

(e) Testing of the hemp from which the nonintoxicating cannabinoid was derived, or possession of a certificate of analysis for such hemp, does not meet the testing requirements of this section.

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

Sec. 6. Minnesota Statutes 2023 Supplement, section 151.72, subdivision 5a, is amended to read:

Subd. 5a. **Additional requirements for edible cannabinoid products.** (a) In addition to the testing and labeling requirements under subdivisions 4 and 5, an edible cannabinoid must meet the requirements of this subdivision.

(b) An edible cannabinoid product must not:

(1) bear the likeness or contain cartoon-like characteristics of a real or fictional person, animal, or fruit that appeals to children;

(2) be modeled after a brand of products primarily consumed by or marketed to children;

(3) be made by applying an extracted or concentrated hemp-derived cannabinoid to a commercially available candy or snack food item;

(4) be substantively similar to a meat food product; poultry food product as defined in section 31A.02, subdivision 10; or a dairy product as defined in section 32D.01, subdivision 7;

(5) contain an ingredient, other than a hemp-derived cannabinoid, that is not approved by the United States Food and Drug Administration for use in food;

(6) be packaged in a way that resembles the trademarked, characteristic, or product-specialized packaging of any commercially available food product; or

(7) be packaged in a container that includes a statement, artwork, or design that could reasonably mislead any person to believe that the package contains anything other than an edible cannabinoid product.

(c) An edible cannabinoid product must be prepackaged in packaging or a container that is child-resistant, tamper-evident, and opaque or placed in packaging or a container that is child-resistant, tamper-evident, and opaque at the final point of sale to a customer. The requirement that packaging be child-resistant does not apply to an edible cannabinoid product that is intended to be consumed as a beverage.

(d) If an edible cannabinoid product, other than a product that is intended to be consumed as a beverage, is intended for more than a single use or contains multiple servings, each serving must be indicated by scoring, wrapping, or other indicators designating the individual serving size that appear on the edible cannabinoid product. If it is not possible to indicate a single serving by scoring or use of another indicator that appears on the product, the edible cannabinoid product may not be packaged in a manner that includes more than a single serving in each container, except that a calibrated dropper, measuring spoon, or similar device for measuring a single serving, when sold with the product, may be used for any tincture, or other edible cannabinoid products that are intended to be combined with food products, to include beverages, prior to consumption.

(e) A label containing at least the following information must be affixed to the packaging or container of all edible cannabinoid products sold to consumers:

(1) the serving size;

- (2) the cannabinoid profile per serving and in total;
- (3) a list of ingredients, including identification of any major food allergens declared by name; and
- (4) the following statement: "Keep this product out of reach of children."
- (f) An edible cannabinoid product must not contain more than five milligrams of any tetrahydrocannabinol in a single serving. An edible cannabinoid product, other than a product that is intended to be consumed as a beverage, may not contain more than a total of 50 milligrams of any tetrahydrocannabinol per package. An edible cannabinoid product that is intended to be consumed as a beverage may not contain more than two servings per container.
- (g) An edible cannabinoid product may contain delta-8 tetrahydrocannabinol or delta-9 tetrahydrocannabinol that is extracted from hemp plants or hemp plant parts or is an artificially derived cannabinoid. Edible cannabinoid products are prohibited from containing any other artificially derived cannabinoid, including but not limited to THC-P, THC-O, and HHC, unless the commissioner office authorizes use of the artificially derived cannabinoid in edible cannabinoid products. Edible cannabinoid products are prohibited from containing synthetic cannabinoids.
- (h) Every person selling edible cannabinoid products to consumers, other than products that are intended to be consumed as a beverage, must ensure that all edible cannabinoid products are displayed behind a checkout counter where the public is not permitted or in a locked case.

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

Sec. 7. Minnesota Statutes 2023 Supplement, section 151.72, subdivision 5b, is amended to read:

Subd. 5b. Registration; prohibitions. ~~(a) On or before October 1, 2023, every person selling edible cannabinoid products to consumers must register with the commissioner in a form and manner established by the commissioner. After October 1, 2023, the sale of edible cannabinoid products by a person that is not registered is prohibited.~~

(a) Every person selling an edible cannabinoid product to a consumer must be registered with the office. All existing registrations with the Department of Health, Office of Medical Cannabis, as of June 30, 2024, will automatically transfer to the office on July 1, 2024. All other persons required to register must register in a form and manner established by the office. The sale of edible cannabinoid products by a person who is not registered with the office is prohibited.

(b) The registration form must contain an attestation of compliance and each registrant must affirm that it is operating and will continue to operate in compliance with the requirements of this section and all other applicable state and local laws and ordinances.

(c) ~~The commissioner shall~~ the office must not charge a fee for registration under this subdivision.

Sec. 8. Minnesota Statutes 2023 Supplement, section 151.72, subdivision 6, is amended to read:

Subd. 6. Noncompliant products; enforcement. (a) A product regulated under this section, including an edible cannabinoid product, shall be considered a noncompliant product if the product

is offered for sale in this state or if the product is manufactured, imported, distributed, or stored with the intent to be offered for sale in this state in violation of any provision of this section, including but not limited to if:

- (1) it consists, in whole or in part, of any filthy, putrid, or decomposed substance;
- (2) it has been produced, prepared, packed, or held under unsanitary conditions where it may have been rendered injurious to health, or where it may have been contaminated with filth;
- (3) its container is composed, in whole or in part, of any poisonous or deleterious substance that may render the contents injurious to health;
- (4) it contains any food additives, color additives, or excipients that have been found by the FDA to be unsafe for human or animal consumption;
- (5) it contains an amount or percentage of nonintoxicating cannabinoids that is different than the amount or percentage stated on the label;
- (6) it contains more than 0.3 percent of any tetrahydrocannabinol or, if the product is an edible cannabinoid product, an amount of tetrahydrocannabinol that exceeds the limits established in subdivision 5a, paragraph (f); or
- (7) it contains more than trace amounts of mold, residual solvents, pesticides, fertilizers, or heavy metals.

(b) A product regulated under this section shall be considered a noncompliant product if the product's labeling is false or misleading in any manner or in violation of the requirements of this section.

(c) ~~The commissioner~~ the office may assume that any product regulated under this section that is present in the state, other than a product lawfully possessed for personal use, has been manufactured, imported, distributed, or stored with the intent to be offered for sale in this state if a product of the same type and brand was sold in the state on or after July 1, 2023, or if the product is in the possession of a person who has sold any product in violation of this section.

(d) ~~The commissioner~~ the office may enforce this section, including enforcement against a manufacturer or distributor of a product regulated under this section, under ~~sections 144.989 to 144.993~~ section 342.19.

(e) ~~The commissioner may enter into an interagency agreement with~~ The office of Cannabis Management and may enter into an interagency agreement with the commissioner of agriculture to perform inspections and take other enforcement actions on behalf of the ~~commissioner~~ office.

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

Sec. 9. Minnesota Statutes 2023 Supplement, section 151.72, subdivision 7, is amended to read:

Subd. 7. **Violations; criminal penalties.** (a) ~~Notwithstanding section 144.99, subdivision 11,~~ A person who does any of the following regarding a product regulated under this section is guilty

of a gross misdemeanor and may be sentenced to imprisonment for not more than 364 days or to payment of a fine of not more than \$3,000, or both:

(1) knowingly alters or otherwise falsifies testing results;

(2) intentionally alters or falsifies any information required to be included on the label of an edible cannabinoid product; or

(3) intentionally makes a false material statement to the ~~commissioner~~ office.

~~(b) Notwithstanding section 144.99, subdivision 11,~~ A person who does any of the following on the premises of a registered retailer or another business that sells retail goods to customers is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than 364 days or to payment of a fine of not more than \$3,000, or both:

(1) sells an edible cannabinoid product knowing that the product does not comply with the limits on the amount or types of cannabinoids that a product may contain;

(2) sells an edible cannabinoid product knowing that the product does not comply with the applicable testing, packaging, or labeling requirements; or

(3) sells an edible cannabinoid product to a person under the age of 21, except that it is an affirmative defense to a charge under this clause if the defendant proves by a preponderance of the evidence that the defendant reasonably and in good faith relied on proof of age as described in subdivision 5c.

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

Sec. 10. Minnesota Statutes 2022, section 152.22, subdivision 11, is amended to read:

Subd. 11. **Registered designated caregiver.** "Registered designated caregiver" means a person who:

(1) is at least 18 years old;

~~(2) does not have a conviction for a disqualifying felony offense;~~

~~(3)~~ (2) has been approved by the ~~commissioner~~ office to assist a patient who requires assistance in administering medical cannabis or obtaining medical cannabis from a distribution facility; and

~~(4)~~ (3) is authorized by the ~~commissioner~~ office to assist the patient with the use of medical cannabis.

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

Sec. 11. Minnesota Statutes 2022, section 152.22, subdivision 14, is amended to read:

Subd. 14. **Qualifying medical condition.** "Qualifying medical condition" means a diagnosis of any of the following conditions:

(1) Alzheimer's disease;

(2) autism spectrum disorder that meets the requirements of the fifth edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association;

~~(+)~~ (3) cancer, if the underlying condition or treatment produces one or more of the following:

(i) severe or chronic pain;

(ii) nausea or severe vomiting; or

(iii) cachexia or severe wasting;

(4) chronic motor or vocal tic disorder;

(5) chronic pain;

~~(2)~~ (6) glaucoma;

~~(3)~~ (7) human immunodeficiency virus or acquired immune deficiency syndrome;

(8) intractable pain as defined in section 152.125, subdivision 1, paragraph (c);

(9) obstructive sleep apnea;

(10) post-traumatic stress disorder;

~~(4)~~ (11) Tourette's syndrome;

~~(5)~~ (12) amyotrophic lateral sclerosis;

~~(6)~~ (13) seizures, including those characteristic of epilepsy;

~~(7)~~ (14) severe and persistent muscle spasms, including those characteristic of multiple sclerosis;

~~(8)~~ (15) inflammatory bowel disease, including Crohn's disease;

(16) irritable bowel syndrome;

(17) obsessive-compulsive disorder;

(18) sickle cell disease;

~~(9)~~ (19) terminal illness, with a probable life expectancy of under one year, if the illness or its treatment produces one or more of the following:

(i) severe or chronic pain;

(ii) nausea or severe vomiting; or

(iii) cachexia or severe wasting; or

~~(10)~~ (20) any other medical condition or its treatment approved by the commissioner office.

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

Sec. 12. Minnesota Statutes 2022, section 152.22, is amended by adding a subdivision to read:

Subd. 19. **Veteran.** "Veteran" means an individual who satisfies the requirements in section 197.447 and is receiving care from the United States Department of Veterans Affairs.

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

Sec. 13. Minnesota Statutes 2022, section 152.25, subdivision 2, is amended to read:

Subd. 2. **Range of compounds and dosages; report.** The ~~commissioner~~ office shall review and publicly report the existing medical and scientific literature regarding the range of recommended dosages for each qualifying condition and the range of chemical compositions of any plant of the genus cannabis that will likely be medically beneficial for each of the qualifying medical conditions. The ~~commissioner~~ office shall make this information available to patients with qualifying medical conditions beginning December 1, 2014, and update the information ~~annually~~ every three years. The ~~commissioner~~ office may consult with the independent laboratory under contract with the manufacturer or other experts in reporting the range of recommended dosages for each qualifying medical condition, the range of chemical compositions that will likely be medically beneficial, and any risks of noncannabis drug interactions. The ~~commissioner~~ office shall consult with each manufacturer on an annual basis on medical cannabis offered by the manufacturer. The list of medical cannabis offered by a manufacturer shall be published on the ~~Department of Health~~ Office of Cannabis Management website.

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

Sec. 14. Minnesota Statutes 2022, section 152.27, subdivision 1, is amended to read:

Subdivision 1. **Patient registry program; establishment.** (a) The ~~commissioner~~ office shall establish a patient registry program to evaluate data on patient demographics, effective treatment options, clinical outcomes, and quality-of-life outcomes for the purpose of reporting on the benefits, risks, and outcomes regarding patients with a qualifying medical condition engaged in the therapeutic use of medical cannabis.

~~(b) The establishment of the registry program shall not be construed or interpreted to condone or promote the illicit recreational use of marijuana.~~

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

Sec. 15. Minnesota Statutes 2022, section 152.27, subdivision 2, is amended to read:

Subd. 2. **Commissioner Office duties.** (a) The ~~commissioner~~ office shall:

(1) give notice of the program to health care practitioners in the state who are eligible to serve as health care practitioners and explain the purposes and requirements of the program;

(2) allow each health care practitioner who meets or agrees to meet the program's requirements and who requests to participate, to be included in the registry program to collect data for the patient registry;

(3) provide explanatory information and assistance to each health care practitioner in understanding the nature of therapeutic use of medical cannabis within program requirements;

(4) create and provide a certification to be used by a health care practitioner for the practitioner to certify whether a patient has been diagnosed with a qualifying medical condition ~~and include in the certification an option for the practitioner to certify whether the patient, in the health care practitioner's medical opinion, is developmentally or physically disabled and, as a result of that disability, the patient requires assistance in administering medical cannabis or obtaining medical cannabis from a distribution facility;~~

(5) supervise the participation of the health care practitioner in conducting patient treatment and health records reporting in a manner that ensures stringent security and record-keeping requirements and that prevents the unauthorized release of private data on individuals as defined by section 13.02;

(6) develop safety criteria for patients with a qualifying medical condition as a requirement of the patient's participation in the program, to prevent the patient from undertaking any task under the influence of medical cannabis that would constitute negligence or professional malpractice on the part of the patient; and

(7) conduct research and studies based on data from health records submitted to the registry program and submit reports on intermediate or final research results to the legislature and major scientific journals. The commissioner office may contract with a third party to complete the requirements of this clause. Any reports submitted must comply with section 152.28, subdivision 2.

(b) ~~The commissioner office may add a delivery method under section 152.22, subdivision 6, or add, remove, or modify a qualifying medical condition under section 152.22, subdivision 14, upon a petition from a member of the public or the task force on medical cannabis therapeutic research Cannabis Advisory Council under section 342.03, or as directed by law. The commissioner office shall evaluate all petitions to add a qualifying medical condition or to remove or modify an existing qualifying medical condition submitted by the task force on medical cannabis therapeutic research Cannabis Advisory Council under section 342.03, or as directed by law and may make the addition, removal, or modification if the commissioner office determines the addition, removal, or modification is warranted based on the best available evidence and research. If the commissioner office wishes to add a delivery method under section 152.22, subdivision 6, or add or remove modify a qualifying medical condition under section 152.22, subdivision 14, the commissioner office must notify the chairs and ranking minority members of the legislative policy committees having jurisdiction over commerce, health, and public safety of the addition or removal modification and the reasons for its addition or removal modification, including any written comments received by the commissioner office from the public and any guidance received from the task force on medical cannabis research Cannabis Advisory Council under section 342.03, by January 15 of the year in which the commissioner office wishes to make the change. The change shall be effective on August 1 of that year, unless the legislature by law provides otherwise.~~

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

Sec. 16. Minnesota Statutes 2022, section 152.27, subdivision 3, is amended to read:

Subd. 3. **Patient application.** (a) The ~~commissioner~~ office shall develop a patient application for enrollment into the registry program. The application shall be available to the patient and given to health care practitioners in the state who are eligible to serve as health care practitioners. The application must include:

- (1) the name, mailing address, and date of birth of the patient;
- (2) the name, mailing address, and telephone number of the patient's health care practitioner;
- (3) the name, mailing address, and date of birth of the patient's designated caregiver, if any, or the patient's parent, legal guardian, or spouse if the parent, legal guardian, or spouse will be acting as a caregiver;
- (4) a copy of the certification from the patient's health care practitioner that is dated within 90 days prior to submitting the application that certifies that the patient has been diagnosed with a qualifying medical condition; and
- (5) all other signed affidavits and enrollment forms required by the ~~commissioner~~ office under sections 152.22 to 152.37, including, but not limited to, the disclosure form required under paragraph ~~(e)~~ (b).

~~(b) The commissioner shall require a patient to resubmit a copy of the certification from the patient's health care practitioner on a yearly basis and shall require that the recertification be dated within 90 days of submission.~~

~~(e)~~ (b) The ~~commissioner~~ office shall develop a disclosure form and require, as a condition of enrollment, all patients to sign a copy of the disclosure. The disclosure must include:

- (1) a statement that, notwithstanding any law to the contrary, the ~~commissioner~~ office, or an employee of any state agency, may not be held civilly or criminally liable for any injury, loss of property, personal injury, or death caused by any act or omission while acting within the scope of office or employment under sections 152.22 to 152.37; and
- (2) the patient's acknowledgment that enrollment in the patient registry program is conditional on the patient's agreement to meet all of the requirements of sections 152.22 to 152.37.

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

Sec. 17. Minnesota Statutes 2022, section 152.27, is amended by adding a subdivision to read:

Subd. 3a. **Application procedure for veterans.** (a) The office shall establish an alternative certification procedure for veterans to confirm that the veteran has been diagnosed with a qualifying medical condition.

(b) A patient who is also a veteran and is seeking to enroll in the registry program must submit a copy of the patient's veteran health identification card issued by the United States Department of Veterans Affairs and an application established by the office to certify that the patient has been diagnosed with a qualifying medical condition.

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

Sec. 18. Minnesota Statutes 2022, section 152.27, subdivision 4, is amended to read:

Subd. 4. **Registered designated caregiver.** (a) The ~~commissioner~~ office shall register a designated caregiver for a patient if the patient requires assistance in administering medical cannabis or obtaining medical cannabis from a distribution facility and the caregiver has agreed, in writing, to be the patient's designated caregiver. As a condition of registration as a designated caregiver, the commissioner shall require the person to:

(1) be at least 18 years of age;

(2) agree to only possess the patient's medical cannabis for purposes of assisting the patient; and

(3) agree that if the application is approved, the person will not be a registered designated caregiver for more than six registered patients at one time. Patients who reside in the same residence shall count as one patient.

~~(b) The commissioner shall conduct a criminal background check on the designated caregiver prior to registration to ensure that the person does not have a conviction for a disqualifying felony offense. Any cost of the background check shall be paid by the person seeking registration as a designated caregiver. A designated caregiver must have the criminal background check renewed every two years.~~

~~(e)~~ (b) Nothing in sections 152.22 to 152.37 shall be construed to prevent a person registered as a designated caregiver from also being enrolled in the registry program as a patient and possessing and using medical cannabis as a patient.

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

Sec. 19. Minnesota Statutes 2022, section 152.27, subdivision 6, is amended to read:

Subd. 6. **Patient enrollment.** (a) After receipt of a patient's application, ~~application fees,~~ and signed disclosure, the ~~commissioner~~ office shall enroll the patient in the registry program and issue the patient and patient's registered designated caregiver or parent, legal guardian, or spouse, if applicable, a registry verification. The ~~commissioner~~ office shall approve or deny a patient's application for participation in the registry program within 30 days after the ~~commissioner~~ office receives the patient's application and application fee. ~~The commissioner may approve applications up to 60 days after the receipt of a patient's application and application fees until January 1, 2016.~~ A patient's enrollment in the registry program shall only be denied if the patient:

(1) does not have certification from a health care practitioner that the patient has been diagnosed with a qualifying medical condition or does not have the documentation required under subdivision 3a if the patient is a veteran receiving care from the United States Department of Veterans Affairs;

(2) has not signed and returned the disclosure form required under subdivision 3, paragraph (c), to the ~~commissioner~~ office;

(3) does not provide the information required;

(4) has previously been removed from the registry program for violations of section 152.30 or 152.33; or

(5) provides false information.

(b) The ~~commissioner~~ office shall give written notice to a patient of the reason for denying enrollment in the registry program.

(c) Denial of enrollment into the registry program is considered a final decision of the ~~commissioner~~ office and is subject to judicial review under the Administrative Procedure Act pursuant to chapter 14.

(d) A patient's enrollment in the registry program may only be revoked upon the death of the patient or if a patient violates a requirement under section 152.30 or 152.33.

(e) The ~~commissioner~~ office shall develop a registry verification to provide to the patient, the health care practitioner identified in the patient's application, and to the manufacturer. The registry verification shall include:

(1) the patient's name and date of birth;

(2) the patient registry number assigned to the patient; and

(3) the name and date of birth of the patient's registered designated caregiver, if any, or the name of the patient's parent, legal guardian, or spouse if the parent, legal guardian, or spouse will be acting as a caregiver.

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

Sec. 20. Minnesota Statutes 2023 Supplement, section 152.28, subdivision 1, is amended to read:

Subdivision 1. **Health care practitioner duties.** (a) Prior to a patient's enrollment in the registry program, a health care practitioner shall:

(1) determine, in the health care practitioner's medical judgment, whether a patient suffers from a qualifying medical condition, and, if so determined, provide the patient with a certification of that diagnosis;

(2) advise patients, registered designated caregivers, and parents, legal guardians, or spouses who are acting as caregivers of the existence of any nonprofit patient support groups or organizations;

(3) provide explanatory information from the commissioner to patients with qualifying medical conditions, including disclosure to all patients about the experimental nature of therapeutic use of medical cannabis; the possible risks, benefits, and side effects of the proposed treatment; the application and other materials from the commissioner; and provide patients with the Tennessee warning as required by section 13.04, subdivision 2; and

(4) agree to continue treatment of the patient's qualifying medical condition and report medical findings to the commissioner.

(b) Upon notification from the commissioner of the patient's enrollment in the registry program, the health care practitioner shall:

(1) participate in the patient registry reporting system under the guidance and supervision of the commissioner;

(2) report health records of the patient throughout the ongoing treatment of the patient to the commissioner in a manner determined by the commissioner and in accordance with subdivision 2;

(3) determine, ~~on a yearly basis~~ every three years, if the patient continues to suffer from a qualifying medical condition and, if so, issue the patient a new certification of that diagnosis; and

(4) otherwise comply with all requirements developed by the commissioner.

(c) A health care practitioner may utilize telehealth, as defined in section 62A.673, subdivision 2, for certifications and recertifications.

(d) Nothing in this section requires a health care practitioner to participate in the registry program.

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

Sec. 21. Minnesota Statutes 2022, section 152.28, subdivision 2, is amended to read:

Subd. 2. **Data.** Data collected on patients by a health care practitioner and reported to the patient registry, including data on patients who are veterans who receive care from the United States Department of Veterans Affairs, are health records under section 144.291, and are private data on individuals under section 13.02, but may be used or reported in an aggregated, nonidentifiable form as part of a scientific, peer-reviewed publication of research conducted under section 152.25 or in the creation of summary data, as defined in section 13.02, subdivision 19.

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

Sec. 22. Minnesota Statutes 2022, section 152.29, subdivision 3, is amended to read:

Subd. 3. **Manufacturer; distribution.** (a) A manufacturer shall require that employees licensed as pharmacists pursuant to chapter 151 be the only employees to give final approval for the distribution of medical cannabis to a patient. A manufacturer may transport medical cannabis or medical cannabis products that have been cultivated, harvested, manufactured, packaged, and processed by that manufacturer to another registered manufacturer for the other manufacturer to distribute.

(b) A manufacturer may distribute medical cannabis products, whether or not the products have been manufactured by that manufacturer.

(c) Prior to distribution of any medical cannabis, the manufacturer shall:

(1) verify that the manufacturer has received the registry verification from the ~~commissioner~~ office for that individual patient;

(2) verify that the person requesting the distribution of medical cannabis is the patient, the patient's registered designated caregiver, or the patient's parent, legal guardian, or spouse listed in the registry verification using the procedures described in section 152.11, subdivision 2d;

(3) assign a tracking number to any medical cannabis distributed from the manufacturer;

(4) ensure that any employee of the manufacturer licensed as a pharmacist pursuant to chapter 151 has consulted with the patient to determine the proper dosage for the individual patient after reviewing the ranges of chemical compositions of the medical cannabis and the ranges of proper dosages reported by the ~~commissioner~~ office. For purposes of this clause, a consultation may be conducted remotely by secure videoconference, telephone, or other remote means, so long as the employee providing the consultation is able to confirm the identity of the patient and the consultation adheres to patient privacy requirements that apply to health care services delivered through telehealth. A pharmacist consultation under this clause is ~~not required when a manufacturer is distributing medical cannabis to a patient according to a patient-specific dosage plan established with that manufacturer and is not modifying the dosage or product being distributed under that plan and the medical cannabis is distributed by a pharmacy technician~~ only required:

(i) if the patient is purchasing the product not previously purchased;

(ii) if the patient purchases a product that the patient must administer using a different method than the patient's previous method of administration;

(iii) if the patient purchases a product with a cannabinoid concentration of at least double the patient's prior dosage; and

(iv) upon request of the patient; and

(5) properly package medical cannabis in compliance with the United States Poison Prevention Packing Act regarding child-resistant packaging and exemptions for packaging for elderly patients, and label distributed medical cannabis with a list of all active ingredients and individually identifying information, including:

(i) the patient's name and date of birth;

(ii) the name and date of birth of the patient's registered designated caregiver or, if listed on the registry verification, the name of the patient's parent or legal guardian, if applicable;

(iii) the patient's registry identification number;

(iv) the chemical composition of the medical cannabis; and

(v) the dosage; ~~and.~~

~~(6) ensure that the medical cannabis distributed contains a maximum of a 90-day supply of the dosage determined for that patient.~~

(d) A manufacturer shall require any employee of the manufacturer who is transporting medical cannabis or medical cannabis products to a distribution facility or to another registered manufacturer to carry identification showing that the person is an employee of the manufacturer.

(e) A manufacturer shall distribute medical cannabis in dried raw cannabis form only to a patient age 21 or older, or to the registered designated caregiver, parent, legal guardian, or spouse of a patient age 21 or older.

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

Sec. 23. Minnesota Statutes 2023 Supplement, section 152.30, is amended to read:

152.30 PATIENT DUTIES.

(a) A patient shall apply to the commissioner for enrollment in the registry program by submitting an application as required in section 152.27 ~~and an annual registration fee as determined under section 152.35.~~

(b) As a condition of continued enrollment, patients shall agree to:

(1) continue to receive regularly scheduled treatment for their qualifying medical condition from their health care practitioner; and

(2) report changes in their qualifying medical condition to their health care practitioner.

(c) A patient shall only receive medical cannabis from a registered manufacturer or Tribal medical cannabis program but is not required to receive medical cannabis products from only a registered manufacturer or Tribal medical cannabis program.

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

Sec. 24. Minnesota Statutes 2023 Supplement, section 256B.0625, subdivision 13d, is amended to read:

Subd. 13d. **Drug formulary.** (a) The commissioner shall establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the Administrative Procedure Act, but the Formulary Committee shall review and comment on the formulary contents.

(b) The formulary shall not include:

(1) drugs, active pharmaceutical ingredients, or products for which there is no federal funding;

(2) over-the-counter drugs, except as provided in subdivision 13;

(3) drugs or active pharmaceutical ingredients when used for the treatment of impotence or erectile dysfunction;

(4) drugs or active pharmaceutical ingredients for which medical value has not been established;

(5) drugs from manufacturers who have not signed a rebate agreement with the Department of Health and Human Services pursuant to section 1927 of title XIX of the Social Security Act; and

(6) ~~medical~~ cannabis flower as defined in section 342.01, subdivision ~~54~~ 16, ~~or medical cannabinoid products as defined in section 342.01, subdivision 52~~ 12, or cannabis products as defined in section 342.01, subdivision 20.

(c) If a single-source drug used by at least two percent of the fee-for-service medical assistance recipients is removed from the formulary due to the failure of the manufacturer to sign a rebate agreement with the Department of Health and Human Services, the commissioner shall notify prescribing practitioners within 30 days of receiving notification from the Centers for Medicare and Medicaid Services (CMS) that a rebate agreement was not signed.

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

Sec. 25. Minnesota Statutes 2023 Supplement, section 290.0132, subdivision 29, is amended to read:

Subd. 29. **Disallowed section 280E expenses; cannabis licensees.** The amount of expenses of a ~~medical cannabis business~~ license holder, as defined under section 342.01, subdivision ~~53~~ 48, related to the business of ~~medical cannabis under sections 342.47 to 342.59, or a license holder under chapter 342, related to the business of nonmedical cannabis under that chapter,~~ cannabis or hemp and not allowed for federal income tax purposes under section 280E of the Internal Revenue Code is a subtraction.

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

Sec. 26. Minnesota Statutes 2023 Supplement, section 290.0134, subdivision 19, is amended to read:

Subd. 19. **Disallowed section 280E expenses; cannabis licensees.** The amount of expenses of a ~~medical cannabis business~~ license holder, as defined under section 342.01, subdivision ~~53~~ 48, related to the business of ~~medical cannabis under sections 342.47 to 342.59, or a license holder under chapter 342, related to the business of nonmedical cannabis under that chapter,~~ cannabis or hemp and not allowed for federal income tax purposes under section 280E of the Internal Revenue Code is a subtraction.

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

Sec. 27. Minnesota Statutes 2023 Supplement, section 295.81, subdivision 1, is amended to read:

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

(b) "Bundled transaction" means the retail sale of two or more products when the products are otherwise distinct and identifiable and the products are sold for one nonitemized price.

(c) "Cannabis flower" has the meaning given in section 342.01, subdivision 16.

(d) "Cannabis product" has the meaning given in section 342.01, subdivision 20.

(e) "Cannabis solution product" means any cartridge, bottle, or other package that contains a taxable cannabis product in a solution that is consumed or meant to be consumed through the use of a heating element, power source, electronic circuit, or other electronic, chemical, or mechanical means that produces vapor or aerosol. A cannabis solution product includes any electronic delivery system, electronic vaping device, electronic vape pen, electronic oral device, electronic delivery

device, or similar product or device, and any batteries, heating elements, or other components, parts, or accessories sold with and meant to be used in the consumption of a solution containing a taxable cannabis product.

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

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

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

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

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

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

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

(k) "Hemp-derived consumer product" has the meaning given in section 342.01, subdivision 37.

(l) "Lower-potency hemp edible" has the meaning given in section 342.01, subdivision 50.

(m) "Lower-potency hemp edible retailer" means a cannabis business licensed under section 342.43, subdivision 1, clause (2).

~~(n) "Medical cannabis flower" has the meaning given in section 342.01, subdivision 54.~~

~~(o) "Medical cannabinoid product" has the meaning given in section 342.01, subdivision 52.~~

~~(p) "Medical cannabis paraphernalia" has the meaning given in section 342.01, subdivision 55.~~

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

~~(r)~~ (o) "Taxable cannabis product" means cannabis flower, cannabis product, cannabis solution product, hemp-derived consumer product, lower-potency hemp edible, and any substantially similar item, and does not include items exempt from tax under subdivision 4, paragraph (b).

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

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

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

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

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

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

Sec. 28. Minnesota Statutes 2023 Supplement, section 295.81, subdivision 4, is amended to read:

Subd. 4. **Exemptions.** (a) The use tax imposed under subdivision 3, paragraph (a), does not apply to the possession, use, or storage of taxable cannabis products if (1) the taxable cannabis products have an aggregate cost in any calendar month to the customer of \$100 or less, and (2) the taxable cannabis products were carried into this state by the customer.

(b) The tax imposed under this section does not apply to sales by a cannabis business with a medical cannabis retail endorsement or by a medical cannabis combination business of medical the following items purchased by or for a patient: cannabis flower, cannabinoid products, or cannabis paraphernalia. Items sold under this paragraph must be sold to a person enrolled in the registry program, ~~including medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia.~~

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

(d) The tax imposed under this section does not apply to:

(1) sales made in Indian country as defined in United States Code, title 18, section 1151, by a cannabis business licensed by a Minnesota Tribal government, as defined in section 3.9228, subdivision 1, paragraph (f); or

(2) use tax owed on taxable cannabis products purchased on Tribally regulated land as defined in section 3.9228, subdivision 1, from a cannabis business licensed by a Minnesota Tribal government as defined in section 3.9228, subdivision 1, paragraph (f).

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

Sec. 29. Minnesota Statutes 2023 Supplement, section 297A.67, subdivision 2, is amended to read:

Subd. 2. **Food and food ingredients.** Except as otherwise provided in this subdivision, food and food ingredients are exempt. For purposes of this subdivision, "food" and "food ingredients" mean substances, whether in liquid, concentrated, solid, frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value. Food and food ingredients exempt under this subdivision do not include candy, soft drinks, dietary supplements, and prepared foods. Food and food ingredients do not include alcoholic beverages, tobacco, taxable cannabis products, ~~medical cannabis flower, and medical cannabinoid products~~ and any item exempt from tax under section 295.81, subdivision 4, paragraph (b). For purposes of this subdivision, "alcoholic beverages" means beverages that are suitable for human consumption

and contain one-half of one percent or more of alcohol by volume. For purposes of this subdivision, "tobacco" means cigarettes, cigars, chewing or pipe tobacco, or any other item that contains tobacco. For purposes of this subdivision, "taxable cannabis product" has the meaning given in section 295.81, subdivision 1, paragraph (r), ~~"medical cannabis flower" has the meaning given in section 342.01, subdivision 54, and "medical cannabinoid product" has the meaning given in section 342.01, subdivision 52~~ (o). For purposes of this subdivision, "dietary supplements" means any product, other than tobacco, intended to supplement the diet that:

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

(i) a vitamin;

(ii) a mineral;

(iii) an herb or other botanical;

(iv) an amino acid;

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

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

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

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

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

Sec. 30. Minnesota Statutes 2023 Supplement, 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) other states or political subdivisions of other states, if the sale would be exempt from taxation if it occurred in that state; and

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

(5) goods or services purchased by a local government as inputs to a liquor store, taxable cannabis product retailer as defined under section 295.81, subdivision 1, paragraph (p), 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 the day following final enactment.

Sec. 31. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 3, is amended to read:

Subd. 3. **Adult-use cannabis flower.** "Adult-use cannabis flower" means cannabis flower that is approved for sale by the office or is substantially similar to a product approved by the office. Adult-use cannabis flower does not include ~~medical cannabis flower~~, hemp plant parts, or hemp-derived consumer products.

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

Sec. 32. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 4, is amended to read:

Subd. 4. **Adult-use cannabis product.** "Adult-use cannabis product" means a cannabis product that is approved for sale by the office or is substantially similar to a product approved by the office. Adult-use cannabis product includes edible cannabis products but does not include ~~medical cannabinoid products~~ or lower-potency hemp edibles.

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

Sec. 33. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 12, is amended to read:

Subd. 12. **Cannabinoid product.** "Cannabinoid product" means any of the following:

(1) a cannabis product;

(2) a hemp-derived consumer product; or

(3) a lower-potency hemp edible; or

(4) a product that consists of or contains cannabis concentrate or hemp concentrate or is infused with cannabinoids, and is provided to:

(i) a patient enrolled in the registry program;

(ii) a registered designated caregiver; or

(iii) a parent, legal guardian, or spouse of an enrolled patient, if provided by a cannabis retailer or medical cannabis retailer to treat or alleviate the symptoms of a qualifying medical condition.

Sec. 34. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 14, is amended to read:

Subd. 14. **Cannabis business.** "Cannabis business" means any of the following licensed under this chapter:

(1) cannabis microbusiness;

(2) cannabis mezzobusiness;

(3) cannabis cultivator;

(4) cannabis manufacturer;

- (5) cannabis retailer;
- (6) cannabis wholesaler;
- (7) cannabis transporter;
- (8) cannabis testing facility;
- (9) cannabis event organizer;
- (10) cannabis delivery service; and
- ~~(11) medical cannabis cultivator;~~
- ~~(12) medical cannabis processor;~~
- ~~(13) medical cannabis retailer; and~~
- ~~(14)~~ (11) medical cannabis combination business.

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

Sec. 35. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 16, is amended to read:

Subd. 16. **Cannabis flower.** "Cannabis flower" means the harvested flower, bud, leaves, ~~and~~ or stems of a cannabis plant. Cannabis flower includes adult-use cannabis flower ~~and medical cannabis flower.~~ Cannabis flower does not include cannabis seed, hemp plant parts, or hemp-derived consumer products.

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

Sec. 36. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 17, is amended to read:

Subd. 17. **Cannabis industry.** "Cannabis industry" means every item, product, person, process, action, business, or other thing related to cannabis plants, cannabis flower, and cannabis products ~~and subject to regulation under this chapter.~~

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

Sec. 37. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 19, is amended to read:

Subd. 19. **Cannabis plant.** "Cannabis plant" means all parts of the plant of the genus *Cannabis* that ~~is~~ are growing or ~~has~~ have not been harvested ~~and has a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent on a dry weight basis, including but not limited to a mother plant; a mature, flowering plant; an immature plant; or a seedling.~~ Cannabis plant does not include industrial hemp as defined in section 18K.02, subdivision 3.

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

Sec. 38. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 20, is amended to read:

Subd. 20. **Cannabis product.** (a) "Cannabis product" means any of the following:

- (1) cannabis concentrate;
- (2) a product infused with cannabinoids, including but not limited to tetrahydrocannabinol, extracted or derived from cannabis plants or cannabis flower; or
- (3) any other product that contains cannabis concentrate.

(b) Cannabis product includes adult-use cannabis products, including but not limited to edible cannabis products and ~~medical~~ cannabinoid products. Cannabis product does not include cannabis flower, artificially derived cannabinoid, lower-potency hemp edibles, hemp-derived consumer products, or hemp-derived topical products.

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

Sec. 39. Minnesota Statutes 2023 Supplement, section 342.01, is amended by adding a subdivision to read:

Subd. 31a. Endorsement. "Endorsement" means an authorization from the Office of Cannabis Management to conduct a specified operation activity.

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

Sec. 40. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 48, is amended to read:

Subd. 48. **License holder.** "License holder" means a person, cooperative, or business that holds any of the following licenses:

- (1) cannabis microbusiness;
- (2) cannabis mezzobusiness;
- (3) cannabis cultivator;
- (4) cannabis manufacturer;
- (5) cannabis retailer;
- (6) cannabis wholesaler;
- (7) cannabis transporter;
- (8) cannabis testing facility;
- (9) cannabis event organizer;

- (10) cannabis delivery service;
- (11) lower-potency hemp edible manufacturer;
- (12) lower-potency hemp edible retailer; or
- ~~(13) medical cannabis cultivator;~~
- ~~(14) medical cannabis processor;~~
- ~~(15) medical cannabis retailer; or~~
- ~~(16)~~ (13) medical cannabis combination business.

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

Sec. 41. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 57, is amended to read:

Subd. 57. **Office.** "Office" means the director of the Office of Cannabis Management.

Sec. 42. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 64, is amended to read:

Subd. 64. **Registered designated caregiver.** "Registered designated caregiver" means an individual who:

- (1) is at least 18 years old;
- ~~(2) is not disqualified for a criminal offense according to rules adopted pursuant to section 342.15, subdivision 2;~~
- ~~(3)~~ (2) has been approved by the ~~Division of Medical Cannabis~~ Office of Cannabis Management to assist a patient with obtaining ~~medical~~ cannabis flower and ~~medical~~ cannabinoid products from a cannabis ~~retailer or medical cannabis retailer~~ business with a medical cannabis retail endorsement and with administering ~~medical~~ cannabis flower and ~~medical~~ cannabinoid products; and
- ~~(4)~~ (3) is authorized by the ~~Division of Medical Cannabis~~ Office of Cannabis Management to assist a patient with the use of ~~medical~~ cannabis flower and ~~medical~~ cannabinoid products.

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

Sec. 43. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 65, is amended to read:

Subd. 65. **Registry or registry program.** "Registry" or "registry program" means the medical cannabis patient registry established under this chapter listing ~~patients~~ each person authorized to:

- (1) obtain ~~medical~~ cannabis flower, ~~medical~~ cannabinoid products, and ~~medical~~ cannabis paraphernalia from a cannabis ~~retailer and medical cannabis retailer~~ business with a medical cannabis retail endorsement; and

(2) administer ~~medical~~ cannabis flower and ~~medical~~ cannabinoid products.

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

Sec. 44. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 66, is amended to read:

Subd. 66. **Registry verification.** "Registry verification" means the verification provided by the ~~Division of Medical Cannabis~~ Office of Cannabis Management that a patient is enrolled in the registry program and that includes the patient's name, patient registry number, and, if applicable, the name of the patient's registered designated caregiver or parent, legal guardian, or spouse.

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

Sec. 45. Minnesota Statutes 2023 Supplement, section 342.01, is amended by adding a subdivision to read:

Subd. 69a. **Tincture.** "Tincture" means a solution of hemp extract, derived either directly from a hemp plant or from a manufactured hemp extract, dissolved in glycerin, food-grade oils, or other food-grade solvents and that is intended to be consumed through oral administration or intended to be consumed in combination with food products, including beverages.

Sec. 46. Minnesota Statutes 2023 Supplement, section 342.02, subdivision 2, is amended to read:

Subd. 2. **Powers and duties.** (a) The office has the following powers and duties:

(1) to develop, maintain, and enforce an organized system of regulation for the cannabis industry and hemp consumer industry;

(2) to establish programming, services, and notification to protect, maintain, and improve the health of citizens;

(3) to prevent unauthorized access to cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products by individuals under 21 years of age;

(4) to establish and regularly update standards for product manufacturing, testing, packaging, and labeling, including requirements for an expiration, sell-by, or best-used-by date;

(5) to promote economic growth with an emphasis on growth in areas that experienced a disproportionate, negative impact from cannabis prohibition;

(6) to issue and renew licenses;

(7) to require fingerprints from individuals determined to be subject to fingerprinting, including the submission of fingerprints to the Federal Bureau of Investigation where required by law and to obtain criminal conviction data for individuals seeking a license from the office on the individual's behalf or as a cooperative member or director, manager, or general partner of a business entity;

(8) to receive reports required by this chapter and inspect the premises, records, books, and other documents of license holders to ensure compliance with all applicable laws and rules;

(9) to authorize the use of unmarked motor vehicles to conduct seizures or investigations pursuant to the office's authority;

(10) to impose and collect civil and administrative penalties as provided in this chapter;

(11) to publish such information as may be deemed necessary for the welfare of cannabis businesses, cannabis workers, hemp businesses, and hemp workers and the health and safety of citizens;

(12) to make loans and grants in aid to the extent that appropriations are made available for that purpose;

(13) to authorize research and studies on cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, hemp-derived consumer products, the cannabis industry, and the hemp consumer industry;

(14) to provide reports as required by law;

(15) to develop a warning label regarding the effects of the use of cannabis flower and cannabis products by persons 25 years of age or younger;

(16) to determine, based on a review of medical and scientific literature, whether it is appropriate to require additional health and safety warnings containing information that is both supported by credible science and helpful to consumers in considering potential health risks from the use of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products, including but not limited to warnings regarding any risks associated with use by pregnant or breastfeeding individuals, or by individuals planning to become pregnant, and the effects that use has on brain development for individuals under the age of 25;

(17) to establish limits on the potency of cannabis flower and cannabis products that can be sold to customers by licensed cannabis retailers, licensed cannabis microbusinesses, and licensed cannabis mezzobusinesses with an endorsement to sell cannabis flower and cannabis products to customers;

(18) to establish rules authorizing an increase in plant canopy limits and outdoor cultivation limits to meet market demand and limiting cannabis manufacturing consistent with the goals identified in subdivision 1; ~~and~~

(19) to order a person or business that manufactures or produces cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, hemp-derived consumer products, or hemp-derived topical products to recall a product if the office determines that the product represents a risk of causing a serious adverse incident; and

~~(19)~~ (20) to exercise other powers and authority and perform other duties required by law.

(b) In addition to the powers and duties in paragraph (a), the office has the following powers and duties until January 1, 2027:

(1) to establish limits on the potency of adult-use cannabis flower and adult-use cannabis products that can be sold to customers by licensed cannabis retailers, licensed cannabis microbusinesses, and licensed cannabis mezzobusinesses with an endorsement to sell adult-use cannabis flower and adult-use cannabis products to customers; and

(2) to permit, upon application to the office in the form prescribed by the director of the office, a licensee under this chapter to perform any activity if such permission is substantially necessary for the licensee to perform any other activity permitted by the applicant's license and is not otherwise prohibited by law.

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

Sec. 47. Minnesota Statutes 2023 Supplement, section 342.02, subdivision 5, is amended to read:

Subd. 5. **Rulemaking.** (a) The office may adopt rules to implement any provisions in this chapter.

(b) Rules for which a notice of intent to adopt rules is published in the State Register before July 1, 2025, may be adopted using the expedited rulemaking process in section 14.389. The 18-month time limit imposed by section 14.125 does not apply to rules adopted under this paragraph.

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

Sec. 48. Minnesota Statutes 2023 Supplement, section 342.02, subdivision 6, is amended to read:

Subd. 6. **Director.** (a) The governor shall appoint a director of the ~~office~~ Office of Cannabis Management with the advice and consent of the senate. The director must be in the unclassified service and must serve at the pleasure of the governor.

~~(b) The salary of the director must not exceed the salary limit established under section 15A.0815, subdivision 3.~~

(b) The director may appoint and employ no more than two deputy directors.

(c) The director has administrative control of the Office of Cannabis Management. The director has the powers described in section 15.06, subdivision 6.

(d) The director may apply for and accept on behalf of the state any grants, bequests, gifts, or contributions for the purpose of carrying out the duties and responsibilities of the director.

(e) Pursuant to state law, the director may apply for and receive money made available from federal sources for the purpose of carrying out the duties and responsibilities of the director.

(f) The director may make contracts with and grants to Tribal Nations, public and private agencies, for-profit and nonprofit organizations, and individuals using appropriated money.

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

Sec. 49. Minnesota Statutes 2023 Supplement, section 342.07, subdivision 3, is amended to read:

Subd. 3. **Edible cannabinoid product handler endorsement.** (a) Any person seeking to manufacture, process, sell, handle, or store an edible cannabis product or lower-potency hemp edible, other than an edible cannabis product or lower-potency hemp edible that has been placed in its final packaging, must first obtain an edible cannabinoid product handler endorsement.

(b) In consultation with the commissioner of agriculture, the office shall establish an edible cannabinoid product handler endorsement.

(c) The office must regulate edible cannabinoid product handlers ~~and assess penalties in the same in a manner provided for~~ consistent with Department of Agriculture regulation of food handlers under chapters 28A, 31, and 34A and associated rules, with the following exceptions:

(1) the office must issue an edible cannabinoid product handler endorsement, rather than a license;

(2) eligibility for an edible cannabinoid product handler endorsement is limited to persons who possess a valid license issued by the office;

(3) the office may not charge a fee for issuing or renewing the endorsement;

(4) the office must align the term and renewal period for edible cannabinoid product handler endorsements with the term and renewal period of the license issued by the office; and

(5) an edible cannabis product or lower-potency hemp edible must not be considered adulterated solely because the product or edible contains tetrahydrocannabinol, cannabis concentrate, hemp concentrate, artificially derived cannabinoids, or any other material extracted or derived from a cannabis plant, cannabis flower, hemp plant, or hemp plant parts.

(d) The edible cannabinoid product handler endorsement must prohibit the manufacture of edible cannabis products at the same premises where food is manufactured, except for the limited production of edible products produced solely for product development, sampling, or testing. This limitation does not apply to the manufacture of lower-potency hemp edibles.

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

Sec. 50. Minnesota Statutes 2023 Supplement, section 342.09, subdivision 1, is amended to read:

Subdivision 1. **Personal adult use, possession, and transportation of cannabis flower and cannabinoid products.** (a) An individual 21 years of age or older may:

(1) use, possess, or transport cannabis paraphernalia;

(2) possess or transport two ounces or less of adult-use cannabis flower in a public place;

(3) possess two pounds or less of adult-use cannabis flower in the individual's private residence;

- (4) possess or transport eight grams or less of adult-use cannabis concentrate;
- (5) possess or transport edible cannabis products or lower-potency hemp edibles infused with a combined total of 800 milligrams or less of tetrahydrocannabinol;
- (6) give for no remuneration to an individual who is at least 21 years of age:
 - (i) two ounces or less of adult-use cannabis flower;
 - (ii) eight grams or less of adult-use cannabis concentrate; or
 - (iii) an edible cannabis product or lower-potency hemp edible infused with 800 milligrams or less of tetrahydrocannabinol; and
- (7) use adult-use cannabis flower and adult-use cannabis products in the following locations:
 - (i) a private residence, including the individual's curtilage or yard;
 - (ii) on private property, not generally accessible by the public, unless the individual is explicitly prohibited from consuming cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products on the property by the owner of the property; or
 - (iii) on the premises of an establishment or event licensed to permit on-site consumption.
- (b) Except as provided in paragraph (c), an individual may not:
 - (1) use, possess, or transport cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products if the individual is under 21 years of age;
 - (2) use cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a motor vehicle as defined in section 169A.03, subdivision 15;
 - (3) use cannabis flower, cannabis products, or hemp-derived consumer products in a manner that involves the inhalation of smoke, aerosol, or vapor at any location where smoking is prohibited under section 144.414;
 - (4) use or possess cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a public school, as defined in section 120A.05, subdivisions 9, 11, and 13, or in a charter school governed by chapter 124E, including all facilities, whether owned, rented, or leased, and all vehicles that a school district owns, leases, rents, contracts for, or controls;
 - (5) use or possess cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a state correctional facility;
 - (6) operate a motor vehicle while under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;
 - (7) give for no remuneration cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to an individual under 21 years of age;

(8) give for no remuneration cannabis flower or cannabis products as a sample or promotional gift if the giver is in the business of selling goods or services; or

(9) vaporize or smoke cannabis flower, cannabis products, artificially derived cannabinoids, or hemp-derived consumer products in any location where the smoke, aerosol, or vapor would be inhaled by a minor.

(c) The prohibitions under paragraph (b), clauses (1) to (4), do not apply to use other than by smoking or by a vaporized delivery method, possession, or transportation of ~~medical~~ cannabis flower or ~~medical~~ cannabinoid products by a patient; a registered designated caregiver; or a parent, legal guardian, or spouse of a patient.

(d) The possession limits in paragraph (a), clauses (2) to (5), do not apply to a person enrolled in the medical cannabis patient registry program under section 342.52 if the person possesses cannabis flower or cannabinoid products that include patient-specific labeling according to sections 342.51, subdivision 2, and 342.63, subdivision 4.

~~(d)~~ (e) A proprietor of a family or group family day care program must disclose to parents or guardians of children cared for on the premises of the family or group family day care program, if the proprietor permits the smoking or use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products on the premises outside of its hours of operation. Disclosure must include posting on the premises a conspicuous written notice and orally informing parents or guardians. Cannabis flower or cannabis products must be inaccessible to children and stored away from food products.

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

Sec. 51. Minnesota Statutes 2023 Supplement, section 342.09, subdivision 3, is amended to read:

Subd. 3. **Home extraction of cannabis concentrate by use of volatile solvent prohibited.** No person may use a volatile solvent to separate or extract cannabis concentrate or hemp concentrate without a cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, ~~medical cannabis processor~~, or lower-potency hemp edible manufacturer license issued under this chapter.

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

Sec. 52. Minnesota Statutes 2023 Supplement, section 342.10, is amended to read:

342.10 LICENSES; TYPES.

The office shall issue the following types of license:

- (1) cannabis microbusiness;
- (2) cannabis mezzobusiness;
- (3) cannabis cultivator;
- (4) cannabis manufacturer;

- (5) cannabis retailer;
- (6) cannabis wholesaler;
- (7) cannabis transporter;
- (8) cannabis testing facility;
- (9) cannabis event organizer;
- (10) cannabis delivery service;
- (11) lower-potency hemp edible manufacturer;
- (12) lower-potency hemp edible retailer; or
- ~~(13) medical cannabis cultivator;~~
- ~~(14) medical cannabis processor;~~
- ~~(15) medical cannabis retailer; or~~
- ~~(16)~~ (13) medical cannabis combination business.

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

Sec. 53. Minnesota Statutes 2023 Supplement, section 342.11, is amended to read:

342.11 LICENSES; FEES.

(a) The office shall require the payment of application fees, initial licensing fees, and renewal licensing fees as provided in this section. The initial license fee shall include the fee for initial issuance of the license and the first annual renewal. The renewal fee shall be charged at the time of the second renewal and each subsequent annual renewal thereafter. Nothing in this section prohibits a local unit of government from charging the retailer registration fee established in section 342.22. Application fees, initial licensing fees, and renewal licensing fees are nonrefundable.

(b) Application and licensing fees shall be as follows:

(1) for a cannabis microbusiness:

- (i) an application fee of \$500;
- (ii) an initial license fee of \$0; and
- (iii) a renewal license fee of \$2,000;

(2) for a cannabis mezzobusiness:

- (i) an application fee of \$5,000;
- (ii) an initial license fee of \$5,000; and

(iii) a renewal license fee of \$10,000;

(3) for a cannabis cultivator:

(i) an application fee of \$10,000;

(ii) an initial license fee of \$20,000; and

(iii) a renewal license fee of \$30,000;

(4) for a cannabis manufacturer:

(i) an application fee of \$10,000;

(ii) an initial license fee of \$10,000; and

(iii) a renewal license fee of \$20,000;

(5) for a cannabis retailer:

(i) an application fee of \$2,500;

(ii) an initial license fee of \$2,500; and

(iii) a renewal license fee of \$5,000;

(6) for a cannabis wholesaler:

(i) an application fee of \$5,000;

(ii) an initial license fee of \$5,000; and

(iii) a renewal license fee of \$10,000;

(7) for a cannabis transporter:

(i) an application fee of \$250;

(ii) an initial license fee of \$500; and

(iii) a renewal license fee of \$1,000;

(8) for a cannabis testing facility:

(i) an application fee of \$5,000;

(ii) an initial license fee of \$5,000; and

(iii) a renewal license fee of \$10,000;

(9) for a cannabis delivery service:

- (i) an application fee of \$250;
- (ii) an initial license fee of \$500; and
- (iii) a renewal license fee of \$1,000;
- (10) for a cannabis event organizer:
 - (i) an application fee of \$750; and
 - (ii) an initial license fee of \$750;
- (11) for a lower-potency hemp edible manufacturer:
 - (i) an application fee of \$250;
 - (ii) an initial license fee of \$1,000; and
 - (iii) a renewal license fee of \$1,000;
- (12) for a lower-potency hemp edible retailer:
 - (i) an application fee of \$250 per retail location;
 - (ii) an initial license fee of \$250 per retail location; and
 - (iii) a renewal license fee of \$250 per retail location; and
- ~~(13) for a medical cannabis cultivator:~~
 - ~~(i) an application fee of \$250;~~
 - ~~(ii) an initial license fee of \$0; and~~
 - ~~(iii) a renewal license fee of \$0;~~
- ~~(14) for a medical cannabis processor:~~
 - ~~(i) an application fee of \$250;~~
 - ~~(ii) an initial license fee of \$0; and~~
 - ~~(iii) a renewal license fee of \$0;~~
- ~~(15) for a medical cannabis retailer:~~
 - ~~(i) an application fee of \$250;~~
 - ~~(ii) an initial license fee of \$0; and~~
 - ~~(iii) a renewal license fee of \$0; and~~

~~(16)~~ (13) for a medical cannabis combination business:

- (i) an application fee of \$10,000;
- (ii) an initial license fee of \$20,000; and
- (iii) a renewal license fee of \$70,000.

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

Sec. 54. Minnesota Statutes 2023 Supplement, section 342.12, is amended to read:

342.12 LICENSES; TRANSFERS; ADJUSTMENTS.

(a) ~~Licenses~~ A person holding a license issued under this chapter may be freely transferred transfer that license to another entity subject to the prior written approval of the office, ~~which approval may be given or withheld in the office's sole discretion, provided that a social equity applicant may only transfer the applicant's license to another social equity applicant unless the license is temporary or is held by a social equity applicant.~~ A new license must be obtained when:

(1) the form of the licensee's legal business structure converts or changes to a different type of legal business structure; or

(2) the licensee dissolves; consolidates; reorganizes; undergoes bankruptcy, insolvency, or receivership proceedings; merges with another legal organization; or assigns all or substantially all of its assets for the benefit of creditors.

(b) ~~Transfers between~~ Notwithstanding paragraph (a), during the first three years from the date that a social equity applicant holds a license, the social equity ~~applicant~~ applicant may only transfer the license to another social equity applicant. Three years after a license was initially issued, a social equity applicant may transfer the license to any entity. A license transfer by a social equity applicant must be reviewed by the Division of Social Equity.

(c) Licenses must be renewed annually.

(d) License holders may petition the office to adjust the tier of a license issued within a license category provided that the license holder meets all applicable requirements.

(e) The office by rule may permit the relocation of a licensed cannabis business; ~~permit the relocation of an approved operational location, including a grow or retail location;~~ adopt requirements for the submission of a license relocation application; establish standards for the approval of a relocation application; and charge a fee not to exceed \$250 for reviewing and processing applications. Relocation of a licensed premises pursuant to this paragraph does not extend or otherwise modify the license term of the license subject to relocation.

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

Sec. 55. Minnesota Statutes 2023 Supplement, section 342.13, is amended to read:

342.13 LOCAL CONTROL.

(a) A local unit of government may not prohibit the possession, transportation, or use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products authorized under this chapter.

(b) Except as provided in section 342.22, a local unit of government may not prohibit the establishment or operation of a cannabis business licensed under this chapter.

(c) A local unit of government may adopt reasonable restrictions on the time, place, and manner of the operation of a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses. A local unit of government may prohibit the operation of a cannabis business within 1,000 feet of a school, or 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including a playground or athletic field.

(d) The office shall work with local units of government to:

(1) develop model ordinances for reasonable restrictions on the time, place, and manner of the operation of a cannabis business;

(2) develop standardized forms and procedures for the issuance of a retail registration pursuant to section 342.22; and

(3) develop model policies and procedures for the performance of compliance checks required under section 342.22.

(e) If a local unit of government is conducting studies or has authorized a study to be conducted or has held or has scheduled a hearing for the purpose of considering adoption or amendment of reasonable restrictions on the time, place, and manner of the operation of a cannabis business, the governing body of the local unit of government may adopt an interim ordinance applicable to all or part of its jurisdiction for the purpose of protecting the planning process and the health, safety, and welfare of its citizens. Before adopting the interim ordinance, the governing body must hold a public hearing. The interim ordinance may regulate, restrict, or prohibit the operation of a cannabis business within the jurisdiction or a portion thereof until January 1, 2025.

(f) Within 30 days of receiving a copy of an application from the office, a local unit of government shall certify on a form provided by the office whether a proposed cannabis business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code. The office may not issue a license or endorsement to a cannabis business if a the cannabis business does not meet local zoning and land use laws.

~~(g) Upon receipt of an application for a license issued under this chapter, the office shall contact the local unit of government in which the business would be located and provide the local unit of government with 30 days in which to provide input on the application. The local unit of government may provide the office with any additional information it believes is relevant to the office's decision on whether to issue a license, including but not limited to identifying concerns about the proposed location of a cannabis business or sharing public information about an applicant.~~

~~(h)~~ (g) The office by rule shall establish an expedited complaint process to receive, review, and respond to complaints made by a local unit of government about a cannabis business. ~~Complaints~~

~~may include alleged violations of local ordinances or other alleged violations.~~ At a minimum, the expedited complaint process shall require the office to provide an initial response to the complaint within seven days and perform any necessary inspections within 30 days. Nothing in this paragraph prohibits a local unit of government from enforcing a local ordinance. If a local unit of government notifies the office that a cannabis business other than a cannabis retailer, cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness, lower-potency hemp edible retailer, ~~medical cannabis retailer,~~ or medical cannabis combination business poses an immediate threat to the health or safety of the public, the office must respond within one business day and may take any action described in section 342.19 or 342.21.

~~(+)~~ (h) A local government unit that issues cannabis retailer registration under section 342.22 may, by ordinance, limit the number of licensed cannabis retailers, cannabis mezzobusinesses with a retail operations endorsement, and cannabis microbusinesses with a retail operations endorsement to no fewer than one registration for every 12,500 residents.

~~(+)~~ (i) If a county has one active registration for every 12,500 residents, a city or town within the county is not obligated to register a cannabis business.

~~(+)~~ (j) Nothing in this section shall prohibit a local government unit from allowing licensed cannabis retailers in excess of the minimums set in paragraph ~~(+)~~ (h).

~~(+)~~ (k) Notwithstanding the foregoing provisions, the state shall not issue a license to any cannabis business to operate in Indian country, as defined in United States Code, title 18, section 1151, of a Minnesota Tribal government without the consent of the Tribal government.

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

Sec. 56. Minnesota Statutes 2023 Supplement, section 342.14, is amended to read:

342.14 CANNABIS LICENSE APPLICATION AND RENEWAL.

Subdivision 1. **Application; contents.** (a) The office by rule shall establish ~~forms and~~ procedures for the processing of cannabis licenses issued under this chapter. At a minimum, any application to obtain or renew a cannabis license shall include the following information, if applicable:

- (1) the name, address, and date of birth of the applicant;
- (2) the disclosure of ownership and control required under paragraph (b);
- (3) the disclosure of whether the applicant or, if the applicant is a business, any officer, director, manager, and general partner of the business has ever filed for bankruptcy;
- (4) the address and legal property description of the business, if applicable, except an applicant is not required to secure a physical premises for the business at the time of application;
- (5) a general description of the location or locations that the applicant plans to operate, including the planned square feet of planned space for cultivation, wholesaling, and retailing, as applicable;
- (6) a copy of the security plan, including security monitoring, security equipment, and facility maps;

(7) proof of trade name registration;

(8) a copy of the applicant's business plan showing the expected size of the business; anticipated growth; the methods of record keeping; the knowledge and experience of the applicant and any officer, director, manager, and general partner of the business; the environmental plan; and other relevant financial and operational components;

(9) standard operating procedures for:

(i) quality assurance;

(ii) inventory control, storage, and diversion prevention; and

(iii) accounting and tax compliance;

~~(9)~~ (10) an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement;

(11) a description of the training and education that will be provided to any employee;

(12) a disclosure of any government violations of a license agreement or federal, state, or local laws or regulations, including but not limited to criminal, environmental, food safety, workplace safety, wage and hour, worker's compensation, labor and employment, whistleblower protection, human rights, discrimination, tax, or other laws and regulations relevant to business operations and working conditions;

~~(10)~~ (13) certification that the applicant will comply with the requirements of this chapter relating to the ownership and operation of a cannabis business;

~~(11)~~ (14) identification of one or more controlling persons or managerial employees as agents who shall be responsible for dealing with the office on all matters; ~~and~~

~~(12)~~ (15) a statement that the applicant agrees to respond to the office's supplemental requests for information; and

(16) every applicant or, in the case of a business entity, every cooperative member or director, manager, and general partner of the business entity for a cannabis business license must provide a release for the office to perform the background checks in section 342.15.

(b) An applicant must file and update as necessary a disclosure of ownership and control. The office by rule shall establish the contents ~~and form~~ of the disclosure. Except as provided in paragraph (f), the disclosure shall, at a minimum, include the following:

(1) the management structure, ownership, and control of the applicant or license holder, including the name of each cooperative member, officer, director, manager, general partner, or business entity; the office or position held by each person; each person's percentage ownership interest, if any; and, if the business has a parent company, the name of each owner, board member, and officer of the parent company and the owner's, board member's, or officer's percentage ownership interest in the parent company and the cannabis business;

(2) a statement from the applicant and, if the applicant is a business, from every officer, director, manager, and general partner of the business, indicating whether that person has previously held, or currently holds, an ownership interest in a cannabis business in Minnesota, any other state or territory of the United States, or any other country;

(3) if the applicant is a corporation, copies of the applicant's articles of incorporation and bylaws and any amendments to the applicant's articles of incorporation or bylaws;

(4) copies of any partnership agreement, operating agreement, or shareholder agreement;

(5) copies of any promissory notes, security instruments, or other similar agreements;

(6) an explanation detailing the funding sources used to finance the business;

(7) a list of operating and investment accounts for the business, including any applicable financial institution and account number; and

(8) a list of each outstanding loan and financial obligation obtained for use in the business, including the loan amount, loan terms, and name and address of the creditor.

(c) An application may include:

(1) proof that the applicant is a social equity applicant;

(2) a description of the training and education that will be provided to any employee; or

(3) a copy of business policies governing operations to ensure compliance with this chapter.

(d) Commitments made by an applicant in its application, including but not limited to the maintenance of a labor peace agreement, shall be an ongoing material condition of maintaining and renewing the license.

(e) An application on behalf of a corporation or association shall be signed by at least two officers or managing agents of that entity.

(f) The office may, by rule, establish exceptions to the disclosures required under paragraph (b) for members of a cooperative who hold less than a five percent ownership interest in the cooperative.

Subd. 2. Application; process. (a) An applicant must submit all required information to the office on the forms and in the manner prescribed by the office.

(b) If the office receives an application that fails to provide the required information, the office shall issue a deficiency notice to the applicant. The applicant shall have ten business days from the date of the deficiency notice to submit the required information.

(c) Failure by an applicant to submit all required information will result in the application being rejected.

(d) An applicant seeking an endorsement for a specified operation activity must submit required information to the office in the manner prescribed by the office.

(e) Once all required information contained in subdivision 1 is submitted, the office must review the materials, and where applicable under section 342.18, enter the applicants into a lottery. An applicant not selected in the lottery will result in the application being rejected.

(f) An application is deemed complete once the office receives all required information in subdivision 1 and the applicant provides the office with the address and legal property description of the business, and the name of the local unit of government where the applicant intends to locate its business.

(g) The office may deny an application that:

(1) is incomplete;

(2) contains materially false statements about the applicant or omits material information about the applicant; or

(3) is not submitted by the deadline established by the office.

~~(d)~~ (h) Upon receipt of a completed application and fee, the office shall forward a copy of the application to the local unit of government in which the business operates or intends to operate with a form for certification as to whether a proposed cannabis business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code. Within 30 days of receiving a copy of an application and a certification form from the office, a local unit of government must return the completed form to the office. In the event a local unit of government fails to return the form within 30 days, the office may issue a license.

~~(e)~~ (i) Within 90 days of receiving a completed application and the results of any required criminal history background check, the office shall issue the appropriate license and any applicable endorsements or send the applicant a notice of rejection setting forth specific reasons that the office did not approve the application.

Subd. 2a. **Reconsideration.** An applicant not granted a license, or where applicable, not entered into a lottery, may seek reconsideration from the office. A decision by the office on the request is final.

Subd. 2b. **Retention.** The Office of Cannabis Management must retain all application materials for 12 months after it issues a decision on the application and must consider the application in any subsequent round commenced by the office in the 12-month retention period, unless the applicant requests to be removed from consideration. The office must not require applicants considered under this section to pay an application fee. An applicant may supplement the application during the subsequent round. This subdivision does not apply to applicants seeking a license under section 342.39.

Subd. 3. **License revocation.** The office may revoke a cannabis business license if the licensee has not made good faith efforts to obtain an endorsement within 18 months of the date that the license was issued. The office may give a licensee a onetime extension to obtain an endorsement if the licensee demonstrates that the licensee made good faith efforts to obtain an endorsement within 18 months of the date that the license was issued.

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

Sec. 57. Minnesota Statutes 2023 Supplement, section 342.15, subdivision 1, is amended to read:

Subdivision 1. **Criminal history check.** (a) Upon request by the office, every license applicant, license holder, or, in the case of a business entity, every individual responsible for conducting the affairs of the entity, including but not limited to every owner and every cooperative member or director, manager, and general partner of the business entity, for a cannabis business license, ~~or in the case of a business entity, every cooperative member or director, manager, and general partner of the business entity, and prospective cannabis worker~~ must submit a completed criminal history records check consent form, a full set of classifiable fingerprints, and the required fees to the office. Upon receipt of this information, the office must submit the completed criminal history records check consent form, full set of classifiable fingerprints, and required fees to the Bureau of Criminal Apprehension.

(b) After receiving this information, the bureau must conduct a ~~Minnesota state~~ criminal history records check of ~~the license applicant or prospective cannabis worker~~ an individual identified in paragraph (a). The bureau may exchange ~~a license applicant's or prospective cannabis worker's~~ an individual's fingerprints with the Federal Bureau of Investigation to obtain the ~~license applicant's or prospective cannabis worker's~~ individual's national criminal history record information of the individual. The bureau must return the results of the ~~Minnesota state and federal criminal history records checks to the office to determine if the license applicant or prospective cannabis worker~~ individual is disqualified under rules adopted pursuant to this section.

~~(b)~~ (c) The office may, by rule, establish exceptions to the requirement under ~~paragraph~~ paragraphs (a) and (b) for members of a cooperative who hold less than a five percent ownership interest in the cooperative.

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

Sec. 58. Minnesota Statutes 2023 Supplement, section 342.15, subdivision 2, is amended to read:

Subd. 2. **Criminal offenses; disqualifications.** The office may by rule determine whether any felony convictions ~~shall~~, including but not limited to convictions for noncannabis controlled substance crimes in the first or second degree, human trafficking, labor trafficking, fraud, or financial crimes, disqualify ~~a person~~ an individual from holding or receiving a cannabis business license issued under this chapter or working for a cannabis business, and the length of any such disqualification. In adopting rules pursuant to this subdivision, the office shall not disqualify ~~a person~~ an individual for a violation of section 152.025.

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

Sec. 59. Minnesota Statutes 2023 Supplement, section 342.15, is amended by adding a subdivision to read:

Subd. 5. **Civil and regulatory offenses; disqualifications.** The office may determine whether any civil or regulatory violations, as determined by another state agency, local unit of government,

or any other jurisdiction, disqualify an individual from holding or receiving a cannabis business license issued under this chapter or disqualify an individual from working for a cannabis business, and the length of the disqualification. Upon the office's request, a state agency, as defined in section 13.02, subdivision 17, may release civil investigative data, including data classified as protected nonpublic or confidential under section 13.39, subdivision 2, if the request is related to a specific applicant and the data is necessary to make a determination under this section.

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

Sec. 60. **[342.151] EMPLOYEES OF LICENSE HOLDERS.**

Subdivision 1. **Criminal history check.** A license holder may employ or contract with as many unlicensed individuals as may be necessary, provided that the license holder is at all times accountable for the good conduct of every individual employed by or contracted with the license holder. Before hiring an individual as a cannabis worker, the license holder must submit to the Bureau of Criminal Apprehension the individual's full set of fingerprints and written consent for the bureau to conduct a state and national criminal history check. The bureau may exchange an individual's fingerprints with the Federal Bureau of Investigation. The Bureau of Criminal Apprehension must determine whether the individual is qualified to be employed as a cannabis worker and must notify the license holder of the bureau's determination. The license holder must not employ an individual who is disqualified from being employed as a cannabis worker.

Subd. 2. **Disqualification.** (a) A license holder must not employ an individual as a cannabis worker if the individual has been convicted of any of the following crimes that would constitute a felony:

- (1) human trafficking;
- (2) noncannabis controlled substance crimes in the first or second degree;
- (3) labor trafficking;
- (4) fraud;
- (5) embezzlement;
- (6) extortion;
- (7) money laundering; or
- (8) insider trading;

if committed in this state or any other jurisdiction for which a full pardon or similar relief has not been granted.

(b) A license holder must not employ an individual as a cannabis worker if the individual made any false statement in an application for employment.

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

Sec. 61. Minnesota Statutes 2023 Supplement, section 342.16, is amended to read:

342.16 CANNABIS BUSINESSES; GENERAL OWNERSHIP DISQUALIFICATIONS AND REQUIREMENTS.

(a) A license holder or applicant must meet each of the following requirements, if applicable, to hold or receive a cannabis license issued under this chapter:

(1) be at least 21 years of age;

(2) have completed an application for licensure or application for renewal;

(3) have paid the applicable application fee and license fee;

(4) if the applicant or license holder is a business entity, be incorporated in the state or otherwise formed or organized under the laws of the state;

(5) not be employed by the office or any state agency with regulatory authority under this chapter or the rules adopted pursuant to this chapter;

(6) not be a licensed peace officer, as defined in section 626.84, subdivision 1, paragraph (c);

(7) never have had a license previously issued under this chapter revoked, and never have had a cannabis license, a registration, an agreement, or another authorization to operate a cannabis business issued under the laws of another state revoked;

(8) have filed any previously required tax returns for a cannabis business;

(9) have paid and remitted any business taxes, gross receipts taxes, interest, or penalties due relating to the operation of a cannabis business;

(10) have fully and truthfully complied with all information requests of the office relating to license application and renewal;

(11) not be disqualified under section 342.15;

(12) not employ an individual who is disqualified from working for a cannabis business under this chapter; ~~and~~

(13) meet the ownership and operational requirements for the type of license and, if applicable, endorsement sought or held; and

(14) not have had any confirmed labor violation with the Department of Labor, National Labor Relations Board, or the Occupational Safety and Health Administration within the last five years.

(b) A health care practitioner who certifies qualifying medical conditions for patients is prohibited from:

(1) holding a direct or indirect economic interest in a cannabis business;

(2) serving as a cooperative member, director, manager, general partner, or employee of a cannabis business; or

(3) advertising with a cannabis business in any way.

(c) If the license holder or applicant is a business entity, every officer, director, manager, and general partner of the business entity must meet each of the requirements of this section.

(d) The ownership disqualifications and requirements under this section do not apply to a hemp business license holder or applicant.

Sec. 62. Minnesota Statutes 2023 Supplement, section 342.17, is amended to read:

342.17 SOCIAL EQUITY APPLICANTS.

(a) An applicant qualifies as a social equity applicant if the applicant:

(1) was convicted of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023;

(2) had a parent, guardian, child, spouse, or dependent who was convicted of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023;

(3) was a dependent of an individual who was convicted of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023;

(4) is a military veteran, including status as a service-disabled veteran, current or former member of the national guard,~~or~~;

(5) any military veteran or current or former member of the national guard who lost honorable status due to an offense involving the possession or sale of cannabis or marijuana;

~~(5)~~ (6) has been a resident for the last five years of one or more subareas, such as census tracts or neighborhoods, that experienced a disproportionately large amount of cannabis enforcement as determined by the study conducted by the office pursuant to section 342.04, paragraph (b), and reported in the preliminary report, final report, or both;

~~(6) is an emerging farmer as defined in section 17.055, subdivision 1; or~~

(7) has participated in the business operation of a farm for at least three years and currently provides the majority of the day-to-day physical labor and management of a farm that had gross farm sales of at least \$5,000 but not more than \$100,000 in the previous year; or

~~(7)~~ (8) has been a resident for the last five years of one or more census tracts where, as reported in the most recently completed decennial census published by the United States Bureau of the Census, either:

(i) the poverty rate was 20 percent or more; or

(ii) the median family income did not exceed 80 percent of statewide median family income or, if in a metropolitan area, did not exceed the greater of 80 percent of the statewide median family income or 80 percent of the median family income for that metropolitan area.

(b) The qualifications described in paragraph (a) apply to each individual applicant or, in the case of a business entity, every cooperative member or director, manager, and general partner apply to at least 65 percent of the controlling ownership of the business entity.

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

Sec. 63. **[342.175] SOCIAL EQUITY LICENSE CLASSIFICATION.**

Subdivision 1. **Social equity license classification.** (a) The office must make a social equity classification available to a social equity applicant under section 342.17.

(b) The office must classify any type of license under section 342.10 as a social equity license if the license is held by a social equity applicant.

Subd. 2. **Social equity applicants; license preapprovals.** After accepting and reviewing an application for a license from a social equity applicant, the office may issue a license preapproval according to section 342.125 to the social equity applicant.

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

Sec. 64. Minnesota Statutes 2023 Supplement, section 342.18, subdivision 2, is amended to read:

Subd. 2. **Vertical integration prohibited; exceptions.** (a) Except as otherwise provided in this subdivision, the office shall not issue licenses to a single applicant that would result in the applicant being vertically integrated in violation of the provisions of this chapter.

(b) Nothing in this section prohibits or limits the issuance of microbusiness licenses ~~or~~, mezzobusiness licenses, or medical cannabis combination business licenses, or the issuance of both lower-potency hemp edible manufacturer and lower-potency hemp edible retailer licenses to the same person or entity.

Sec. 65. Minnesota Statutes 2023 Supplement, section 342.18, subdivision 3, is amended to read:

Subd. 3. **Application score; license priority review.** (a) The office shall ~~award points to review~~ each completed application for a license to operate a cannabis business in the following categories:

~~(1) status as a social equity applicant or as an applicant who is substantially similar to a social equity applicant as described in paragraph (c);~~

~~(2) status as a veteran or retired national guard applicant who does not meet the definition of social equity applicant;~~

~~(3)~~ (1) security and record keeping;

- ~~(4)~~ (2) employee training plan;
- ~~(5)~~ (3) business plan and financial situation;
- ~~(6)~~ (4) labor and employment practices;
- ~~(7)~~ (5) knowledge and experience; and
- ~~(8)~~ (6) environmental plan.

~~(b) The office may award additional points to an application if the license holder would expand service to an underrepresented market, including but not limited to participation in the medical cannabis program.~~

~~(c) The office shall establish application materials permitting individual applicants to demonstrate the impact that cannabis prohibition has had on that applicant, including but not limited to the arrest or imprisonment of the applicant or a member of the applicant's immediate family, and the office may award points to such applicants in the same manner as points are awarded to social equity applicants.~~

~~(d) (b) The office shall establish policies and guidelines, which the office must be made make available to the public, regarding the number of points available minimum qualifications in each category and the basis for awarding those points. Status as a social equity applicant must account for at least 20 percent of the total available points. In determining the number of points to award to a cooperative or business applying as a social equity applicant, the office shall consider the number or ownership percentage of cooperative members, officers, directors, managers, and general partners who qualify as social equity applicants criteria that the office uses to determine whether an applicant meets the minimum qualifications in each category.~~

~~(e) Consistent with the goals identified in subdivision 1, the office shall issue licenses in each license category, giving priority to applicants who receive the highest score under paragraphs (a) and (b). If there are insufficient licenses available for entities that receive identical scores, the office shall utilize a lottery to randomly select license recipients from among those entities.~~

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

Sec. 66. Minnesota Statutes 2023 Supplement, section 342.18, is amended by adding a subdivision to read:

Subd. 4. **Maximum number of licenses.** (a) Through as many licensing periods as the office deems necessary, the office shall issue no more than the maximum number of licenses in each license category listed in paragraphs (e) and (f) to applicants that meet the minimum qualifications in subdivision 3. After 24 months from the beginning of the license application process, the office may adjust the maximum number of licenses of any type listed in this subdivision based on market demand, consistent with the objectives in section 342.02, subdivision 1, and the annual report required under section 342.04, paragraph (f).

(b) If there are insufficient licenses available for all applicants that meet the minimum qualifications in subdivision 3, the office shall hold a lottery to randomly select license recipients

from among the applicants. The office may issue as many licenses as the office deems necessary of a license type that is not listed in this subdivision. The office is not required to issue a license for a license type that is not listed in this subdivision.

(c) Cannabis microbusiness and cannabis mezzobusiness license holders with a retail endorsement must obtain at least one other endorsement for authorized actions under the license category within 18 months of license issuance or the office may revoke the license holder's license or take appropriate enforcement action.

(d) The office is not required to issue licenses to meet the maximum number of licenses that may be issued under paragraphs (e) and (f).

(e) For licenses that are available to social equity applicants, the maximum number of licenses that the office may issue are:

- (1) cultivator licenses, 19;
- (2) product manufacturer licenses, 12;
- (3) retailer licenses, 100; and
- (4) cannabis mezzobusiness licenses, 30.

(f) For licenses that are available to all applicants, the maximum number of licenses that the office may issue are:

- (1) cultivator licenses, 19;
- (2) product manufacturer licenses, 12;
- (3) retailer licenses, 100; and
- (4) cannabis mezzobusiness licenses, 30.

(g) Of the available license preapprovals listed in paragraph (f), the following number of license preapprovals will be available for applicants that notify the office they will apply for a medical retail endorsement and intend to serve the medical registry market for at least three years:

- (1) cannabis mezzobusiness, six; and
- (2) cannabis retailer, 20.

Failure to receive a medical retail endorsement or to serve the medical registry market for at least three years will result in a revocation of license.

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

Sec. 67. **[342.185] TRUE PARTY OF INTEREST.**

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

(b) "Control" means the power to independently order or direct the management, managers, or policies of a licensed business.

(c) "Financial institution" means any bank, mutual savings bank, consumer loan company, credit union, savings and loan association, trust company, or other lending institution under the jurisdiction of the Department of Commerce.

(d) "Financier" means any person or entity that:

(1) is not a financial institution or government entity;

(2) provides money as a gift, grant, or loan to an applicant for a cannabis business license, a cannabis business, or both; and

(3) expects to be paid back, with or without reasonable interest.

(e) "Gross profit" means sales minus the cost of goods sold.

(f) "Revenue" means the income generated from the sale of goods and services associated with the main operations of a business before any costs or expenses are deducted.

(g) "True party of interest" means:

(1) for a sole proprietorship, the sole proprietor;

(2) for a general partnership, all partners;

(3) for a limited partnership, limited liability partnership, or limited liability limited partnership, all general partners and limited partners;

(4) for a limited liability company, all limited liability company members and managers;

(5) for a privately held corporation, all corporate officers and directors or persons with equivalent titles and all stockholders;

(6) for multilevel ownership structures, all persons and entities that make up the ownership structure;

(7) for any entity or person with a right to receive revenue, gross profit or net profit or exercise control over a licensed business; any entity or person with the right to receive some or all of the revenue, gross profit, or net profit from a licensed business during any full or partial calendar or fiscal year; and any entity or person who exercises control over a licensed business; and

(8) for a nonprofit corporation, all individuals and entities with membership rights in accordance with the provisions of the articles of incorporation or bylaws.

True party of interest does not include:

(1) a person or entity receiving payment for rent on a fixed basis under a lease or rental agreement. Notwithstanding, if there is a common ownership interest between the applicant or licensee and the entity that owns the real property, the office may investigate all funds associated with the landlord

to determine if a financier relationship exists. The office may also investigate a landlord in situations in which a rental payment has been waived or deferred;

(2) a person who receives a bonus or commission based on the person's sales, so long as the commission does not exceed ten percent of the person's sales in any given bonus or commission period. Commission-based compensation agreements must be in writing;

(3) a person or entity contracting with a licensee to receive a commission for the sale of a business or real property;

(4) a consultant receiving a flat or hourly rate compensation under a written contractual agreement;

(5) a person with an option to purchase the applied for or licensed business, so long as no money has been paid to the licensee under an option contract or agreement for the purchase or sale of a licensed business or a business that is applying for a license;

(6) any business or individual with a contract or agreement for services with a licensed business, such as a branding or staffing company, as long as the licensee retains the right to and controls the business; or

(7) a financial institution.

Subd. 2. **Application number limitations.** Notwithstanding other sections within this chapter, an individual may not be a true party of interest for more than one application. The limitation does not apply to a person who holds ten percent or less controlling ownership of the business entity.

Subd. 3. **License number limitations.** Notwithstanding other sections within this chapter, an individual may not be a true party of interest for more than one license unless otherwise allowed by this chapter. The limitation does not apply to a person who holds ten percent or less controlling ownership of the business entity.

Subd. 4. **Limitation on married couples.** A married couple may not be a true party of interest in more than one cannabis microbusiness, one cannabis mezzobusiness, five cannabis retailer businesses, three cannabis cultivator businesses, or three cannabis manufacturer businesses. The limitations in section 342.18, subdivision 2, apply to a married couple as if the licenses were held by a single entity.

Subd. 5. **Notification.** Except as otherwise provided in this subdivision, a cannabis business has a continuing duty to disclose the source of all money that will be invested in the business, including but not limited to all money obtained from financiers, before investing the money in the licensed business. The notice requirement under this section does not apply to:

(1) revenues of a licensed cannabis business that are reinvested in the business;

(2) proceeds of a revolving loan if the loan has been approved by the office within the three previous years, unless the source of the money has changed or the approved loan amount has increased; and

(3) if the source of the money is an identified true party of interest on the license, a previously approved financier associated with the license, or a previously approved revolving loan, the office must allow the money to be used upon receipt of an application to use the money. The office must then investigate the source of the money. If the office cannot verify the source of the money after reasonable inquiry, or the office determines that the money was obtained in a manner in violation of the law, the office may take actions consistent with the provisions of this chapter.

Subd. 6. **Disclosure agreements and intellectual property.** A cannabis business must not enter into an intellectual property agreement with another cannabis business if a single entity could not hold licenses for both types of cannabis business.

Subd. 7. **Financiers.** (a) A financier may not receive an ownership interest, control of a business, a share of revenue, gross profits or net profits, a profit sharing interest, or a percentage of the profits in exchange for a loan or gift of money, unless the financier, if directly involved in the loaning of money, receives office approval and has qualified on the license as a true party of interest.

(b) The office must conduct a financial and criminal background investigation on all financiers.

Sec. 68. Minnesota Statutes 2023 Supplement, section 342.18, is amended by adding a subdivision to read:

Subd. 5. **Conversion to hemp business license.** (a) After the office adopts initial rules pertaining to cannabis, the office may permit a holder of a hemp-derived cannabinoid business registration pursuant to section 151.72 to convert the holder's registration to a comparable lower-potency hemp edible business license if:

(1) the registration was active before the office adopted initial rules pertaining to cannabis;

(2) the registrant submits documentation to the office sufficient to meet the minimum requirements in section 342.44;

(3) the registrant pays an application and licensing fee as required by section 342.11; and

(4) the registrant is in good standing with the state.

(b) A registrant with an active hemp-derived cannabinoid business registration pursuant to section 151.72 may continue operations under an active registration for no more than 30 days after the office begins accepting applications for a lower-potency hemp edible business license.

(c) Upon the submission of an application for a lower-potency hemp edible business license to the office, a registrant's hemp-derived cannabinoid business registration shall remain active until the office makes a determination regarding the registrant's application, as long as the registrant remains in good standing with the state.

Sec. 69. Minnesota Statutes 2023 Supplement, section 342.19, subdivision 1, is amended to read:

Subdivision 1. **Authority to inspect.** (a) In order to carry out the purposes of this chapter, the office, upon presenting appropriate credentials to the owner, operator, or agent in charge, is authorized to:

(1) enter ~~any cannabis business or hemp business~~ the place of business of any cannabis business, hemp business, or business engaged in the cultivation, manufacture, or retail sale of cannabis without a license under this chapter without delay and at reasonable times;

(2) inspect and investigate during regular working hours and at other reasonable times, within reasonable limits and in a reasonable manner, ~~any cannabis business or hemp business~~ the place of business of any cannabis business, hemp business, or business engaged in the cultivation, manufacture, or retail sale of cannabis without a license under this chapter and all relevant conditions, equipment, records, and materials therein; and

(3) question privately any employer, owner, operator, agent, or employee of ~~a cannabis business or hemp business~~ any cannabis business, hemp business, or business engaged in the cultivation, manufacture, or retail sale of cannabis without a license under this chapter.

(b) An employer, owner, operator, agent, or employee must not refuse the office entry or otherwise deter or prohibit the office from taking action under paragraph (a).

Sec. 70. Minnesota Statutes 2023 Supplement, section 342.19, subdivision 3, is amended to read:

Subd. 3. **Aiding of inspection.** Subject to rules issued by the office, a representative of a ~~cannabis business or hemp business~~ business participating in the cannabis industry or hemp consumer industry ~~shall~~ must be given an opportunity to accompany the office during the physical inspection of ~~any cannabis business or hemp~~ the business for the purpose of aiding such inspection.

Sec. 71. Minnesota Statutes 2023 Supplement, section 342.19, subdivision 4, is amended to read:

Subd. 4. **Complaints and reports; priority of inspection.** (a) The office may conduct inspections of ~~any licensed cannabis business or hemp business~~ cannabis business, hemp business, or a business engaged in the cultivation, manufacture, or retail sale of cannabis without a license under this chapter at any time to ensure compliance with the ownership and operation requirements of this chapter.

(b) Any person may report a suspected violation of a safety or health standard. If upon receipt of such notification the office determines that there are reasonable grounds to believe that such violation or danger exists, the office shall make a special inspection as soon as practicable to determine if such danger or violation exists.

(c) The office shall prioritize inspections of ~~cannabis businesses and hemp businesses~~ where there are reasonable grounds to believe that a violation by a person or business poses imminent danger to the public or customers. Inspections must take place within one business day of the receipt of a credible report.

(d) The office shall promptly inspect ~~cannabis businesses and hemp businesses~~ the place of business of any cannabis business, hemp business, or a business engaged in the cultivation, manufacture, or retail sale of cannabis without a license under this chapter that ~~are~~ is the subject of complaint by a local unit of government.

Sec. 72. Minnesota Statutes 2023 Supplement, section 342.19, subdivision 5, is amended to read:

Subd. 5. **Violations; administrative orders and penalties.** (a) The office may issue an administrative order to any ~~licensed cannabis business or hemp business~~ cannabis business, hemp business, or a business engaged in the cultivation, manufacture, or retail sale of cannabis without a license under this chapter that the office determines has committed a violation of this chapter or rules adopted pursuant to this chapter. The administrative order may require the business to correct the violation or to cease and desist from committing the violation. The order must state the deficiencies that constitute the violation and the time by which the violation must be corrected. If the business believes that the information in the administrative order is in error, the business may ask the office to consider the parts of the order that are alleged to be in error. The request must be in writing, delivered to the office by certified mail within seven days after receipt of the order, and provide documentation to support the allegation of error. The office must respond to a request for reconsideration within 15 days after receiving the request. A request for reconsideration does not stay the correction order unless the office issues a supplemental order granting additional time. The office's disposition of a request for reconsideration is final.

(b) For each violation of this chapter or rules adopted pursuant to this chapter, the office may issue to each ~~cannabis business or hemp~~ individual or business a monetary penalty of up to \$10,000, an amount that deprives the individual or business of any economic advantage gained by the violation, or both.

(c) An administrative penalty may be recovered in a civil action in the name of the state brought in the district court of the county where the violation is alleged to have occurred or the district court where the office is housed.

(d) In addition to penalties listed in this subdivision, a person or business who violates the provisions of this chapter is subject to any applicable criminal penalty.

Sec. 73. Minnesota Statutes 2023 Supplement, section 342.22, is amended to read:

342.22 RETAILERS; LOCAL REGISTRATION AND ENFORCEMENT.

Subdivision 1. **Registration required.** Before receiving a retail operations endorsement and making retail sales to customers or patients, a cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness with a retail operations endorsement, cannabis retailer, medical cannabis retailer, medical cannabis combination business, or lower-potency hemp edible retailer must register with the city, town, or county in which the retail establishment is located. A county may issue a registration in cases where a city or town has provided consent for the county to issue the registration for the jurisdiction.

Subd. 2. **Registration fee.** (a) A local unit of government may impose an initial retail registration fee of \$500 or up to half the amount of the applicable initial license fee under section 342.11, whichever is less. The local unit of government may also impose a renewal retail registration fee of \$1,000 or up to half the amount of the applicable renewal license fee under section 342.11, whichever is less. The initial registration fee shall include the fee for initial registration and the first annual renewal. Any renewal fee imposed by the local unit of government shall be charged at the time of the second renewal and each subsequent annual renewal thereafter.

(b) The local unit of government may not charge an application fee.

~~(e) A cannabis business with a cannabis retailer license and a medical cannabis retailer license for the same location may only be charged a single registration fee.~~

~~(d)~~ (c) Registration fees are nonrefundable.

Subd. 3. **Issuance of registration.** (a) A local unit of government shall issue a retail registration to a cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness with a retail operations endorsement, cannabis retailer, ~~medical cannabis retailer~~, or lower-potency hemp edible retailer that:

(1) has ~~a valid license issued~~ an application that has been approved by the office;

(2) has paid the registration fee or renewal fee pursuant to subdivision 2;

(3) is found to be in compliance with the requirements of this chapter at any preliminary compliance check that the local unit of government performs; and

(4) if applicable, is current on all property taxes and assessments at the location where the retail establishment is located.

(b) Before issuing a retail registration, the local unit of government may conduct a preliminary compliance check to ensure that the cannabis business or hemp business is in compliance with ~~the any applicable operation requirements and the limits on the types of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that may be sold~~ local ordinance established pursuant to section 342.13.

(c) A local unit of government shall renew the retail registration of a cannabis business or hemp business when the office renews the license of the cannabis business or hemp business.

(d) A retail registration issued under this section may not be transferred.

Subd. 4. **Compliance checks.** (a) A local unit of government shall conduct compliance checks of every cannabis business and hemp business with a retail registration issued by the local unit of government. ~~The checks~~ During a compliance check, a local unit of government shall assess a business's compliance with age verification requirements, the and compliance with any applicable operation requirements, and the applicable limits on the types of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products being sold local ordinance established pursuant to section 342.13.

(b) ~~The~~ A local unit of government must conduct unannounced age verification compliance checks of every cannabis business and hemp business at least once each calendar year. Age verification compliance checks must involve persons at least 17 years of age but under the age of 21 who, with the prior written consent of a parent or guardian if the person is under the age of 18, attempt to purchase adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer or an employee of the local unit of government.

~~(e) Checks to ensure compliance with the applicable operation requirements and the limits on the types of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that may be sold must be performed at least once each calendar year and may be performed by a law enforcement officer or an employee of the local unit of government.~~

Subd. 5. **Registration suspension and cancellation; notice to office; penalties.** (a) If a local unit of government determines that a cannabis business or hemp business with a retail registration issued by the local unit of government is not operating in compliance with the requirements of ~~this chapter~~ a local ordinance authorized under section 342.13 or that the operation of the business poses an immediate threat to the health or safety of the public, the local unit of government may suspend the retail registration of the cannabis business or hemp business. The local unit of government must immediately notify the office of the suspension and shall include a description of the grounds for the suspension.

(b) The office shall review the retail registration suspension and may order reinstatement of the retail registration or take any action described in section 342.19 or 342.21.

(c) The retail registration suspension must be for up to 30 days unless the office suspends the license and operating privilege of the cannabis business or hemp business for a longer period or revokes the license.

(d) The local unit of government may reinstate the retail registration if the local unit of government determines that any violation has been cured. The local unit of government must reinstate the retail registration if the office orders reinstatement.

~~(e) No cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness with a retail operations endorsement, cannabis retailer, medical cannabis retailer, medical cannabis combination business, or lower-potency hemp edible retailer may make any sale to a customer or patient without a valid retail registration with a local unit of government and a valid endorsement from the office. A local unit of government may impose a civil penalty of up to \$2,000 for each violation of this paragraph.~~

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

Sec. 74. Minnesota Statutes 2023 Supplement, section 342.24, subdivision 1, is amended to read:

Subdivision 1. **Individuals under 21 years of age.** (a) A cannabis business may not employ an individual under 21 years of age and may not contract with an individual under 21 years of age if the individual's scope of work involves the handling of cannabis plants, cannabis flower, artificially derived cannabinoids, or cannabinoid products.

(b) A cannabis business may not permit an individual under 21 years of age to enter the business premises other than entry by a patient person enrolled in the registry program.

(c) A cannabis business may not sell or give cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to an individual under 21 years of age unless the individual is ~~a patient; registered designated caregiver; or a parent, legal guardian, or spouse of a patient who is authorized to use, possess, or transport medical cannabis flower or medical cannabinoid~~

products enrolled in the patient registry program and the cannabis business holds a medical cannabis retail endorsement.

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

Sec. 75. Minnesota Statutes 2023 Supplement, section 342.24, subdivision 2, is amended to read:

Subd. 2. **Use of cannabis flower and products within a licensed cannabis business.** (a) A cannabis business may not permit an individual who is not an employee to consume cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products within its licensed premises unless the business is licensed to permit on-site consumption.

(b) Except as otherwise provided in this subdivision, a cannabis business may not permit an employee to consume cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products within its licensed premises or while the employee is otherwise engaged in activities within the course and scope of employment.

(c) A cannabis business may permit an employee to use ~~medical~~ cannabis flower and ~~medical~~ cannabinoid products if that individual is a patient enrolled in the registry program and consuming cannabis as prescribed.

(d) For quality control, employees of a licensed cannabis business may sample cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products. Employees may not interact directly with customers for at least three hours after sampling a product. Employees may not consume more than three samples in a single 24-hour period. All samples must be recorded in the statewide monitoring system.

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

Sec. 76. Minnesota Statutes 2023 Supplement, section 342.28, is amended by adding a subdivision to read:

Subd. 1a. **Cannabis research.** A cannabis researcher employed by or affiliated with institutions of higher education that are regionally or nationally accredited may apply for a cannabis microbusiness license to conduct cannabis crop research. A cannabis researcher with a cannabis microbusiness license may perform activities identified in subdivision 1, clauses (1) to (9) and (13). Cannabis grown for research purposes must not be offered for sale or otherwise enter the stream of commerce.

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

Sec. 77. Minnesota Statutes 2023 Supplement, section 342.28, subdivision 2, is amended to read:

Subd. 2. **Size limitations.** (a) A cannabis microbusiness that cultivates cannabis at an indoor facility may cultivate up to 5,000 square feet of plant canopy. The office may adjust plant canopy limits upward or downward but not below 5,000 square feet to meet market demand consistent with the goals identified in section 342.02, subdivision 1.

(b) A cannabis microbusiness that cultivates cannabis at an outdoor location may cultivate up to one-half acre ~~of mature, flowering plants unless the office increases that limit. The office may increase the limit to no more than one acre if the office determines that expansion is.~~ The office may adjust size limits upward or downward but not below one-half acre to meet market demand consistent with the goals identified in section 342.02, subdivision 1.

(c) The office shall establish a limit on the manufacturing of cannabis products, lower-potency hemp edibles, or hemp-derived consumer products a cannabis microbusiness that manufactures such products may perform. The limit must be equivalent to the amount of cannabis flower that can be harvested from a facility with a plant canopy of 5,000 square feet in a year, but may be increased if the office expands the allowable area of cultivation under paragraph (a).

(d) A cannabis microbusiness with the appropriate endorsement may operate one retail location.

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

Sec. 78. Minnesota Statutes 2023 Supplement, section 342.29, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** A cannabis mezzobusiness license, consistent with the specific license endorsement or endorsements, entitles the license holder to perform any or all of the following within the limits established by this section:

(1) grow cannabis plants from seed or immature plant to mature plant and harvest cannabis flower from a mature plant for use as adult-use cannabis flower or for use in adult-use cannabis products;

~~(2) grow cannabis plants from seed or immature plant to mature plant and harvest cannabis flower from a mature plant for use as medical cannabis flower or for use in medical cannabinoid products;~~

~~(3)~~ (2) make cannabis concentrate;

~~(4)~~ (3) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

~~(5)~~ (4) manufacture artificially derived cannabinoids;

~~(6)~~ (5) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

~~(7)~~ (6) manufacture and process ~~medical~~ cannabinoid products;

~~(8)~~ (7) purchase immature cannabis plants and seedlings and cannabis flower from a cannabis microbusiness, another cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler;

~~(9)~~ (8) purchase cannabis concentrate, hemp concentrate, and synthetically derived cannabinoids from a cannabis microbusiness, another cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler for use in manufacturing adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(10) (9) purchase hemp plant parts and propagules from a licensed hemp grower licensed under chapter 18K;

(11) (10) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(12) (11) package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;

(13) (12) sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to other cannabis businesses and to customers; and

(14) (13) perform other actions approved by the office.

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

Sec. 79. Minnesota Statutes 2023 Supplement, section 342.29, subdivision 4, is amended to read:

Subd. 4. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis mezzobusiness license may also hold a cannabis event organizer license ~~and a medical cannabis retailer license.~~

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis mezzobusiness license may own or operate any other cannabis business or hemp business or hold more than one cannabis mezzobusiness license.

(c) For purposes of this subdivision, a restriction on the number or type of license that a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

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

Sec. 80. Minnesota Statutes 2023 Supplement, section 342.30, subdivision 4, is amended to read:

Subd. 4. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis cultivator license may also hold a cannabis manufacturing license, ~~medical cannabis cultivator license,~~ medical cannabis producer license, license to grow industrial hemp, and cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis cultivator license may own or operate any other cannabis business or hemp business. This prohibition does not prevent the transportation of cannabis flower from a cannabis cultivator to a cannabis manufacturer licensed to the same person, cooperative, or business and located on the same premises.

(c) The office by rule may limit the number of cannabis cultivator licenses a person, cooperative, or business may hold.

(d) For purposes of this subdivision, a restriction on the number or type of license a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

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

Sec. 81. Minnesota Statutes 2023 Supplement, section 342.31, subdivision 4, is amended to read:

Subd. 4. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis manufacturer license may also hold a cannabis cultivator license, ~~a medical cannabis cultivator license, a medical cannabis processor license,~~ and a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis manufacturer license may own or operate any other cannabis business or hemp business. This prohibition does not prevent transportation of cannabis flower from a cannabis cultivator to a cannabis manufacturer licensed to the same person, cooperative, or business and located on the same premises.

(c) The office by rule may limit the number of cannabis manufacturer licenses that a person or business may hold.

(d) For purposes of this subdivision, a restriction on the number or type of license that a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

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

Sec. 82. Minnesota Statutes 2023 Supplement, section 342.32, subdivision 4, is amended to read:

Subd. 4. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis retailer license may also hold a cannabis delivery service license, ~~a medical cannabis retailer license,~~ and a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis retailer license may own or operate any other cannabis business or hemp business.

(c) No person, cooperative, or business may hold a license to own or operate more than one cannabis retail business in one city and three retail businesses in one county.

(d) The office by rule may limit the number of cannabis retailer licenses a person, cooperative, or business may hold.

(e) For purposes of this subdivision, a restriction on the number or type of license a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

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

Sec. 83. Minnesota Statutes 2023 Supplement, section 342.35, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** A cannabis transporter license entitles the license holder to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, lower-potency hemp edible manufacturers, ~~medical cannabis retailers, medical cannabis processors,~~ and industrial hemp growers to cannabis microbusinesses, cannabis mezzobusinesses, cannabis manufacturers, cannabis testing facilities, cannabis wholesalers, cannabis retailers, lower-potency hemp edible retailers, ~~medical cannabis processors, medical cannabis retailers,~~ and medical cannabis combination businesses and perform other actions approved by the office.

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

Sec. 84. Minnesota Statutes 2023 Supplement, section 342.37, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** A cannabis testing facility license entitles the license holder to obtain and test immature cannabis plants and seedlings, cannabis flower, cannabis products, hemp plant parts, hemp concentrate, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, lower-potency hemp edible manufacturers, ~~medical cannabis cultivators, medical cannabis processors,~~ medical cannabis combination businesses, and industrial hemp growers.

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

Sec. 85. Minnesota Statutes 2023 Supplement, section 342.40, subdivision 7, is amended to read:

Subd. 7. **Cannabis event sales.** (a) Cannabis microbusinesses with a retail endorsement, cannabis mezzobusinesses with a retail endorsement, cannabis retailers, medical cannabis combination businesses operating a retail location, and lower-potency hemp edible retailers, including the cannabis event organizer, may be authorized to sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to customers at a cannabis event.

(b) All sales of cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products at a cannabis event must take place in a retail area as designated in the premises diagram.

(c) Authorized retailers may only conduct sales within their specifically assigned area.

(d) Authorized retailers must verify the age of all customers pursuant to section 342.27, subdivision 4, before completing a sale and may not sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to an individual under 21 years of age.

(e) Authorized retailers may display one sample of each type of cannabis plant, adult-use cannabis flower, adult-use cannabis product, lower-potency hemp edible, and hemp-derived consumer product available for sale. Samples of adult-use cannabis and adult-use cannabis products must be stored in a sample jar or display case and be accompanied by a label or notice containing the information required to be affixed to the packaging or container containing adult-use cannabis flower and adult-use cannabis products sold to customers. A sample may not consist of more than eight grams of adult-use cannabis flower or adult-use cannabis concentrate, or an edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol. A cannabis retailer may allow customers to smell the adult-use cannabis flower or adult-use cannabis product before purchase.

(f) The notice requirements under section 342.27, subdivision 6, apply to authorized retailers offering cannabis plants, adult-use cannabis flower, adult-use cannabinoid products, and hemp-derived consumer products for sale at a cannabis event.

(g) Authorized retailers may not:

(1) sell adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a person who is visibly intoxicated;

(2) knowingly sell more cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products than a customer is legally permitted to possess;

(3) sell ~~medical cannabis flower or medical~~ cannabinoid products;

(4) give away cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products; or

(5) allow for the dispensing of cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in vending machines.

(h) Except for samples of a cannabis plant, adult-use cannabis flower, adult-use cannabis product, lower-potency hemp edible, and hemp-derived consumer product, all cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale at a cannabis event must be stored in a secure, locked container that is not accessible to the public. Such items being stored at a cannabis event shall not be left unattended.

(i) All cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale at a cannabis event must comply with this chapter and rules adopted pursuant to this chapter regarding the testing, packaging, and labeling of those items.

(j) All cannabis plants, adult-use cannabis flower, and adult-use cannabis products sold, damaged, or destroyed at a cannabis event must be recorded in the statewide monitoring system.

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

Sec. 86. Minnesota Statutes 2023 Supplement, section 342.41, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** A cannabis delivery service license entitles the license holder to purchase cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from licensed cannabis microbusinesses with a retail endorsement, cannabis mezzobusinesses with a retail endorsement, cannabis retailers, ~~medical cannabis retailers,~~ and medical cannabis combination businesses; transport and deliver cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumable products to customers; and perform other actions approved by the office.

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

Sec. 87. Minnesota Statutes 2023 Supplement, section 342.41, subdivision 3, is amended to read:

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis delivery service license may also hold a cannabis retailer license, a cannabis wholesaler license, a cannabis transporter license, and a cannabis event organizer license, ~~and a medical cannabis retailer license~~ subject to the ownership limitations that apply to those licenses.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis delivery service license may own or operate any other cannabis business or hemp business.

(c) The office by rule may limit the number of cannabis delivery service licenses that a person or business may hold.

(d) For purposes of this subdivision, a restriction on the number or type of license that a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

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

Sec. 88. Minnesota Statutes 2023 Supplement, section 342.44, subdivision 1, is amended to read:

Subdivision 1. **Application; contents.** (a) Except as otherwise provided in this subdivision, the provisions of this chapter relating to license applications, license selection criteria, general ownership disqualifications and requirements, and general operational requirements do not apply to hemp businesses.

(b) The office, by rule, shall establish forms and procedures for the processing of hemp licenses issued under this chapter. At a minimum, any application to obtain or renew a hemp license shall include the following information, if applicable:

(1) the name, address, and date of birth of the applicant;

(2) the address and legal property description of the business;

(3) proof of trade name registration;

(4) certification that the applicant will comply with the requirements of this chapter relating to the ownership and operation of a hemp business;

(5) identification of one or more controlling persons or managerial employees as agents who shall be responsible for dealing with the office on all matters; and

(6) a statement that the applicant agrees to respond to the office's supplemental requests for information.

~~(e) An applicant for a lower-potency hemp edible manufacturer license must submit an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement.~~

~~(d)~~ (c) An application on behalf of a corporation or association shall be signed by at least two officers or managing agents of that entity.

Sec. 89. Minnesota Statutes 2023 Supplement, section 342.46, subdivision 6, is amended to read:

Subd. 6. **Compliant products.** (a) A lower-potency hemp edible retailer shall ensure that all lower-potency hemp edibles offered for sale comply with the limits on the amount and types of cannabinoids that a lower-potency hemp edible can contain, including but not limited to the requirement that lower-potency hemp edibles:

(1) consist of servings that contain no more than five milligrams of delta-9 tetrahydrocannabinol, no more than 25 milligrams of cannabidiol, no more than 25 milligrams of cannabigerol, or any combination of those cannabinoids that does not exceed the identified amounts;

(2) do not contain more than a combined total of 0.5 milligrams of all other cannabinoids per serving; and

(3) do not contain an artificially derived cannabinoid other than delta-9 tetrahydrocannabinol.

(b) If a lower-potency hemp edible is packaged in a manner that includes more than a single serving, the lower-potency hemp edible must indicate each serving by scoring, wrapping, or other indicators that appear on the lower-potency hemp edible designating the individual serving size. If it is not possible to indicate a single serving by scoring or use of another indicator that appears on the product, the lower-potency hemp edible may not be packaged in a manner that includes more than a single serving in each container, except that a calibrated dropper, measuring spoon, or similar device for measuring a single serving may be used for any tincture, or other edible cannabinoid products that are intended to be combined with food products, including beverages, prior to consumption. If the lower-potency hemp edible is meant to be consumed as a beverage, the beverage container may not contain more than two servings per container.

(c) A single package containing multiple servings of a lower-potency hemp edible must contain no more than 50 milligrams of delta-9 tetrahydrocannabinol, 250 milligrams of cannabidiol, 250 milligrams of cannabigerol, or any combination of those cannabinoids that does not exceed the identified amounts.

Sec. 90. **[342.465] LOWER-POTENCY HEMP EDIBLES; PROHIBITED CONDUCT.**

No person may sell, give, furnish, or in any way procure for another person lower-potency hemp edibles for the use of an obviously impaired person.

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

Sec. 91. Minnesota Statutes 2023 Supplement, section 342.51, is amended to read:

342.51 MEDICAL CANNABIS RETAILERS RETAIL ENDORSEMENT.

Subdivision 1. **Authorized actions.** (a) The office must issue a medical cannabis retail endorsement to a cannabis business, if the business:

(1) submits a medical cannabis retail endorsement application to the office;

(2) has at least one employee who earned a medical cannabis consultant certificate issued by the office and has completed the required training or has at least one employee who is a licensed pharmacist under chapter 151; and

(3) otherwise meets all applicable requirements established by the office.

(b) A medical cannabis ~~retailer license~~ retail endorsement entitles the license holder to purchase medical cannabis flower and medical cannabinoid products from medical cannabis cultivators and medical cannabis processors and sell or distribute medical cannabis flower and medical cannabinoid products to any person authorized to receive medical cannabis flower or medical cannabinoid products. sell or distribute the following products to any person enrolled in the medical cannabis patient registry under section 342.52:

(1) cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products that are a product category approved by the office and that comply with this chapter and rules adopted pursuant to this chapter regarding the testing, packaging, and labeling of cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products; and

(2) associated paraphernalia.

(b)(c) A medical cannabis ~~retailer license~~ retail endorsement holder must verify that all ~~medical cannabis flower and medical cannabinoid products~~ under paragraph (b), clause (1), have passed safety, potency, and consistency testing at a cannabis testing facility approved by the office for the testing of ~~medical cannabis flower and medical cannabinoid products~~ under paragraph (b), clause (1), before the ~~medical cannabis retailer~~ business may distribute the ~~medical cannabis flower or medical cannabinoid product~~ products to any person ~~authorized to receive medical cannabis flower or medical cannabinoid products~~ enrolled in the medical cannabis patient registry program under section 342.52.

Subd. 2. **Distribution requirements.** (a) Prior to distribution of ~~medical cannabis flower or medical cannabinoid products~~, a ~~medical cannabis retailer license~~ products listed in subdivision 1, paragraph (b), to a person enrolled in the patient registry program, an employee with a valid medical cannabis consultant certificate issued by the office or a licensed pharmacist under chapter 151 must:

(1) review and confirm the patient's enrollment in the registry verification program;

(2) verify that the person requesting the distribution of ~~medical cannabis flower or medical cannabinoid~~ products listed under subdivision 1, paragraph (b), is the patient, the patient's registered designated caregiver, or the patient's parent, legal guardian, or spouse using the procedures ~~specified in section 152.11, subdivision 2d~~ established by the office;

~~(3) ensure that a pharmacist employee of the medical cannabis retailer has consulted with the patient if required according to subdivision 3; and~~

(3) provide consultation to the patient to determine the proper type of product, dosage, and paraphernalia for the patient if required under subdivision 3;

(4) apply a patient-specific label on the ~~medical cannabis flower or medical cannabinoid~~ product that includes recommended dosage requirements and other information as required ~~by rules adopted~~ by the office; and

(5) provide the patient with any other information required by the office.

(b) A medical cannabis ~~retailer~~ retail endorsement holder may not deliver ~~medical cannabis flower or medical cannabinoid~~ products listed in subdivision 1, paragraph (b), to a person enrolled in the patient registry program unless the medical cannabis ~~retailer~~ retail endorsement holder also holds a cannabis delivery service license. The delivery of ~~medical cannabis flower and medical cannabinoid~~ products are a product listed in subdivision 1, paragraph (b), is subject to the provisions of section 342.42.

Subd. 3. Final approval for distribution of ~~medical cannabis flower and medical cannabinoid~~ products. (a) A cannabis worker who is employed by a medical cannabis ~~retailer and~~ retail endorsement holder who is licensed as a pharmacist pursuant to chapter 151 ~~shall be or~~ certified as a medical cannabis consultant by the office is the only person who may give final approval for the distribution of ~~medical cannabis flower and medical cannabinoid~~ products listed in subdivision 1, paragraph (b). Prior to the distribution of ~~medical cannabis flower or medical cannabinoid~~ products listed in subdivision 1, paragraph (b), a pharmacist or certified medical cannabis consultant employed by ~~the~~ a business with a medical cannabis retailer retail endorsement must consult with the patient to determine the proper type of ~~medical cannabis flower, medical cannabinoid~~ product, ~~or medical cannabis proper type of~~ paraphernalia, and proper dosage for the patient after reviewing the range of chemical compositions of ~~medical cannabis flower or medical cannabinoid~~ the product; intended for distribution:

(1) if the patient is purchasing the product for the first time;

(2) if the patient purchases a product that the patient must administer using a different method than the patient's previous method of administration;

(3) if the patient purchases a product with a cannabinoid concentration of at least double the patient's prior dosage; or

(4) upon the request of the patient.

(b) For purposes of this subdivision, a consultation may be conducted remotely by secure videoconference, telephone, or other remote means, as long as:

(1) the pharmacist or consultant engaging in the consultation is able to confirm the identity of the patient; and

(2) the consultation adheres to patient privacy requirements that apply to health care services delivered through telemedicine.

~~(b) Notwithstanding paragraph (a), a pharmacist consultation is not required prior to the distribution of medical cannabis flower or medical cannabinoid products when a medical cannabis retailer is distributing medical cannabis flower or medical cannabinoid products to a patient according to a patient-specific dosage plan established with that medical cannabis retailer and is not modifying the dosage or product being distributed under that plan. Medical cannabis flower or medical cannabinoid products distributed under this paragraph must be distributed by a pharmacy technician employed by the medical cannabis retailer.~~

~~Subd. 4. **90-day supply.** A medical cannabis retailer shall not distribute more than a 90-day supply of medical cannabis flower or medical cannabinoid products to a patient, registered designated caregiver, or parent, legal guardian, or spouse of a patient according to the dosages established for the individual patient.~~

Subd. 5. **Distribution to recipient in a motor vehicle.** A medical cannabis ~~retailer~~ retail endorsement holder may distribute ~~medical cannabis flower and medical cannabinoid products~~ a product listed in subdivision 1, paragraph (b), to a ~~patient, registered designated caregiver, or parent, legal guardian, or spouse of a patient~~ person enrolled in the patient registry program who is at a dispensary location but remains in a motor vehicle, provided that:

(1) staff receive payment and distribute ~~medical cannabis flower and medical cannabinoid products~~ a product listed in subdivision 1, paragraph (b), in a designated zone that is as close as feasible to the front door of the facility;

(2) the medical cannabis ~~retailer~~ retail endorsement holder ensures that the receipt of payment and distribution of ~~medical cannabis flower and medical cannabinoid products~~ a product listed in subdivision 1, paragraph (b), are visually recorded by a closed-circuit television surveillance camera and provides any other necessary security safeguards;

(3) the medical cannabis ~~retailer~~ retail endorsement holder does not store ~~medical cannabis flower or medical cannabinoid products~~ a product listed in subdivision 1, paragraph (b), outside a restricted access area and staff transport ~~medical cannabis flower and medical cannabinoid products~~ the product from a restricted access area to the designated zone for distribution only after confirming that the ~~patient, designated caregiver, or parent, guardian, or spouse~~ person enrolled in the patient registry program has arrived in the designated zone;

(4) the payment for and distribution of ~~medical cannabis flower and medical cannabinoid products~~ a product listed in subdivision 1, paragraph (b), take place only after ~~a pharmacist consultation takes place, if required under subdivision 3~~ meeting the requirements in subdivision 2;

(5) immediately following the distribution of ~~medical cannabis flower or medical cannabinoid products~~ a product listed in subdivision 1, paragraph (b), staff ~~enter~~ record the transaction in the statewide monitoring system; and

(6) immediately following the distribution of ~~medical cannabis flower and medical cannabinoid products~~ a product listed in subdivision 1, paragraph (b), staff take the payment received into the facility.

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

Sec. 92. Minnesota Statutes 2023 Supplement, section 342.515, is amended to read:

342.515 MEDICAL CANNABIS COMBINATION BUSINESSES.

Subdivision 1. **Authorized actions.** (a) A person, cooperative, or business holding a medical cannabis combination business license is prohibited from owning or operating any other cannabis business or hemp business or holding an active registration agreement under section 152.25, subdivision 1.

(b) A person or business may hold only one medical cannabis combination business license.

(c) A medical cannabis combination business license entitles the license holder to perform any or all of the following within the limits established by this section:

(1) grow cannabis plants from seed or immature plant to mature plant and harvest ~~adult-use~~ cannabis flower and ~~medical~~ cannabis flower from a mature plant;

(2) make cannabis concentrate;

(3) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

(4) manufacture artificially derived cannabinoids;

(5) manufacture ~~medical~~ cannabinoid products;

(6) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

(7) purchase immature cannabis plants and seedlings and cannabis flower from a cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, a cannabis wholesaler, ~~a medical cannabis cultivator,~~ or another medical cannabis combination business;

(8) purchase hemp plant parts and propagules from an industrial hemp grower licensed under chapter 18K;

(9) purchase cannabis concentrate, hemp concentrate, and artificially derived cannabinoids from a cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, a cannabis wholesaler, ~~a medical cannabis processor,~~ or another medical cannabis combination business;

- (10) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;
- (11) package and label ~~medical~~ cannabis flower and ~~medical~~ cannabinoid products for sale to ~~medical cannabis processors, medical cannabis retailers,~~ other medical cannabis combination businesses; and patients enrolled in the registry program, registered designated caregivers, and parents, legal guardians, and spouses of an enrolled patient;
- (12) package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;
- (13) sell ~~medical~~ cannabis flower and ~~medical~~ cannabinoid products to patients enrolled in the registry program, registered designated caregivers, and parents, legal guardians, and spouses of an enrolled patient;
- (14) sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to other cannabis businesses and to customers; and
- (15) perform other actions approved by the office.

Subd. 2. **Cultivation; size limitations.** (a) A medical cannabis combination business may cultivate cannabis to be sold as ~~medical~~ cannabis flower or used in ~~medical~~ cannabinoid products in an area of up to 60,000 square feet of plant canopy subject to the limits on adult-use cannabis cultivation in paragraph (c).

(b) A medical cannabis combination business may cultivate cannabis to be sold as adult-use cannabis flower or used in adult-use cannabis products in an area authorized by the office as described in paragraph (c).

(c) The office shall authorize a medical cannabis combination business to cultivate cannabis for sale in the adult-use market in an area of plant canopy that is equal to one-half of the area the business used to cultivate cannabis sold in the medical market in the preceding year. The office shall establish an annual verification and authorization procedure. The office may increase the area of plant canopy in which a medical cannabis combination business is authorized to cultivate cannabis for sale in the adult-use market between authorization periods if the business demonstrates a significant increase in the sale of medical cannabis and medical cannabis products.

Subd. 3. **Manufacturing; size limitations.** The office may establish limits on cannabis manufacturing that are consistent with the area of plant canopy a business is authorized to cultivate.

Subd. 4. **Retail locations.** A medical cannabis combination business may operate up to one retail location in each congressional district. ~~A medical cannabis combination business must offer medical cannabis flower, medical cannabinoid products, or both at every retail location.~~ Each retail location of a medical cannabis combination business must continuously make cannabis flower or cannabinoid products available to patients enrolled in the registry program, registered designated caregivers, and parents, legal guardians, and spouses of an enrolled patient.

Subd. 5. **Failure to participate; suspension or revocation of license.** The office may suspend or revoke a medical cannabis combination business license if the office determines that the business

is no longer actively participating in the medical cannabis market. The office may, by rule, establish minimum requirements related to cannabis cultivation, manufacturing of ~~medical~~ cannabinoid products, retail sales of ~~medical~~ cannabis flower and ~~medical~~ cannabinoid products, and other relevant criteria to demonstrate active participation in the medical cannabis market.

Subd. 6. **Operations.** A medical cannabis combination business must comply with the relevant requirements of sections 342.25, 342.26, 342.27, and 342.51, subdivisions 2 to 5.

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

Sec. 93. Minnesota Statutes 2023 Supplement, section 342.52, subdivision 1, is amended to read:

Subdivision 1. **Administration.** The ~~Division of Medical Cannabis~~ office must administer the medical cannabis patient registry program.

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

Sec. 94. Minnesota Statutes 2023 Supplement, section 342.52, subdivision 2, is amended to read:

Subd. 2. **Application procedure for patients.** (a) A patient seeking to enroll in the registry program must submit to the ~~Division of Medical Cannabis~~ office an application established by the ~~Division of Medical Cannabis~~ office and a copy of the certification specified in paragraph (b) or, if the patient is a veteran who receives care from the United States Department of Veterans Affairs, the information required pursuant to subdivision 3. The patient must provide at least the following information in the application:

- (1) the patient's name, mailing address, and date of birth;
- (2) the name, mailing address, and telephone number of the patient's health care practitioner;
- (3) the name, mailing address, and date of birth of the patient's registered designated caregiver, if any, or the patient's parent, legal guardian, or spouse if the parent, legal guardian, or spouse will be acting as the patient's caregiver;
- (4) a disclosure signed by the patient that includes:
 - (i) a statement that, notwithstanding any law to the contrary, the office of Cannabis Management, ~~the Division of Medical Cannabis~~, or an employee of the office of Cannabis Management or ~~Division of Medical Cannabis~~ may not be held civilly or criminally liable for any injury, loss of property, personal injury, or death caused by an act or omission while acting within the employee's scope of office or employment under this section; and
 - (ii) the patient's acknowledgment that enrollment in the registry program is conditional on the patient's agreement to meet all other requirements of this section; and
- (5) all other information required by the ~~Division of Medical Cannabis~~ office.

(b) As part of the application under this subdivision, a patient must submit a copy of a certification from the patient's health care practitioner that is dated within 90 days prior to the submission of the application and that certifies that the patient has been diagnosed with a qualifying medical condition.

(c) A patient's health care practitioner may submit a statement to the ~~Division of Medical Cannabis~~ office declaring that the patient is no longer diagnosed with a qualifying medical condition. Within 30 days after receipt of a statement from a patient's health care practitioner, the ~~Division of Medical Cannabis~~ office must provide written notice to a patient stating that the patient's enrollment in the registry program will be revoked in 30 days unless the patient submits a certification from a health care practitioner that the patient is currently diagnosed with a qualifying medical condition or, if the patient is a veteran, the patient submits confirmation that the patient is currently diagnosed with a qualifying medical condition in a form and manner consistent with the information required for an application made pursuant to subdivision 3. If the ~~Division of Medical Cannabis~~ office revokes a patient's enrollment in the registry program pursuant to this paragraph, the division must provide notice to the patient and to the patient's health care practitioner.

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

Sec. 95. Minnesota Statutes 2023 Supplement, section 342.52, subdivision 3, is amended to read:

Subd. 3. **Application procedure for veterans.** (a) The ~~Division of Medical Cannabis~~ office shall establish an alternative certification procedure for veterans who receive care from the United States Department of Veterans Affairs to confirm that the veteran has been diagnosed with a qualifying medical condition.

(b) A patient who is also a veteran and is seeking to enroll in the registry program must submit to the ~~Division of Medical Cannabis~~ office a copy of the patient's veteran health identification card issued by the United States Department of Veterans Affairs and an application established by the ~~Division of Medical Cannabis~~ that includes the information identified in subdivision 2, paragraph (a), and the additional information required by the ~~Division of Medical Cannabis~~ office to certify that the patient has been diagnosed with a qualifying medical condition.

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

Sec. 96. Minnesota Statutes 2023 Supplement, section 342.52, subdivision 4, is amended to read:

Subd. 4. **Enrollment; denial of enrollment; revocation.** (a) Within 30 days after the receipt of an application and certification or other documentation of a diagnosis with a qualifying medical condition, the ~~Division of Medical Cannabis~~ office must approve or deny a patient's enrollment in the registry program. If the ~~Division of Medical Cannabis~~ office approves a patient's enrollment in the registry program, the office must provide notice to the patient and to the patient's health care practitioner.

(b) The office may deny a patient's enrollment in the registry program ~~must only be denied only~~ if the patient:

(1) does not submit a certification from a health care practitioner or, if the patient is a veteran, the documentation required under subdivision 3 that the patient has been diagnosed with a qualifying medical condition;

(2) has not signed the disclosure required in subdivision 2;

(3) does not provide the information required by the ~~Division of Medical Cannabis~~ office;

(4) provided false information on the application; or

(5) at the time of application, is also enrolled in a federally approved clinical trial for the treatment of a qualifying medical condition with medical cannabis.

(c) If the ~~Division of Medical Cannabis~~ office denies a patient's enrollment in the registry program, the ~~Division of Medical Cannabis~~ office must provide written notice to a patient of all reasons for denying enrollment. Denial of enrollment in the registry program is considered a final decision of the office and is subject to judicial review under chapter 14.

(d) The office may revoke a patient's enrollment in the registry program ~~may be revoked~~ only:

(1) pursuant to subdivision 2, paragraph (c);

(2) upon the death of the patient;

(3) if the patient's certifying health care practitioner has filed a declaration under subdivision 2, paragraph (c), that the patient's qualifying diagnosis no longer exists and the patient does not submit another certification within 30 days;

(4) if the patient does not comply with subdivision 6; or

(5) if the patient intentionally sells or diverts ~~medical~~ cannabis flower or ~~medical~~ cannabinoid products in violation of this chapter.

(e) If the office has revoked a patient's enrollment in the registry program ~~has been revoked~~ due to a violation of subdivision 6, the patient may apply for enrollment 12 months after the date on which the patient's enrollment was revoked. The office must process such an application in accordance with this subdivision.

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

Sec. 97. Minnesota Statutes 2023 Supplement, section 342.52, subdivision 5, is amended to read:

Subd. 5. **Registry verification.** When a patient is enrolled in the registry program, the ~~Division of Medical Cannabis~~ office must assign the patient a patient registry number and must issue the patient and the patient's registered designated caregiver, parent, legal guardian, or spouse, if applicable, a registry verification. The ~~Division of Medical Cannabis~~ office must also make the registry verification available to ~~medical cannabis retailers~~ businesses with a medical cannabis retail endorsement. The registry verification must include:

- (1) the patient's name and date of birth;
- (2) the patient registry number assigned to the patient; and
- (3) the name and date of birth of the patient's registered designated caregiver, if any, or the name of the patient's parent, legal guardian, or spouse if the parent, legal guardian, or spouse will act as a caregiver.

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

Sec. 98. Minnesota Statutes 2023 Supplement, section 342.52, subdivision 9, is amended to read:

Subd. 9. **Registered designated caregiver.** (a) ~~The Division of Medical Cannabis office~~ must register a designated caregiver for a patient if the patient requires assistance in administering ~~medical~~ cannabis flower or ~~medical~~ cannabinoid products or in obtaining ~~medical~~ cannabis flower, ~~medical~~ cannabinoid products, or ~~medical~~ cannabis paraphernalia from a ~~medical~~ cannabis ~~retailer~~ business with a medical cannabis retail endorsement under section 342.51.

(b) In order to serve as a designated caregiver, a person must:

- (1) be at least 18 years of age;
- (2) agree to only possess ~~the patient's medical cannabis flower and medical cannabinoid products~~ purchased under section 342.51 for purposes of assisting the patient; and
- (3) agree that if the application is approved, the person will not serve as a registered designated caregiver for more than six registered patients at one time. Patients who reside in the same residence count as one patient.

~~(e) The office shall conduct a criminal background check on the designated caregiver prior to registration to ensure that the person does not have a conviction for a disqualifying felony offense. Any cost of the background check shall be paid by the person seeking registration as a designated caregiver. A designated caregiver must have the criminal background check renewed every two years.~~

~~(d)~~ (c) Nothing in this section shall be construed to prevent a registered designated caregiver from being enrolled in the registry program as a patient and possessing and administering ~~medical~~ cannabis flower or ~~medical~~ cannabinoid products as a patient.

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

Sec. 99. Minnesota Statutes 2023 Supplement, section 342.52, subdivision 11, is amended to read:

Subd. 11. **Notice of change of name or address.** Patients and registered designated caregivers must notify the ~~Division of Medical Cannabis office~~ of any address or name change within 30 days of the change having occurred. A patient or registered designated caregiver is subject to a \$100 fine for failure to notify the office of the change.

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

Sec. 100. Minnesota Statutes 2023 Supplement, section 342.53, is amended to read:

342.53 DUTIES OF OFFICE OF CANNABIS MANAGEMENT; ~~REGISTRY PROGRAM~~
ADDING OR MODIFYING QUALIFYING MEDICAL CONDITIONS.

The office may ~~add an allowable form of medical cannabinoid product, and may~~ add or modify a qualifying medical condition upon ~~its~~ the office's own initiative, upon a petition from a member of the public or from the Cannabis Advisory Council, or as directed by law. The office must evaluate all petitions and must make the addition or modification if the office determines that the addition or modification is warranted by the best available evidence and research. If the office wishes to ~~add an allowable form or~~ add or modify a qualifying medical condition, the office must notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health finance and policy by January 15 of the year in which the change becomes effective. In this notification, the office must specify the proposed addition or modification, the reasons for the addition or modification, any written comments received by the office from the public about the addition or modification, and any guidance received from the Cannabis Advisory Council. An addition or modification by the office under this subdivision becomes effective on August 1 of that year unless the legislature by law provides otherwise.

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

Sec. 101. Minnesota Statutes 2023 Supplement, section 342.54, is amended to read:

342.54 DUTIES OF ~~DIVISION OF MEDICAL CANNABIS~~ OFFICE OF CANNABIS
MANAGEMENT; MEDICAL CANNABIS PATIENT REGISTRY PROGRAM.

Subdivision 1. **Duties related to health care practitioners.** The ~~Division of Medical Cannabis~~ office must:

- (1) provide notice of the registry program to health care practitioners in the state;
- (2) allow health care practitioners to participate in the registry program if they request to participate and meet the program's requirements;
- (3) provide explanatory information and assistance to health care practitioners to understand the nature of the therapeutic use of ~~medical~~ cannabis flower and ~~medical~~ cannabinoid products within program requirements;
- (4) make available to participating health care practitioners a certification form in which a health care practitioner certifies that a patient has a qualifying medical condition; and
- (5) supervise the participation of health care practitioners in the registry reporting system in which health care practitioners report patient treatment and health records information to the office in a manner that ensures stringent security and record keeping requirements and that prevents the unauthorized release of private data on individuals as defined in section 13.02.

Subd. 2. **Duties related to the medical registry program.** The ~~Division of Medical Cannabis~~ office must:

- (1) administer the registry program according to section 342.52;
- (2) provide information to patients enrolled in the registry program on the existence of federally approved clinical trials for the treatment of the patient's qualifying medical condition with ~~medical~~ cannabis flower or ~~medical~~ cannabinoid products as an alternative to enrollment in the registry program;
- (3) maintain safety criteria with which patients must comply as a condition of participation in the registry program to prevent patients from undertaking any task under the influence of ~~medical~~ cannabis flower or ~~medical~~ cannabinoid products that would constitute negligence or professional malpractice;
- (4) review and publicly report on existing medical and scientific literature regarding the range of recommended dosages for each qualifying medical condition, the range of chemical compositions of ~~medical~~ cannabis flower and ~~medical~~ cannabinoid products that will likely be medically beneficial for each qualifying medical condition, and any risks of noncannabis drug interactions. This information must be updated by December 1 ~~of each year~~ every three years. The office may consult with an independent laboratory under contract with the office or other experts in reporting and updating this information; and
- (5) annually consult with cannabis businesses about medical cannabis that the businesses cultivate, manufacture, and offer for sale and post on the ~~Division of Medical Cannabis~~ office website a list of the ~~medical~~ cannabis flower and ~~medical~~ cannabinoid products offered for sale by each ~~medical~~ cannabis retailer.

Subd. 3. **Research.** (a) The ~~Division of Medical Cannabis~~ office must conduct or contract with a third party to conduct research and studies using data from health records submitted to the registry program under section 342.55, subdivision 2, and data submitted to the registry program under section 342.52, subdivisions 2 and 3. If the ~~division~~ office contracts with a third party for research and studies, the third party must provide the ~~division~~ office with access to all research and study results. The ~~division~~ office must submit reports on intermediate or final research results to the legislature and major scientific journals. All data used by the ~~division~~ office or a third party under this subdivision must be used or reported in an aggregated nonidentifiable form as part of a scientific peer-reviewed publication of research or in the creation of summary data, as defined in section 13.02, subdivision 19.

(b) The ~~Division of Medical Cannabis~~ office may submit medical research based on the data collected under sections 342.55, subdivision 2, and data collected through the statewide monitoring system to any federal agency with regulatory or enforcement authority over ~~medical~~ cannabis flower and ~~medical~~ cannabinoid products to demonstrate the effectiveness of ~~medical~~ cannabis flower or ~~medical~~ cannabinoid products for treating or alleviating the symptoms of a qualifying medical condition.

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

Sec. 102. Minnesota Statutes 2023 Supplement, section 342.55, subdivision 1, is amended to read:

Subdivision 1. **Health care practitioner duties before patient enrollment.** Before a patient's enrollment in the registry program, a health care practitioner must:

(1) determine, in the health care practitioner's medical judgment, whether a patient has a qualifying medical condition and, if so determined, provide the patient with a certification of that diagnosis;

(2) advise patients, registered designated caregivers, and parents, legal guardians, and spouses acting as caregivers of any nonprofit patient support groups or organizations;

(3) provide to patients explanatory information from the ~~Division of Medical Cannabis~~ office, including information about the experimental nature of the therapeutic use of ~~medical~~ cannabis flower and ~~medical~~ cannabinoid products; the possible risks, benefits, and side effects of the proposed treatment; and the application and other materials from the office;

(4) provide to patients a Tennessee warning as required under section 13.04, subdivision 2; and

(5) agree to continue treatment of the patient's qualifying medical condition and to report findings to the ~~Division of Medical Cannabis~~ office.

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

Sec. 103. Minnesota Statutes 2023 Supplement, section 342.55, subdivision 2, is amended to read:

Subd. 2. **Duties upon patient's enrollment in registry program.** Upon receiving notification from the ~~Division of Medical Cannabis~~ office of the patient's enrollment in the registry program, a health care practitioner must:

(1) participate in the patient registry reporting system under the guidance and supervision of the ~~Division of Medical Cannabis~~ office;

(2) report to the ~~Division of Medical Cannabis~~ office patient health records throughout the patient's ongoing treatment in a manner determined by the office and in accordance with subdivision 4;

(3) determine ~~on a yearly basis~~ every three years if the patient continues to have a qualifying medical condition and, if so, issue the patient a new certification of that diagnosis. The patient assessment conducted under this clause may be conducted via telehealth, as defined in section 62A.673, subdivision 2; and

(4) otherwise comply with requirements established by the office of Cannabis Management and the ~~Division of Medical Cannabis~~.

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

Sec. 104. Minnesota Statutes 2023 Supplement, section 342.56, subdivision 1, is amended to read:

Subdivision 1. **Limitations on consumption; locations of consumption.** (a) Nothing in sections 342.47, 342.51 to 342.60 permits any person to engage in, and does not prevent the imposition of any civil, criminal, or other penalties for:

(1) undertaking a task under the influence of ~~medical~~ cannabis flower or ~~medical~~ cannabinoid products that would constitute negligence or professional malpractice;

(2) possessing or consuming ~~medical~~ cannabis flower or ~~medical~~ cannabinoid products:

(i) on a school bus or van;

(ii) in a correctional facility;

(iii) in a state-operated treatment program, including the Minnesota sex offender program; or

(iv) on the grounds of a child care facility or family or group family day care program;

(3) vaporizing or smoking medical cannabis:

(i) on any form of public transportation;

(ii) where the vapor would be inhaled by a nonpatient minor or where the smoke would be inhaled by a minor; or

(iii) in any public place, including any indoor or outdoor area used by or open to the general public or a place of employment, as defined in section 144.413, subdivision 1b; and

(4) operating, navigating, or being in actual physical control of a motor vehicle, aircraft, train, or motorboat or working on transportation property, equipment, or facilities while under the influence of ~~medical~~ cannabis flower or a ~~medical~~ cannabinoid product.

(b) Except for the use of ~~medical~~ cannabis flower or ~~medical~~ cannabinoid products by a patient enrolled in the patient registry program under section 342.52, the vaporizing or smoking of cannabis flower, cannabis products, artificially derived cannabinoids, or hemp-derived consumer products is prohibited in a multifamily housing building, including balconies and patios appurtenant thereto. A violation of this paragraph is punishable through a civil administrative fine in an amount of \$250.

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

Sec. 105. Minnesota Statutes 2023 Supplement, section 342.56, subdivision 2, is amended to read:

Subd. 2. **Health care facilities.** (a) Health care facilities licensed under chapter 144A; hospice providers licensed under chapter 144A; boarding care homes or supervised living facilities licensed under section 144.50; assisted living facilities under chapter 144G; facilities owned, controlled, managed, or under common control with hospitals licensed under chapter 144; and other health care facilities licensed by the commissioner of health or the commissioner of human services may adopt reasonable restrictions on the use of ~~medical~~ cannabis flower or ~~medical~~ cannabinoid products by a patient enrolled in the registry program who resides at or is actively receiving treatment or care at the facility. The restrictions may include a provision that the facility must not store or maintain

a patient's supply of ~~medical~~ cannabis flower or ~~medical~~ cannabinoid products on behalf of the patient; that a patient store the patient's supply of ~~medical~~ cannabis flower or medicinal cannabinoid products in a locked container accessible only to the patient, the patient's designated caregiver, or the patient's parent, legal guardian, or spouse; that the facility is not responsible for providing medical cannabis for patients; and that ~~medical~~ cannabis flower or ~~medical~~ cannabinoid products are used only in a location specified by the facility or provider. Nothing in this subdivision requires facilities and providers listed in this subdivision to adopt such restrictions.

(b) No facility or provider listed in this subdivision may unreasonably limit a patient's access to or use of ~~medical~~ cannabis flower or ~~medical~~ cannabinoid products to the extent that such use is authorized under sections ~~342.47~~ 342.51 to 342.59. No facility or provider listed in this subdivision may prohibit a patient access to or use of ~~medical~~ cannabis flower or ~~medical~~ cannabinoid products due solely to the fact that cannabis is a Schedule I drug pursuant to the federal Uniform Controlled Substances Act. If a federal regulatory agency, the United States Department of Justice, or the federal Centers for Medicare and Medicaid Services takes one of the following actions, a facility or provider may suspend compliance with this paragraph until the regulatory agency, the United States Department of Justice, or the federal Centers for Medicare and Medicaid Services notifies the facility or provider that it may resume permitting the use of ~~medical~~ cannabis flower or ~~medical~~ cannabinoid products within the facility or in the provider's service setting:

(1) a federal regulatory agency or the United States Department of Justice initiates enforcement action against a facility or provider related to the facility's compliance with the medical cannabis program; or

(2) a federal regulatory agency, the United States Department of Justice, or the federal Centers for Medicare and Medicaid Services issues a rule or otherwise provides notification to the facility or provider that expressly prohibits the use of medical cannabis in health care facilities or otherwise prohibits compliance with the medical cannabis program.

(c) An employee or agent of a facility or provider listed in this subdivision or a person licensed under chapter 144E is not violating this chapter or chapter 152 for the possession of ~~medical~~ cannabis flower or ~~medical~~ cannabinoid products while carrying out employment duties, including providing or supervising care to a patient enrolled in the registry program, or distribution of ~~medical~~ cannabis flower or ~~medical~~ cannabinoid products to a patient enrolled in the registry program who resides at or is actively receiving treatment or care at the facility or from the provider with which the employee or agent is affiliated.

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

Sec. 106. Minnesota Statutes 2023 Supplement, section 342.57, subdivision 1, is amended to read:

Subdivision 1. **Presumption.** There is a presumption that a patient or other person enrolled in the registry program is engaged in the authorized use or possession of ~~medical~~ cannabis flower and ~~medical~~ cannabinoid products. This presumption may be rebutted by evidence that the patient's use of medical cannabis flower or medical cannabinoid products use or possession of cannabis flower or cannabinoid products by a patient or other person enrolled in the registry program was not for

the purpose of assisting with, treating, or alleviating the patient's or other person's qualifying medical condition or symptoms associated with the patient's or other person's qualifying medical condition.

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

Sec. 107. Minnesota Statutes 2023 Supplement, section 342.57, subdivision 2, is amended to read:

Subd. 2. **Criminal and civil protections.** (a) Subject to section 342.56, the use or possession of cannabis flower, cannabinoid products, or cannabis paraphernalia by the following ~~are~~ persons is not ~~violations~~ a violation of this chapter or chapter 152:

(1) ~~use or possession of medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia~~ by a patient or person enrolled in the registry program or by a visiting patient to whom ~~medical~~ cannabis flower or ~~medical~~ cannabinoid products are distributed under section 342.51, subdivision 5;

(2) ~~possession of medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia~~ by a registered designated caregiver or a parent, legal guardian, or spouse of a patient or person enrolled in the registry program; or

(3) ~~possession of medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia~~ by any person while that person is carrying out duties required under sections ~~342.47~~ 342.51 to 342.60.

(b) ~~The office of Cannabis Management, members of the Cannabis Advisory Council, office of Cannabis Management employees, agents or contractors of the office of Cannabis Management,~~ and health care practitioners participating in the registry program are not subject to any civil penalties or disciplinary action by the Board of Medical Practice, the Board of Nursing, or any business, occupational, or professional licensing board or entity solely for participating in the registry program either in a professional capacity or as a patient. A pharmacist licensed under chapter 151 is not subject to any civil penalties or disciplinary action by the Board of Pharmacy when acting in accordance with sections ~~342.47~~ 342.51 to 342.60 either in a professional capacity or as a patient. Nothing in this section prohibits a professional licensing board from taking action in response to a violation of law.

(c) Notwithstanding any law to the contrary, a Cannabis Advisory Council member, the governor, or an employee of a state agency must not be held civilly or criminally liable for any injury, loss of property, personal injury, or death caused by any act or omission while acting within the scope of office or employment under sections ~~342.47~~ 342.51 to 342.60.

(d) Federal, state, and local law enforcement authorities are prohibited from accessing the registry except when acting pursuant to a valid search warrant. Notwithstanding section 13.09, a violation of this paragraph is a gross misdemeanor.

(e) Notwithstanding any law to the contrary, the office and employees of the office must not release data or information about an individual contained in any report or document or in the registry and must not release data or information obtained about a patient enrolled in the registry program,

except as provided in sections ~~342.47~~ 342.51 to 342.60. Notwithstanding section 13.09, a violation of this paragraph is a gross misdemeanor.

(f) No information contained in a report or document, contained in the registry, or obtained from a patient under sections ~~342.47~~ 342.51 to 342.60 may be admitted as evidence in a criminal proceeding, unless:

(1) the information is independently obtained; or

(2) admission of the information is sought in a criminal proceeding involving a criminal violation of sections ~~342.47~~ 342.51 to 342.60.

(g) Possession of a registry verification or an application for enrollment in the registry program:

(1) does not constitute probable cause or reasonable suspicion;

(2) must not be used to support a search of the person or property of the person with a registry verification or application to enroll in the registry program; and

(3) must not subject the person or the property of the person to inspection by any government agency.

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

Sec. 108. Minnesota Statutes 2023 Supplement, section 342.57, subdivision 3, is amended to read:

Subd. 3. **School enrollment; rental property.** (a) No school may refuse to enroll or otherwise penalize a patient or person enrolled in the registry program as a pupil or otherwise penalize a patient solely because the patient or person is enrolled in the registry program, unless failing to do so would violate federal law or regulations or cause the school to lose a monetary or licensing-related benefit under federal law or regulations.

(b) No landlord may refuse to lease to a patient or person enrolled in the registry program or otherwise penalize a patient or person enrolled in the registry program solely because the patient or person is enrolled in the registry program, unless failing to do so would violate federal law or regulations or cause the landlord to lose a monetary or licensing-related benefit under federal law or regulations.

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

Sec. 109. Minnesota Statutes 2023 Supplement, section 342.57, subdivision 4, is amended to read:

Subd. 4. **Medical care.** For purposes of medical care, including organ transplants, a patient's use of medical cannabis flower or medical cannabinoid products according to sections ~~342.47~~ 342.51 to 342.60 is considered the equivalent of the authorized use of a medication used at the discretion of a health care practitioner and does not disqualify a patient from needed medical care.

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

Sec. 110. Minnesota Statutes 2023 Supplement, section 342.57, subdivision 5, is amended to read:

Subd. 5. **Employment.** (a) Unless a failure to do so would violate federal or state law or regulations or cause an employer to lose a monetary or licensing-related benefit under federal law or regulations, an employer may not discriminate against a person in hiring, termination, or any term or condition of employment, or otherwise penalize a person, if the discrimination is based on:

(1) the person's status as a patient or person enrolled in the registry program; or

(2) a patient's positive drug test for cannabis components or metabolites, unless the patient used, possessed, sold, transported, or was impaired by ~~medical~~ cannabis flower or a ~~medical~~ cannabinoid product on work premises, during working hours, or while operating an employer's machinery, vehicle, or equipment.

(b) An employee who is a patient and whose employer requires the employee to undergo drug testing according to section 181.953 may present the employee's registry verification as part of the employee's explanation under section 181.953, subdivision 6.

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

Sec. 111. Minnesota Statutes 2023 Supplement, section 342.57, subdivision 6, is amended to read:

Subd. 6. **Custody; visitation; parenting time.** A person must not be denied custody of a minor child or visitation rights or parenting time with a minor child based solely on the person's status as a patient or person enrolled in the registry program. There must be no presumption of neglect or child endangerment for conduct allowed under sections ~~342.47~~ 342.51 to 342.60, unless the person's behavior creates an unreasonable danger to the safety of the minor as established by clear and convincing evidence.

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

Sec. 112. Minnesota Statutes 2023 Supplement, section 342.57, subdivision 7, is amended to read:

Subd. 7. **Action for damages.** In addition to any other remedy provided by law, a patient or person enrolled in the registry program may bring an action for damages against any person who violates subdivision 3, 4, or 5. A person who violates subdivision 3, 4, or 5 is liable to a patient or person enrolled in the registry program injured by the violation for the greater of the person's actual damages or a civil penalty of \$100 and reasonable attorney fees.

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

Sec. 113. Minnesota Statutes 2023 Supplement, section 342.58, is amended to read:

342.58 VIOLATION BY HEALTH CARE PRACTITIONER; CRIMINAL PENALTY.

A health care practitioner who knowingly refers patients to a medical cannabis business or to a designated caregiver, who advertises as a retailer or producer of ~~medical~~ cannabis flower or ~~medical~~

cannabinoid products, or who issues certifications while holding a financial interest in a cannabis retailer or medical cannabis business is guilty of a misdemeanor and may be sentenced to imprisonment for not more than 90 days or to payment of not more than \$1,000, or both.

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

Sec. 114. Minnesota Statutes 2023 Supplement, section 342.60, is amended to read:

342.60 APPLIED RESEARCH.

The ~~Division of Medical Cannabis~~ office may conduct, or award grants to health care providers or research organizations to conduct, applied research on the safety and efficacy of using ~~medical~~ cannabis flower or ~~medical~~ cannabinoid products to treat a specific health condition. A health care provider or research organization receiving a grant under this section must provide the office with access to all data collected in applied research funded under this section. The office may use data from applied research conducted or funded under this section as evidence to approve additional qualifying medical conditions ~~or additional allowable forms of medical cannabis~~.

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

Sec. 115. Minnesota Statutes 2023 Supplement, section 342.61, subdivision 4, is amended to read:

Subd. 4. **Testing of samples; disclosures.** (a) On a schedule determined by the office, every cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, ~~medical cannabis cultivator, medical cannabis processor,~~ or medical cannabis combination business shall make each batch of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products grown, manufactured, or imported by the cannabis business or hemp business available to a cannabis testing facility.

(b) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, ~~medical cannabis cultivator, medical cannabis processor,~~ or medical cannabis combination business must disclose all known information regarding pesticides, fertilizers, solvents, or other foreign materials, including but not limited to catalysts used in creating artificially derived cannabinoids, applied or added to the batch of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products subject to testing. Disclosure must be made to the cannabis testing facility and must include information about all applications by any person, whether intentional or accidental.

(c) The cannabis testing facility shall select one or more representative samples from each batch, test the samples for the presence of contaminants, and test the samples for potency and homogeneity and to allow the cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product to be accurately labeled with its cannabinoid profile. Testing for contaminants must include testing for residual solvents, foreign material, microbiological contaminants, heavy metals, pesticide residue, mycotoxins, and any items identified pursuant to paragraph (b), and may include testing for other contaminants. A cannabis testing facility must

destroy or return to the cannabis business or hemp business any part of the sample that remains after testing.

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

Sec. 116. Minnesota Statutes 2023 Supplement, section 342.61, subdivision 5, is amended to read:

Subd. 5. **Test results.** (a) If a sample meets the applicable testing standards, a cannabis testing facility shall issue a certification to a cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, ~~medical cannabis cultivator, medical cannabis processor,~~ or medical cannabis combination business and the cannabis business or hemp business may then sell or transfer the batch of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products from which the sample was taken to another cannabis business or hemp business, or offer the cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products for sale to customers or patients. If a sample does not meet the applicable testing standards or if the testing facility is unable to test for a substance identified pursuant to subdivision 4, paragraph (b), the batch from which the sample was taken shall be subject to procedures established by the office for such batches, including destruction, remediation, or retesting.

(b) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, ~~medical cannabis cultivator, medical cannabis processor,~~ or medical cannabis combination business must maintain the test results for cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products grown, manufactured, or imported by that cannabis business or hemp business for at least five years after the date of testing.

(c) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, ~~medical cannabis cultivator, medical cannabis processor,~~ or medical cannabis combination business shall make test results maintained by that cannabis business or hemp business available for review by any member of the public, upon request. Test results made available to the public must be in plain language.

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

Sec. 117. Minnesota Statutes 2023 Supplement, section 342.62, is amended by adding a subdivision to read:

Subd. 4. **Prohibition of the sale of certain empty packaging.** No person shall sell, offer for sale, or facilitate the sale of empty packaging that, if used, would be a violation of any provision of this section. Enforcement of this subdivision is subject to section 8.31.

Sec. 118. Minnesota Statutes 2023 Supplement, section 342.63, subdivision 2, is amended to read:

Subd. 2. **Content of label; cannabis.** All cannabis flower and hemp-derived consumer products that consist of hemp plant parts sold to customers or patients must have affixed on the packaging or container of the cannabis flower or hemp-derived consumer product a label that contains at least the following information:

(1) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, ~~medical cannabis cultivator~~, or industrial hemp grower where the cannabis flower or hemp plant part was cultivated;

(2) the net weight or volume of cannabis flower or hemp plant parts in the package or container;

(3) the batch number;

(4) the cannabinoid profile;

(5) a universal symbol established by the office indicating that the package or container contains cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(6) verification that the cannabis flower or hemp plant part was tested according to section 342.61 and that the cannabis flower or hemp plant part complies with the applicable standards;

~~(7) the maximum dose, quantity, or consumption that may be considered medically safe within a 24-hour period;~~

(7) information on the usage of the cannabis flower or hemp-derived consumer product;

(8) the following statement: "Keep this product out of reach of children."; and

(9) any other statements or information required by the office.

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

Sec. 119. Minnesota Statutes 2023 Supplement, section 342.63, subdivision 3, is amended to read:

Subd. 3. **Content of label; cannabinoid products.** (a) All cannabis products, lower-potency hemp edibles, hemp-derived consumer products other than products subject to the requirements under subdivision 2, ~~medical~~ cannabinoid products, and hemp-derived topical products sold to customers or patients must have affixed to the packaging or container of the cannabis product a label that contains at least the following information:

(1) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, ~~medical cannabis cultivator~~, or industrial hemp grower that cultivated the cannabis flower or hemp plant parts used in the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or ~~medical~~ cannabinoid product;

(2) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, lower-potency hemp edible manufacturer, ~~medical cannabis processor~~, or industrial hemp grower that manufactured the cannabis concentrate, hemp concentrate, or artificially

derived cannabinoid and, if different, the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, or lower-potency hemp edible manufacturer, ~~or medical cannabis processor~~ that manufactured the product;

(3) the net weight or volume of the cannabis product, lower-potency hemp edible, or hemp-derived consumer product in the package or container;

(4) the type of cannabis product, lower-potency hemp edible, or hemp-derived consumer product;

(5) the batch number;

(6) the serving size;

(7) the cannabinoid profile per serving and in total;

(8) a list of ingredients;

(9) a universal symbol established by the office indicating that the package or container contains cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(10) a warning symbol developed by the office in consultation with the commissioner of health and the Minnesota Poison Control System that:

(i) is at least three-quarters of an inch tall and six-tenths of an inch wide;

(ii) is in a highly visible color;

(iii) includes a visual element that is commonly understood to mean a person should stop;

(iv) indicates that the product is not for children; and

(v) includes the phone number of the Minnesota Poison Control System;

(11) verification that the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or ~~medical~~ cannabinoid product was tested according to section 342.61 and that the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or ~~medical~~ cannabinoid product complies with the applicable standards;

~~(12) the maximum dose, quantity, or consumption that may be considered medically safe within a 24-hour period;~~

(12) information on the usage of the product;

(13) the following statement: "Keep this product out of reach of children."; and

(14) any other statements or information required by the office.

(b) The office may by rule establish alternative labeling requirements for lower-potency hemp edibles that are imported into the state provided that those requirements provide consumers with information that is substantially similar to the information described in paragraph (a).

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

Sec. 120. Minnesota Statutes 2023 Supplement, section 342.63, subdivision 4, is amended to read:

Subd. 4. **Additional content of label; ~~medical~~ cannabis flower and ~~medical~~ cannabinoid products.** In addition to the applicable requirements for labeling under subdivision 2 or 3, all ~~medical~~ cannabis flower sold to patients and ~~medical~~ cannabinoid products sold to patients must include at least the following information on the label affixed to the packaging or container of the ~~medical~~ cannabis flower or ~~medical~~ cannabinoid product:

- (1) the patient's name and date of birth;
- (2) the name and date of birth of the patient's registered designated caregiver or, if listed on the registry verification, the name of the patient's parent, legal guardian, or spouse, if applicable; and
- (3) the patient's registry identification number.

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

Sec. 121. Minnesota Statutes 2023 Supplement, section 342.63, subdivision 6, is amended to read:

Subd. 6. **Additional information.** (a) A cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, ~~medical cannabis retailer~~, or medical cannabis combination business must provide customers and patients with the following information:

- (1) factual information about impairment effects and the expected timing of impairment effects, side effects, adverse effects, and health risks of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;
- (2) a statement that customers and patients must not operate a motor vehicle or heavy machinery while under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;
- (3) resources customers and patients may consult to answer questions about cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products, and any side effects and adverse effects;
- (4) contact information for the poison control center and a safety hotline or website for customers to report and obtain advice about side effects and adverse effects of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;
- (5) substance use disorder treatment options; and
- (6) any other information specified by the office.

(b) A cannabis microbusiness, cannabis mezzobusiness, or cannabis retailer, ~~or medical cannabis retailer~~ may include the information described in paragraph (a) on the label affixed to the packaging

or container of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products by:

(1) posting the information in the premises of the cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, ~~medical cannabis retailer~~, or medical cannabis combination business; or

(2) providing the information on a separate document or pamphlet provided to customers or patients when the customer purchases cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product.

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

Sec. 122. Laws 2023, chapter 63, article 1, section 2, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective July 1, 2023, ~~except for subdivision 3, which is effective March 1, 2025.~~

Sec. 123. Laws 2023, chapter 63, article 1, section 51, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~March 1, 2025~~ the day following final enactment.

Sec. 124. Laws 2023, chapter 63, article 1, section 52, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~March 1, 2025~~ the day following final enactment.

Sec. 125. Laws 2023, chapter 63, article 1, section 53, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~March 1, 2025~~ July 1, 2024.

Sec. 126. Laws 2023, chapter 63, article 1, section 54, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~March 1, 2025~~ July 1, 2024.

Sec. 127. Laws 2023, chapter 63, article 1, section 55, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~March 1, 2025~~ July 1, 2024.

Sec. 128. Laws 2023, chapter 63, article 1, section 56, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~March 1, 2025~~ July 1, 2024.

Sec. 129. Laws 2023, chapter 63, article 1, section 57, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~March 1, 2025~~ July 1, 2024.

Sec. 130. Laws 2023, chapter 63, article 1, section 58, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~March 1, 2025~~ July 1, 2024.

Sec. 131. Laws 2023, chapter 63, article 1, section 59, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~March 1, 2025~~ July 1, 2024.

Sec. 132. Laws 2023, chapter 63, article 1, section 61, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~March 1, 2025~~ July 1, 2024.

Sec. 133. Laws 2023, chapter 63, article 6, section 10, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~March~~ July 1, 2025 2024.

Sec. 134. Laws 2023, chapter 63, article 6, section 73, the effective date, is amended to read:

EFFECTIVE DATE. ~~Paragraph (a) is effective March 1, 2025. Paragraph (b) is effective August 1, 2023. Paragraph (c) is effective July 1, 2023.~~ This section is effective July 1, 2024.

Sec. 135. **EMPLOYEE TRANSFER.**

(a) The powers, duties, rights, obligations, and other authority imposed by law on the Department of Health with respect to the sale of certain cannabinoid products under Minnesota Statutes, section 151.72, are transferred to the Office of Cannabis Management under Minnesota Statutes, section 15.039.

(b) The following protections shall apply to employees who are transferred from the Department of Health to the Office of Cannabis Management:

(1) the employment status and job classification of a transferred employee shall not be altered as a result of the transfer;

(2) transferred employees who were represented by an exclusive representative prior to the transfer shall continue to be represented by the same exclusive representative after the transfer;

(3) the applicable collective bargaining agreements with exclusive representatives shall continue in full force and effect for such transferred employees after the transfer;

(4) the state must meet and negotiate with the exclusive representatives of the transferred employees about any proposed changes affecting or relating to the transferred employees' terms and conditions of employment to the extent such changes are not addressed in the applicable collective bargaining agreement; and

(5) for an employee in a temporary unclassified position transferred to the Office of Cannabis Management, the total length of time that the employee has served in the appointment shall include all time served in the appointment at the transferring agency and the time served in the appointment at the Office of Cannabis Management. An employee in a temporary unclassified position who was hired by a transferring agency through an open competitive selection process in accordance with a policy enacted by Minnesota Management and Budget shall be considered to have been hired through such process after the transfer.

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

Sec. 136. **LICENSE PREAPPROVAL.**

Subdivision 1. **Establishment.** Prior to the adoption of initial rules pursuant to Minnesota Statutes, section 342.02, subdivision 5, the Office of Cannabis Management may issue license preapprovals to social equity applicants and local units of government as described in this section. For purposes of this section, "office" means the Office of Cannabis Management.

Subd. 2. **Notice.** The office must announce the commencement of a license preapproval application period at least 14 days before the date that the office begins accepting applications. The announcement must include:

- (1) the types of license preapprovals that are available;
- (2) the number of license preapprovals available by license type;
- (3) the date on which the application period will begin; and
- (4) the date on which the application period will end.

Subd. 3. **Application requirements.** Only a social equity applicant as described in Minnesota Statutes, section 342.17, or a local unit of government is eligible for a license preapproval. The office shall not require an applicant to have legal control of a premises to operate a cannabis business at the time of the initial application. An applicant for license preapproval must complete an initial application according to Minnesota Statutes, section 342.14, subdivision 1, on a form approved by the office and pay the application fee required by Minnesota Statutes, section 342.11, paragraph (b), to the office.

Subd. 4. **Application review.** (a) The office must accept applications for license preapproval for 30 calendar days during the application period. As part of the application process, the office must verify the applicant's status as a social equity applicant.

(b) The office may deny an application that:

- (1) is incomplete;
- (2) contains a materially false statement about the applicant;
- (3) omits material information about the applicant;
- (4) fails to meet the minimum qualifications in Minnesota Statutes, section 342.18, subdivision 3, for a license; or
- (5) is not submitted by the application deadline.

(c) The office may request additional information from an applicant if the office determines that the information is necessary to review or process the application. If the applicant does not provide the additional requested information within 14 calendar days, the office may deny the application.

(d) The office may not issue a license preapproval in violation of Minnesota Statutes, section 342.18, subdivision 2.

Subd. 5. **Lottery.** (a) If the number of available license preapprovals is less than the number of qualified social equity applicants, the office must conduct a lottery. The lottery must be impartial, random, and in a format determined by the office. The office shall issue no more than the following number of license preapprovals per application period:

- (1) cannabis microbusiness licenses, 100;
- (2) cannabis mezzobusiness licenses, 15;
- (3) cannabis cultivator licenses, 11;
- (4) cannabis manufacturer licenses, six;
- (5) cannabis retailer licenses, 50;
- (6) cannabis wholesaler licenses, 20;
- (7) cannabis transporter licenses, 20;
- (8) cannabis testing facility licenses, 25;
- (9) cannabis event organizer licenses, ten; and
- (10) cannabis delivery service licenses, ten.

(b) Of the available license preapprovals listed in paragraph (a), the following number of license preapprovals will be available for applicants that notify the office they will apply for a medical retail endorsement and serve the medical registry market for at least three years:

- (1) cannabis microbusiness, 20;
- (2) cannabis mezzobusiness, three; and
- (3) cannabis retailer, ten.

Failure to receive a medical retail endorsement or to serve the medical registry market for at least three years will result in a revocation of license.

(c) The office shall only issue a license preapproval to a local unit of government if, after issuing license preapprovals to social equity applicants, there are remaining license preapprovals available. A license preapproval held by a local unit of government must not count towards the limited number of licenses issued by a local government unit under Minnesota Statutes, section 342.13.

(d) The office must retain applications not selected for a license preapproval and include them in subsequent lotteries for one year unless the applicant requests to be removed from consideration or, if the applicant is a business entity, any cooperative member or director, manager, or general partner of the business entity that has violated this chapter.

Subd. 6. **Preapproval authority and restrictions.** (a) Once the office issues a license preapproval to an applicant, the license preapproval is effective for 18 months after the date of issuance or until

it is converted to a full license, whichever is shorter. The holder of a license preapproval may take the necessary steps to prepare for business operations, including:

(1) establishing legal control of the site of the cannabis business;

(2) gaining zoning or planning approval for the site of the cannabis business from a local unit of government; and

(3) raising capital for the license holder's business operations.

(b) The holder of a license preapproval shall not:

(1) engage in purchasing, possessing, cultivating, manufacturing, or selling cannabis or cannabis products;

(2) grow, process, distribute, dispense, or otherwise handle cannabis;

(3) make any change or transfer of ownership or control that would require a new business registration with the secretary of state; or

(4) make any transfer of ownership interest that causes the holder of the license preapproval to no longer qualify as a social equity applicant as defined in Minnesota Statutes, section 342.17.

Subd. 7. **Conversion to a full license.** The office must convert a license preapproval into a full license at no cost to the applicant after the office adopts initial rules pursuant to Minnesota Statutes, section 342.02, subdivision 5, unless the cannabis business does not meet local zoning and land use laws. A license that is converted from a license preapproval according to this subdivision expires 18 months after the date of the conversion to a full license.

Subd. 8. **Enforcement and revocation.** (a) The office may rescind a social equity applicant's status as a selected lottery applicant if:

(1) there are grounds for revocation under Minnesota Statutes, section 342.21;

(2) the applicant is disqualified under Minnesota Statutes section 342.15; or

(3) the applicant is determined to be in arrears on property, business, or personal taxes.

(b) The office may revoke a license preapproval if the holder of the license preapproval or, if the license holder is a business entity, any cooperative member or director, manager, or general partner of the business entity:

(1) fraudulently or deceptively obtained the license preapproval;

(2) fails to reveal any material fact pertaining to the licensee's qualification for a license;

(3) violates this chapter;

(4) is not registered or in good standing with the Office of the Secretary of State; or

(5) is in arrears on property, business, or personal taxes.

Subd. 9. **Applicants; right to a reconsideration.** (a) If the office denies an application for a license preapproval or removes an application from a lottery, the applicant may request a records review of the submitted application materials within seven calendar days of receiving notification that the office denied the application.

(b) Upon an applicant's request, the office must allow the applicant to examine the applicant's records received by the office.

(c) A person whose license preapproval is later revoked by the office may request reconsideration by the director.

(d) A person whose application is denied, removed from a lottery, or not selected in a lottery may not appeal or request a hearing.

Subd. 10. **Retention of applications.** The office must retain an application that was not selected in a lottery for one year. The retained application may be entered into subsequent lotteries during that time.

Subd. 11. **Expiration.** This section expires when the office adopts initial rules pursuant to Minnesota Statutes, section 342.02, subdivision 5.

EFFECTIVE DATE. This section is effective the day following final enactment and expires when the office adopts initial rules pursuant to Minnesota Statutes, section 342.02, subdivision 5.

Sec. 137. **EARLY CULTIVATION.**

(a) The Office of Cannabis Management may authorize a social equity applicant with a license preapproval for a cannabis microbusiness license, cannabis mezzobusiness license, or cannabis cultivator license, who has provided a certificate from the applicable local unit of government that states the social equity applicant is in compliance with local zoning ordinances and state fire and building codes, to grow cannabis plants within the approved amount of space from seed or immature plant.

(b) The office shall require a person cultivating cannabis plants under this section to comply with any relevant portions of Minnesota Rules, parts 4770.0100 to 4770.4030.

(c) The office shall establish temporary guidelines through agency policy. Temporary guidelines expire when the office adopts initial rules pursuant to Minnesota Statutes, section 342.02, subdivision 5.

Sec. 138. **TRANSFER OF ACTIVE AND INACTIVE COMPLAINTS.**

The Department of Health shall transfer all data, including not public data as defined in Minnesota Statutes, section 13.02, subdivision 8a, on active complaints and inactive complaints involving alleged violations of Minnesota Statutes 2022, section 151.72, as well as registration data collected under Minnesota Statutes 2022, section 151.72, subdivision 5b, to the Office of Cannabis Management. The Department of Health and the Office of Cannabis Management shall ensure that the transfer takes place in a manner and on a schedule that prioritizes public health.

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

Sec. 139. **TRANSFER OF MEDICAL PROGRAM.**

(a) Notwithstanding the data's classification under Minnesota Statutes, chapter 13, the Office of Cannabis Management may access data maintained by the commissioner of health related to the responsibilities transferred under Minnesota Statutes, section 342.02, subdivision 3. Data sharing authorized by this subdivision includes nonpublic data as defined in Minnesota Statutes, section 13.02, subdivision 8a, on active complaints and inactive complaints involving any alleged violation of Minnesota Statutes, sections 152.22 to 152.37, by a medical cannabis manufacturer. Data sharing under this paragraph further includes data in patient files maintained by the commissioner and the health care practitioner and data submitted to or by a medical cannabis manufacturer classified as private data on individuals, as defined in Minnesota Statutes, section 13.02, subdivision 12, or nonpublic data, as defined in Minnesota Statutes, section 13.02, subdivision 9. Any data shared under this section retain the data's classification from the agency holding the data.

(b) All rules adopted by the commissioner of health pursuant to Minnesota Statutes, sections 152.22 to 152.37, including but not limited to Minnesota Rules, chapter 4770, remain effective and shall be enforced until amended or repealed consistent with Minnesota Statutes, section 15.039, subdivision 3.

(c) The director of the Office of Cannabis Management may use the good cause exempt rulemaking process under Minnesota Statutes, section 14.388, subdivision 1, clauses (3) and (4), to copy and adopt any portions of Minnesota Rules, parts 4770.0100 to 4770.4030, that are necessary to effectuate the transfer of authority granted under Minnesota Statutes, section 342.02, subdivision 3. The commissioner may make technical changes and any changes necessary to conform with the transfer of authority. Any change to the rules that is not authorized under this paragraph must be adopted according to Minnesota Statutes, sections 14.001 to 14.366.

(d) Unless otherwise specified in this section or Minnesota Statutes, section 342.02, subdivision 3, transfer of the powers, duties, rights, obligations, and other authority imposed by law on the Department of Health with respect to the medical cannabis program under Minnesota Statutes 2022, sections 152.22 to 152.37, to the Office of Cannabis Management is subject to Minnesota Statutes, section 15.039.

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

Sec. 140. **REPEALER.**

(a) Minnesota Statutes 2023 Supplement, sections 342.01, subdivisions 28, 52, 53, 54, and 55; 342.27, subdivision 13; and 342.29, subdivision 9, are repealed.

(b) Minnesota Statutes 2023 Supplement, sections 342.47; 342.48; 342.49; 342.50; and 342.52, subdivision 8, are repealed.

(c) Laws 2023, chapter 63, article 7, sections 4; and 6, are repealed.

(d) Minnesota Statutes 2022, sections 152.22, subdivision 3; and 152.36, are repealed.

EFFECTIVE DATE. Paragraphs (a) and (b) are effective the day following final enactment. Paragraphs (c) and (d) are effective July 1, 2024."

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 3887 and 4643 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 4993 and 4757 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Gustafson introduced--

S.F. No. 5497: A bill for an act relating to public safety; modifying crime of fleeing peace officer in motor vehicle to add heightened penalty for fleeing in culpably negligent manner; establishing crime of fleeing in motor vehicle and failing to obey certain traffic laws; authorizing the expanded use of tracking devices for fleeing motor vehicles; amending Minnesota Statutes 2022, sections 171.174; 609.487, subdivision 5, by adding subdivisions; 609B.205; 626A.35, by adding a subdivision.

Referred to the Committee on Judiciary and Public Safety.

Senator Gustafson introduced--

S.F. No. 5498: A bill for an act relating to capital investment; appropriating money for a grant to White Bear Lake Area Historical Society.

Referred to the Committee on Capital Investment.

Senator Marty introduced--

S.F. No. 5499: A bill for an act relating to state finances; implementing requirements for state agency grant administration accounting; requiring reports; proposing coding for new law in Minnesota Statutes, chapter 16B.

Referred to the Committee on Finance.

Senators Lucero, Drazkowski, Wesenberg, Bahr, and Koran introduced--

S.F. No. 5500: A bill for an act relating to civil liability; limiting liability of motor vehicle operators for harm caused to certain persons who are injured while illegally blocking a roadway; proposing coding for new law in Minnesota Statutes, chapter 604A.

Referred to the Committee on Judiciary and Public Safety.

Senator Utke introduced--

S.F. No. 5501: A bill for an act relating to capital investment; appropriating money to renovate the Eagle Bend High School; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Eichorn introduced--

S.F. No. 5502: A bill for an act relating to energy; appropriating money for certain energy efficiency projects in Brainerd.

Referred to the Committee on Energy, Utilities, Environment, and Climate.

Senator Dornink introduced--

S.F. No. 5503: A bill for an act relating to taxes; sales and use; providing a refundable exemption for construction materials for certain projects in the city of Albert Lea.

Referred to the Committee on Taxes.

MOTIONS AND RESOLUTIONS

Senator Pratt moved that Senate Resolution No. 7, adopted by the Senate on January 2, 2023, be amended as follows:

Strike "Mitchell" from all Senate Committee assignments; and

Add "Drazkowski" and "Pratt" to the Committee on Rules and Administration.

Senator Latz raised a point of order pursuant to Senate Rule 6.3 that the Pratt motion was out of order.

The President ruled the point of order well taken.

Senator Pratt appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 34 and nays 33, as follows:

Those who voted in the affirmative were:

Boldon
Carlson
Champion
Cwodziński
Dibble
Dziedzic
Fateh

Frentz
Gustafson
Hauschild
Hawj
Hoffman
Klein
Kunesh

Kupec
Latz
Mann
Marty
Maye Quade
McEwen
Mitchell

Mohamed
Morrison
Murphy
Oumou Verbeten
Pappas
Pha
Port

Putnam
Rest
Seeberger
Westlin
Wiklund
Xiong

Pursuant to Rule 40, Senator Oumou Verbeten cast the affirmative vote on behalf of the following Senator: Dziedzic.

Those who voted in the negative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson and Kreun.

So the decision of the President was sustained.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Senator Drazkowski moved to suspend Senate Rules 6.3 and 10.6 for the purpose of striking Senator Mitchell from her committee assignments, and adding two members of the Senate GOP caucus to the Committee on Rules and Administration.

CALL OF THE SENATE

Senator Limmer imposed a call of the Senate for the balance of the proceedings on the Drazkowski motion. The Sergeant at Arms was instructed to bring in the absent members.

Senator Latz raised a point of order pursuant to Sec. 180 of Mason's Manual of Legislative Procedure that the Drazkowski motion was out of order.

The President ruled the point of order not well taken.

The question was taken on the adoption of the Drazkowski motion.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson and Kreun.

Those who voted in the negative were:

Boldon
Carlson
Champion
Cwodziński
Dibble
Dziedzic
Fateh

Frentz
Gustafson
Hauschild
Hawj
Hoffman
Klein
Kunesh

Kupec
Latz
Mann
Marty
Maye Quade
McEwen
Mitchell

Mohamed
Morrison
Murphy
Oumou Verbeten
Pappas
Pha
Port

Putnam
Rest
Seeberger
Westlin
Wiklund
Xiong

Pursuant to Rule 40, Senator Oumou Verbeten cast the negative vote on behalf of the following Senator: Dziedzic.

The motion did not prevail.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Latz moved that the name of Senator Oumou Verbeten be added as a co-author to S.F. No. 4271. The motion prevailed.

Senator Latz moved that the name of Senator Oumou Verbeten be added as a co-author to S.F. No. 5337. The motion prevailed.

Senator Dornink moved that S.F. No. 5468 be withdrawn from the Committee on Capital Investment and returned to its author. The motion prevailed.

Senator Gustafson introduced --

Senate Resolution No. 96: A Senate resolution congratulating Alice Lee on winning the 2024 Women's American Cup in chess.

Referred to the Committee on Rules and Administration.

Senator Howe introduced --

Senate Resolution No. 97: A Senate resolution congratulating the Rocori High School Drumline on winning the 2024 Percussion Scholastic Regional A Class state championship.

Referred to the Committee on Rules and Administration.

SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. No. 3881, H.F. Nos. 4310 and 3438.

SPECIAL ORDER

S.F. No. 3881: A bill for an act relating to transportation; designating a portion of marked U.S. Highway 169 between Marble and Mountain Iron as "Senator David J. Tomassoni Memorial Cross Range Expressway"; amending Minnesota Statutes 2022, section 161.14, by adding a subdivision.

S.F. No. 3881 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 65 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Dziedzic	Jasinski	Mathews	Pratt
Anderson	Eichorn	Johnson	Maye Quade	Putnam
Boldon	Farnsworth	Klein	McEwen	Rarick
Carlson	Fateh	Koran	Miller	Rasmusson
Champion	Frentz	Kreun	Mitchell	Rest
Coleman	Green	Kunesh	Mohamed	Seeberger
Cwodzinski	Gruenhagen	Kupec	Morrison	Utke
Dahms	Gustafson	Lang	Murphy	Weber
Dibble	Hauschild	Latz	Nelson	Wesenberg
Dornink	Hawj	Limmer	Oumou Verbeten	Westlin
Draheim	Hoffman	Lucero	Pappas	Westrom
Drazkowski	Housley	Mann	Pha	Wiklund
Duckworth	Howe	Marty	Port	Xiong

Pursuant to Rule 40, Senator Oumou Verbeten cast the affirmative vote on behalf of the following Senator: Dziedzic.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson and Kreun.

So the bill passed and its title was agreed to.

The Senate paused for a moment of silence in recognition of Senator David J. Tomassoni.

SPECIAL ORDER

H.F. No. 4310: A bill for an act relating to state government; ratifying certain compensation plans.

H.F. No. 4310 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 36 and nays 29, as follows:

Those who voted in the affirmative were:

Abeler	Frentz	Latz	Morrison	Seeberger
Boldon	Gustafson	Mann	Murphy	Westlin
Carlson	Hauschild	Marty	Oumou Verbeten	Wiklund
Champion	Hawj	Maye Quade	Pappas	Xiong
Cwodzinski	Hoffman	McEwen	Pha	
Dibble	Klein	Miller	Port	
Dziedzic	Kunesh	Mitchell	Putnam	
Fateh	Kupec	Mohamed	Rest	

Pursuant to Rule 40, Senator Oumou Verbeten cast the affirmative vote on behalf of the following Senator: Dziedzic.

Those who voted in the negative were:

Anderson	Drazkowski	Howe	Limmer	Rasmusson
Bahr	Eichorn	Jasinski	Lucero	Utke
Coleman	Farnsworth	Johnson	Mathews	Weber
Dahms	Green	Koran	Nelson	Wesenberg
Dornink	Gruenhagen	Kreun	Pratt	Westrom
Draheim	Housley	Lang	Rarick	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson and Kreun.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 3438: A bill for an act relating to consumer protection; adding the failure to disclose mandatory fees in advertising as a deceptive trade practice; amending Minnesota Statutes 2022, sections 325D.43, by adding a subdivision; 325D.44, by adding subdivisions.

H.F. No. 3438 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 41 and nays 24, as follows:

Those who voted in the affirmative were:

Abeler	Frentz	Latz	Morrison	Rest
Boldon	Gustafson	Limmer	Murphy	Seeberger
Carlson	Hauschild	Mann	Nelson	Westlin
Champion	Hawj	Marty	Oumou Verbeten	Wiklund
Coleman	Hoffman	Maye Quade	Pappas	Xiong
Cwodzinski	Housley	McEwen	Pha	
Dibble	Klein	Miller	Port	
Dziedzic	Kunesh	Mitchell	Putnam	
Fateh	Kupec	Mohamed	Rasmusson	

Pursuant to Rule 40, Senator Oumou Verbeten cast the affirmative vote on behalf of the following Senators: Dziedzic and Frentz.

Those who voted in the negative were:

Anderson	Drazkowski	Howe	Lang	Utke
Bahr	Eichorn	Jasinski	Lucero	Weber
Dahms	Farnsworth	Johnson	Mathews	Wesenberg
Dornink	Green	Koran	Pratt	Westrom
Draheim	Gruenhagen	Kreun	Rarick	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson and Kreun.

So the bill passed and its title was agreed to.

MEMBERS EXCUSED

Senator Lieske was excused from the Session of today at 12:40 p.m. Senator Duckworth was excused from the Session of today at 12:45 p.m.

ADJOURNMENT

Senator Murphy moved that the Senate do now adjourn until 11:00 a.m., Thursday, May 2, 2024. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate