

STATE OF MINNESOTA

Journal of the Senate

NINETY-FOURTH LEGISLATURE

FORTIETH LEGISLATIVE DAY

St. Paul, Minnesota, Saturday, May 17, 2025

The Senate met at 1:00 p.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, Rev. Robert Pish.

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	Duckworth	Johnson	Mathews	Rarick
Anderson	Farnsworth	Johnson Stewart	Maye Quade	Rasmusson
Bahr	Fateh	Klein	McEwen	Rest
Boldon	Frentz	Koran	Miller	Seeberger
Carlson	Green	Kreun	Mitchell	Utke
Champion	Gruenhagen	Kunesh	Mohamed	Weber
Clark	Gustafson	Kupec	Murphy	Wesenberg
Coleman	Hauschild	Lang	Nelson	Westlin
Cwodzinski	Hawj	Latz	Oumou Verbeten	Westrom
Dahms	Heintzeman	Lieske	Pappas	Wiklund
Dibble	Hoffman	Limmer	Pha	Xiong
Dornink	Housley	Lucero	Port	
Draheim	Howe	Mann	Pratt	
Drazkowski	Jasinski	Marty	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 the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1740: A bill for an act relating to education policy; making changes to kindergarten through grade 12 education; modifying provisions for general education, education excellence, charter schools, the Read Act, special education, school nutrition and facilities, and state agencies; requiring a report; amending Minnesota Statutes 2024, sections 10A.071, subdivision 1; 13.03, subdivision 3; 13.32, subdivision 5; 120A.22, subdivisions 12, 13, by adding a subdivision; 120A.24, subdivision 4; 120B.021, subdivisions 2, 3; 120B.024; 120B.119, subdivisions 2a, 10; 120B.12, subdivisions 1, 2, 2a, 3, 4, 4a; 120B.123, subdivisions 1, 5, 7, by adding a subdivision; 120B.124, subdivision 2; 120B.35, subdivision 3; 120B.363, subdivisions 1, 2; 121A.031, subdivisions 2, 4, 6; 121A.041, subdivisions 2, 3; 121A.22, subdivision 2; 121A.2205; 121A.2207; 121A.224; 121A.23, subdivision 1; 121A.41, subdivision 10; 121A.49; 121A.73; 122A.09, subdivision 9; 122A.092, subdivisions 2, 5; 122A.181, subdivision 3; 122A.182, subdivision 3; 122A.183, subdivision 2; 122A.20, subdivision 2; 122A.441; 123B.09, by adding a subdivision; 123B.32, subdivisions 1, 2; 123B.52, by adding a subdivision; 124D.09, subdivisions 5, 5a, 5b, 9, 10; 124D.094, subdivision 1; 124D.111, by adding a subdivision; 124D.117, subdivision 2; 124D.119, subdivision 5; 124D.162; 124D.42, subdivision 8; 124D.52, subdivision 2; 124D.792; 124E.02; 124E.03, subdivision 2, by adding a subdivision; 124E.05, subdivision 2; 124E.06, subdivision 7, by adding a subdivision; 124E.07, subdivisions 2, 3, 5, 6, 8; 124E.10, subdivision 4; 124E.13, subdivision 3; 124E.16, subdivisions 1, 3, by adding a subdivision; 124E.17; 124E.26, subdivisions 4, 5, by adding a subdivision; 125A.091, subdivisions 3a, 5; 125A.0942, subdivisions 4, 6; Laws 2024, chapter 115, article 2, section 21, subdivisions 2, 3; proposing coding for new law in Minnesota Statutes, chapters 120B; 124D; 125A; repealing Minnesota Statutes 2024, sections 120B.124, subdivision 6; 123B.935, subdivision 2.

Senate File No. 1740 is herewith returned to the Senate.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Returned May 16, 2025

Senator Cwodzinski moved that the Senate do not concur in the amendments by the House to S.F. No. 1740, and that a Conference Committee of 5 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the adoption by the House of the following House Concurrent Resolution, herewith transmitted:

House Concurrent Resolution No. 2: A House concurrent resolution relating to adjournment of the House of Representatives and Senate until 2026.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Transmitted May 16, 2025

House Concurrent Resolution No. 2: A House concurrent resolution relating to adjournment of the House of Representatives and Senate until 2026.

BE IT RESOLVED, by the House of Representatives of the State of Minnesota, the Senate concurring:

1. Upon adjournment on May 19, 2025, the House of Representatives and Senate may set the next day of meeting for Tuesday, February 17, 2026, at 12:00 noon.

2. By the adoption of this resolution, each house consents to the adjournment of the other house for more than three days.

Senator Murphy moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

REPORTS OF COMMITTEES

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

Senator Murphy, from the Committee on Rules and Administration, to which was referred

H.F. No. 2464 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2464	2990				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 2464 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2464, the second engrossment; and insert the language after the enacting clause of S.F. No. 2990; further, delete the title of H.F. No. 2464, the second engrossment; and insert the title of S.F. No. 2990.

And when so amended H.F. No. 2464 will be identical to S.F. No. 2990, and further recommends that H.F. No. 2464 be given its second reading and substituted for S.F. No. 2990, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Senator Murphy, from the Committee on Rules and Administration, to which was referred

H.F. No. 3321 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
3321	3515				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Senator Murphy, from the Committee on Rules and Administration, to which was referred

H.F. No. 2433 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2433	2255				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 2433 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2433, the second engrossment; and insert the language after the enacting clause of S.F. No. 2255, the second engrossment; further, delete the title of H.F. No. 2433, the second engrossment; and insert the title of S.F. No. 2255, the second engrossment.

And when so amended H.F. No. 2433 will be identical to S.F. No. 2255, and further recommends that H.F. No. 2433 be given its second reading and substituted for S.F. No. 2255, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2464, 3321, and 2433 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Johnson Stewart introduced--

S.F. No. 3528: A bill for an act relating to environment; setting a state goal for wetland restoration and protection; requiring reports; proposing coding for new law in Minnesota Statutes, chapter 103G.

Referred to the Committee on Environment, Climate, and Legacy.

Senator Abeler introduced--

S.F. No. 3529: A bill for an act relating to finance; appropriating money to continue operations of a state agency if a bill to fund the operations of that agency has not been enacted by July 1, 2025.

Referred to the Committee on Finance.

Senator Boldon introduced--

S.F. No. 3530: A bill for an act relating to health occupations; establishing licensure for certified child life specialists; permitting rulemaking; providing for civil and criminal penalties; proposing coding for new law as Minnesota Statutes, chapter 148H.

Referred to the Committee on Health and Human Services.

Senators Westlin, Johnson Stewart, and Pha introduced--

S.F. No. 3531: A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article I, by adding a section; providing for equal rights under the law and prohibiting discrimination based on the listed characteristics.

Referred to the Committee on Judiciary and Public Safety.

Senator Pappas introduced--

S.F. No. 3532: A bill for an act relating to capital investment; appropriating money for replacement of the Randolph Avenue bridge in the city of St. Paul; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

MOTIONS AND RESOLUTIONS

Senator Farnsworth moved that the name of Senator Heintzeman be added as a co-author to S.F. No. 126. The motion prevailed.

Senator Dibble moved that the name of Senator Boldon be added as a co-author to S.F. No. 247. The motion prevailed.

Senator Rasmusson moved that the name of Senator Heintzeman be added as a co-author to S.F. No. 577. The motion prevailed.

Senator Port moved that her name be stricken as chief author and the name of Senator McEwen be added as chief author to S.F. No. 906. The motion prevailed.

Senator Limmer moved that the name of Senator Heintzeman be added as a co-author to S.F. No. 1374. The motion prevailed.

Senator Dornink moved that his name be stricken as a co-author to S.F. No. 2030. The motion prevailed.

Senator Drazkowski moved that the name of Senator Boldon be added as a co-author to S.F. No. 2626. The motion prevailed.

Senator Mathews moved that the name of Senator Kreun be added as a co-author to S.F. No. 2968. The motion prevailed.

Senator Port moved that the names of Senators Boldon and Marty be added as co-authors to S.F. No. 3525. The motion prevailed.

Senator Cwodzinski introduced --

Senate Resolution No. 49: A Senate resolution honoring Linda Wallenberg for being named Minnesota's 2025 Teacher of the Year.

Referred to the Committee on Rules and Administration.

Senator Westrom introduced --

Senate Resolution No. 50: A Senate resolution honoring the memory of David J. Jergenson.

Referred to the Committee on Rules and Administration.

Senators Murphy and Johnson introduced --

Senate Resolution No. 51: A Senate resolution relating to conduct of Senate business during the interim between Sessions.

BE IT RESOLVED, by the Senate of the State of Minnesota:

The powers, duties, and procedures set forth in this resolution apply during the interim between the adjournment sine die of the 94th Legislature, 2025 Session, and the convening of the 94th Legislature, 2026 Session.

The Committee on Rules and Administration may, from time to time, assign to the various committees and subcommittees of the Senate, in the interim, matters brought to its attention by any member of the Senate for study and investigation. The standing committees and subcommittees may study and investigate all subjects that come within their usual jurisdiction, as provided by Minnesota Statutes, Section 3.921. A committee shall carry on its work by subcommittee or by committee action as the committee from time to time determines. Any study undertaken by any of the standing committees, or any subcommittee thereof, shall be coordinated to the greatest extent possible with other standing committees or subcommittees of the Senate and House of Representatives, and may, if the committee or subcommittee so determines, be carried on jointly with another committee or subcommittee of the Senate or House of Representatives.

The Subcommittee on Committees of the Committee on Rules and Administration shall appoint persons as necessary to fill any vacancies that may occur in committees, commissions, and other bodies whose members are to be appointed by the Senate as authorized by rule, statute, resolution, or otherwise. The Subcommittee on Committees may appoint members of the Senate to assist in the work of any committee.

The Committee on Rules and Administration shall establish positions, set compensation and benefits, appoint employees, and authorize expense reimbursement as it deems proper to carry out the work of the Senate.

The Committee on Rules and Administration may authorize members of the Senate and personnel employed by the Senate to travel and to attend courses of instruction or conferences for the purpose of improving and making more efficient Senate operation and may reimburse these persons for the costs thereof out of monies appropriated to the Senate.

All members of activated standing committees or subcommittees of the Senate, and staff, shall be reimbursed for all expenses actually and necessarily incurred in the performance of their duties during the interim in the manner provided by law. Payment shall be made by the Secretary of the Senate out of monies appropriated to the Senate for the standing committees. The Committee on Rules and Administration shall determine the amount and manner of reimbursement for living and other expenses of each member of the Senate incurred in the performance of Senate duties when the Legislature is not in regular session.

The Secretary of the Senate shall continue to perform his duties during the interim. During the interim, but not including time which may be spent in any special session, the Secretary of the Senate shall be paid for services rendered the Senate at the rate established for his position for the 2025 regular session, unless otherwise directed by the Committee on Rules and Administration, plus travel and subsistence expense incurred incidental to his Senate duties, including salary and travel expense incurred in attending meetings of the National Conference of State Legislatures.

Should a vacancy occur in the position of Secretary of the Senate, by resignation or other causes, the Committee on Rules and Administration shall appoint an acting Secretary of the Senate who shall serve in that capacity during the remainder of the interim under the provisions herein specified.

The Secretary of the Senate is authorized to employ after the close of the session the employees necessary to finish the business of the Senate at the salaries paid under the rules of the Senate for the 2025 regular session. The Secretary of the Senate is authorized to employ the necessary employees to prepare for the 2026 session at the salaries in effect at that time.

The Secretary of the Senate shall classify as eligible for benefits under Minnesota Statutes, Sections 3.095 and 43A.24, those Senate employees heretofore or hereafter certified as eligible for benefits by the Committee on Rules and Administration.

The Secretary of the Senate, as authorized and directed by the Committee on Rules and Administration, shall furnish each member of the Senate with postage and supplies, and upon proper verification of the expenses incurred, shall reimburse each member for expenses as authorized from time to time by the Committee on Rules and Administration.

The Secretary of the Senate shall correct and approve the Journal of the Senate for those days that have not been corrected and approved by the Senate, and shall correct printing errors found in the Journal of the Senate for the 94th Legislature. The Secretary of the Senate may include in the Senate Journal proceedings of the last day, appointments by the Subcommittee on Committees to interim commissions created by legislative action, permanent commissions or committees established by statute, standing committees, official communications and other matters of record received on or after adjournment sine die.

The Secretary of the Senate may pay election and litigation costs as authorized by the Committee on Rules and Administration.

The Secretary of the Senate, with the approval of the Committee on Rules and Administration, shall secure bids and enter into contracts for the printing of the bills and binding of the permanent Senate Journal, shall secure bids and enter into contracts for remodeling, improvement and furnishing of Senate office space, conference rooms and the Senate Chamber and shall purchase all supplies, equipment and other goods and services necessary to carry out the work of the Senate. Any contracts in excess of \$20,000 shall be approved by the Chair of the Committee on Rules and Administration and another member designated by the chair.

The Secretary of the Senate shall draw warrants from the legislative expense fund in payment of the accounts herein referred to.

All Senate records, including committee books, are subject to the direction of the Committee on Rules and Administration.

The Senate Chamber, retiring room, committee rooms, all conference rooms, storage rooms, Secretary of the Senate's office, Rules and Administration office, and any and all other space assigned to the Senate shall be reserved for use by the Senate and its standing committees only and shall not be released or used for any other purpose except upon authorization of the Secretary of the Senate with the approval of the Committee on Rules and Administration, or the Chair thereof.

The commissioner of administration shall continue to provide parking space through the Secretary of the Senate for members and staff of the Minnesota State Senate. The Secretary of the Senate may deduct from the check of any legislator or legislative employee a sum adequate to cover the exercise of the parking privilege herein defined in conformity with the practice of the Department of Administration.

Senator Murphy moved the adoption of the foregoing resolution.

The question was taken on the adoption of the resolution.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Hauschild cast the affirmative vote on behalf of the following Senators: Hawj and Rest.

The motion prevailed. So the resolution was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2370 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. No. 2370

A bill for an act relating to cannabis; including the Office of Cannabis Management as an agency for the purpose of having a government-to-government relationship with Tribal governments; modifying provisions regarding the sale of cannabinoids derived from hemp; modifying medical cannabis provisions; modifying hemp-derived topical product provisions; modifying cannabis license application requirements; modifying the limits of delta-9 tetrahydrocannabinol in edible cannabinoid products and lower-potency hemp edibles when intended to be consumed as beverages; allowing samples at cannabis events; modifying expungement and resentencing provisions for felony cannabis offenses; amending Minnesota Statutes 2024, sections 10.65, subdivision 2; 151.72, subdivisions 3, 5a; 152.22, subdivisions 4, 7, 10, 13; 152.24; 152.25; 152.26; 152.261; 152.27, subdivisions 2, 7; 152.28, subdivisions 1, 3; 152.29, subdivisions 1, 2, 3a, 4; 152.31; 152.32, subdivision 2; 152.33, subdivisions 1a, 4; 152.35; 152.37; 342.01, subdivisions 9, 47, 50, 71, by adding subdivisions; 342.02, subdivision 3; 342.09, subdivision 2; 342.12; 342.14, subdivisions 1, 3, 6; 342.151, subdivisions 2, 3; 342.22, subdivision 3; 342.28, subdivisions 1, 8; 342.29, subdivisions 1, 7; 342.30, subdivision 1; 342.32, subdivisions 4, 5; 342.33, subdivision 1; 342.40, subdivision 7, by adding a subdivision; 342.43, by adding a subdivision; 342.44, subdivision 1; 342.45, by adding a subdivision; 342.46, subdivision 6; 342.51, subdivision 2, by adding a subdivision; 342.52, subdivision 9, by adding a subdivision; 342.56, subdivision 2; 342.57; 342.59, subdivision 2; 342.61, subdivision 4; 342.63, subdivisions 2, 3, 5, 6; 342.66, subdivision 6; 609A.06, subdivisions 3, 7, 10, 12; repealing Minnesota Statutes 2024, sections 152.22, subdivision 2; 342.151, subdivision 1.

May 16, 2025

The Honorable Bobby Joe Champion
President of the Senate

The Honorable Lisa M. Demuth
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2370 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 2370 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2024, section 10.65, subdivision 2, is amended to read:

Subd. 2. **Definitions.** As used in this section, the following terms have the meanings given:

(1) "agency" means the Department of Administration; Department of Agriculture; Department of Children, Youth, and Families; Department of Commerce; Department of Corrections; Department of Education; Department of Employment and Economic Development; Department of Health; Office of Higher Education; Housing Finance Agency; Department of Human Rights; Department of Human Services; Department of Information Technology Services; Department of Iron Range Resources and Rehabilitation; Department of Labor and Industry; Minnesota Management and Budget; Bureau of Mediation Services; Department of Military Affairs; Metropolitan Council; Department of Natural Resources; Pollution Control Agency; Department of Public Safety; Department of Revenue; Department of Transportation; Department of Veterans Affairs; Direct Care and Treatment; Gambling Control Board; Racing Commission; the Minnesota Lottery; the Animal Health Board; the Public Utilities Commission; ~~and~~ the Board of Water and Soil Resources; and the Office of Cannabis Management;

(2) "consultation" means the direct and interactive involvement of the Minnesota Tribal governments in the development of policy on matters that have Tribal implications. Consultation is the proactive, affirmative process of identifying and seeking input from appropriate Tribal governments and considering their interest as a necessary and integral part of the decision-making process. This definition adds to statutorily mandated notification procedures. During a consultation, the burden is on the agency to show that it has made a good faith effort to elicit feedback. Consultation is a formal engagement between agency officials and the governing body or bodies of an individual Minnesota Tribal government that the agency or an individual Tribal government may initiate. Formal meetings or communication between top agency officials and the governing body of a Minnesota Tribal government is a necessary element of consultation;

(3) "matters that have Tribal implications" means rules, legislative proposals, policy statements, or other actions that have substantial direct effects on one or more Minnesota Tribal governments, or on the distribution of power and responsibilities between the state and Minnesota Tribal governments;

(4) "Minnesota Tribal governments" means the federally recognized Indian Tribes located in Minnesota including: Bois Forte Band; Fond Du Lac Band; Grand Portage Band; Leech Lake Band; Mille Lacs Band; White Earth Band; Red Lake Nation; Lower Sioux Indian Community; Prairie Island Indian Community; Shakopee Mdewakanton Sioux Community; and Upper Sioux Community; and

(5) "timely and meaningful" means done or occurring at a favorable or useful time that allows the result of consultation to be included in the agency's decision-making process for a matter that has Tribal implications.

Sec. 2. Minnesota Statutes 2024, section 151.72, subdivision 3, is amended to read:

Subd. 3. **Sale of cannabinoids derived from hemp.** (a) Notwithstanding any other section of this chapter, a product containing nonintoxicating cannabinoids, including an edible cannabinoid product, may be sold for human or animal consumption only if all of the requirements of this section are met. A product sold for human or animal consumption must not contain more than 0.3 percent of any tetrahydrocannabinol and an edible cannabinoid product must not contain an amount of any tetrahydrocannabinol that exceeds the limits established in subdivision 5a, paragraph (f).

(b) A product containing nonintoxicating cannabinoids, other than an edible cannabinoid product, may be sold for human or animal consumption only if it is intended for application externally to a part of the body of a human or animal. Such a product must not be manufactured, marketed, distributed, or intended to be consumed:

(1) by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product;

(2) through chewing, drinking, or swallowing; or

(3) through injection or application to nonintact skin or a mucous membrane ~~or nonintact skin,~~ except for products applied sublingually.

(c) No other substance extracted or otherwise derived from hemp may be sold for human consumption if the substance is intended:

(1) for external or internal use in the diagnosis, cure, mitigation, treatment, or prevention of disease in humans or other animals; or

(2) to affect the structure or any function of the bodies of humans or other animals.

(d) No product containing any cannabinoid or tetrahydrocannabinol extracted or otherwise derived from hemp may be sold to any individual who is under the age of 21.

(e) Products that meet the requirements of this section are not controlled substances under section 152.02.

(f) Products may be sold for on-site consumption if all of the following conditions are met:

(1) the retailer must also hold an on-sale license issued under chapter 340A;

(2) products, other than products that are intended to be consumed as a beverage, must be served in original packaging, but may be removed from the products' packaging by customers and consumed on site;

(3) products must not be sold to a customer who the retailer knows or reasonably should know is intoxicated;

(4) products must not be permitted to be mixed with an alcoholic beverage; and

(5) products that have been removed from packaging must not be removed from the premises.

(g) Edible cannabinoid products that are intended to be consumed as a beverage may be served outside of the products' packaging if the information that is required to be contained on the label of an edible cannabinoid product is posted or otherwise displayed by the retailer.

Sec. 3. Minnesota Statutes 2024, 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 edible cannabinoid products that are intended to be combined with food or beverage products 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 that is not intended to be consumed as a beverage 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 and must 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 that is intended to be consumed as a beverage must not contain more than ten milligrams of any tetrahydrocannabinol in a single container.

~~(g)~~ (h) 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 office authorizes use of the artificially derived cannabinoid in edible cannabinoid products. Edible cannabinoid products are prohibited from containing synthetic cannabinoids.

~~(h)~~ (i) 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.

Sec. 4. Minnesota Statutes 2024, section 152.22, subdivision 4, is amended to read:

Subd. 4. **Health care practitioner.** "Health care practitioner" means a ~~Minnesota-licensed~~ Minnesota-licensed doctor of medicine, a Minnesota-licensed Minnesota-licensed physician assistant acting within the scope of authorized practice, or a Minnesota-licensed Minnesota-licensed advanced practice registered nurse who has an active license in good standing and the primary responsibility for the care and treatment of the qualifying medical condition of a person an individual diagnosed with a qualifying medical condition.

Sec. 5. Minnesota Statutes 2024, section 152.22, subdivision 7, is amended to read:

Subd. 7. **Medical cannabis manufacturer.** "Medical cannabis manufacturer" or "manufacturer" means an entity registered by the ~~commissioner~~ office to cultivate, acquire, manufacture, possess, prepare, transfer, transport, supply, or dispense medical cannabis, delivery devices, or related supplies and educational materials.

Sec. 6. Minnesota Statutes 2024, section 152.22, subdivision 10, is amended to read:

Subd. 10. **Patient registry number.** "Patient registry number" means a unique identification number assigned by the ~~commissioner~~ office to a patient enrolled in the registry program.

Sec. 7. Minnesota Statutes 2024, section 152.22, subdivision 13, is amended to read:

Subd. 13. **Registry verification.** "Registry verification" means the verification provided by the ~~commissioner~~ office that a patient is enrolled in the registry program and that includes the patient's name, registry number, and, if applicable, the name of the patient's registered designated caregiver or parent, legal guardian, or spouse.

Sec. 8. Minnesota Statutes 2024, section 152.24, is amended to read:

152.24 FEDERALLY APPROVED CLINICAL TRIALS.

The ~~commissioner~~ office may prohibit enrollment of a patient in the registry program if the patient is simultaneously enrolled in a federally approved clinical trial for the treatment of a qualifying medical condition with medical cannabis. The ~~commissioner~~ office shall provide information to all 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 as an alternative to enrollment in the patient registry program.

Sec. 9. Minnesota Statutes 2024, section 152.25, is amended to read:

152.25 COMMISSIONER OFFICE DUTIES.

Subdivision 1. **Medical cannabis manufacturer registration.** (a) The ~~commissioner~~ office shall register two in-state manufacturers for the production of all medical cannabis within the state. A registration agreement between the ~~commissioner~~ office and a manufacturer is nontransferable. The ~~commissioner~~ office shall register new manufacturers or reregister the existing manufacturers by December 1 every two years, using the factors described in this subdivision. The ~~commissioner~~ office shall accept applications after December 1, 2014, if one of the manufacturers registered before December 1, 2014, ceases to be registered as a manufacturer. The ~~commissioner's office's~~ determination that no manufacturer exists to fulfill the duties under sections 152.22 to 152.37 is subject to judicial review in Ramsey County District Court. Data submitted during the application process are private data on individuals or nonpublic data as defined in section 13.02 until the manufacturer is registered under this section. Data on a manufacturer that is registered are public data, unless the data are trade secret or security information under section 13.37.

(b) As a condition for registration, a manufacturer must agree to:

- (1) begin supplying medical cannabis to patients by July 1, 2015; and
- (2) comply with all requirements under sections 152.22 to 152.37.

(c) The ~~commissioner~~ office shall consider the following factors when determining which manufacturer to register:

- (1) the technical expertise of the manufacturer in cultivating medical cannabis and converting the medical cannabis into an acceptable delivery method under section 152.22, subdivision 6;
- (2) the qualifications of the manufacturer's employees;
- (3) the long-term financial stability of the manufacturer;
- (4) the ability to provide appropriate security measures on the premises of the manufacturer;

(5) whether the manufacturer has demonstrated an ability to meet the medical cannabis production needs required by sections 152.22 to 152.37; and

(6) the manufacturer's projection and ongoing assessment of fees on patients with a qualifying medical condition.

(d) If an officer, director, or controlling person of the manufacturer pleads or is found guilty of intentionally diverting medical cannabis to a person other than allowed by law under section 152.33, subdivision 1, the ~~commissioner~~ office may decide not to renew the registration of the manufacturer, provided the violation occurred while the person was an officer, director, or controlling person of the manufacturer.

(e) The ~~commissioner~~ office shall require each medical cannabis manufacturer to contract with an independent laboratory to test medical cannabis produced by the manufacturer. The ~~commissioner~~ office shall approve the laboratory chosen by each manufacturer and require that the laboratory report testing results to the manufacturer in a manner determined by the ~~commissioner~~ office.

Subd. 1a. **Revocation or nonrenewal of a medical cannabis manufacturer registration.** If the ~~commissioner~~ office intends to revoke or not renew a registration issued under this section, the ~~commissioner~~ office must first notify in writing the manufacturer against whom the action is to be taken and provide the manufacturer with an opportunity to request a hearing under the contested case provisions of chapter 14. If the manufacturer does not request a hearing by notifying the ~~commissioner~~ office in writing within 20 days after receipt of the notice of proposed action, the ~~commissioner~~ office may proceed with the action without a hearing. For revocations, the registration of a manufacturer is considered revoked on the date specified in the ~~commissioner's~~ office's written notice of revocation.

Subd. 1b. **Temporary suspension proceedings.** The ~~commissioner~~ office may institute proceedings to temporarily suspend the registration of a medical cannabis manufacturer for a period of up to 90 days by notifying the manufacturer in writing if any action by an employee, agent, officer, director, or controlling person of the manufacturer:

(1) violates any of the requirements of sections 152.22 to 152.37 or the rules adopted thereunder;

(2) permits, aids, or abets the commission of any violation of state law at the manufacturer's location for cultivation, harvesting, manufacturing, packaging, and processing or at any site for distribution of medical cannabis;

(3) performs any act contrary to the welfare of a registered patient or registered designated caregiver; or

(4) obtains, or attempts to obtain, a registration by fraudulent means or misrepresentation.

Subd. 1c. **Notice to patients.** Upon the revocation or nonrenewal of a manufacturer's registration under subdivision 1a or implementation of an enforcement action under subdivision 1b that may affect the ability of a registered patient, registered designated caregiver, or a registered patient's parent, legal guardian, or spouse to obtain medical cannabis from the manufacturer subject to the enforcement action, the ~~commissioner~~ office shall notify in writing each registered patient and the patient's registered designated caregiver or registered patient's parent, legal guardian, or spouse

about the outcome of the proceeding and information regarding alternative registered manufacturers. This notice must be provided two or more business days prior to the effective date of the revocation, nonrenewal, or other enforcement action.

Subd. 2. **Range of compounds and dosages; report.** The 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 office shall make this information available to patients with qualifying medical conditions beginning December 1, 2014, and update the information every three years. The 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 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 Office of Cannabis Management website.

Subd. 3. **Deadlines.** The ~~commissioner~~ office shall adopt rules necessary for the manufacturer to begin distribution of medical cannabis to patients under the registry program by July 1, 2015, and have notice of proposed rules published in the State Register prior to January 1, 2015.

Subd. 4. **Reports.** (a) The ~~commissioner~~ office shall provide regular updates to the ~~task force on medical cannabis therapeutic research and to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services, public safety, judiciary, and civil law~~ Cannabis Advisory Council under section 342.03 regarding: (1) any changes in federal law or regulatory restrictions regarding the use of medical cannabis or hemp; and (2) the market demand and supply in this state for products made from hemp that can be used for medicinal purposes.

(b) The ~~commissioner~~ office may submit medical research based on the data collected under sections 152.22 to 152.37 to any federal agency with regulatory or enforcement authority over medical cannabis to demonstrate the effectiveness of medical cannabis for treating a qualifying medical condition.

Sec. 10. Minnesota Statutes 2024, section 152.26, is amended to read:

152.26 RULEMAKING.

(a) The ~~commissioner~~ office may adopt rules to implement sections 152.22 to 152.37. Rules for which notice is published in the State Register before January 1, 2015, may be adopted using the process in section 14.389.

(b) The ~~commissioner~~ office may adopt or amend rules, using the procedure in section 14.386, paragraph (a), to implement the addition of dried raw cannabis as an allowable form of medical cannabis under section 152.22, subdivision 6, paragraph (a), clause (4). Section 14.386, paragraph (b), does not apply to these rules.

Sec. 11. Minnesota Statutes 2024, section 152.261, is amended to read:

152.261 RULES; ADVERSE INCIDENTS.

(a) The ~~commissioner of health~~ office shall adopt rules to establish requirements for reporting incidents when individuals who are not authorized to possess medical cannabis under sections 152.22 to 152.37 are found in possession of medical cannabis. The rules must identify professionals required to report, the information they are required to report, and actions the reporter must take to secure the medical cannabis.

(b) The ~~commissioner of health~~ office shall adopt rules to establish requirements for law enforcement officials and health care professionals to report incidents involving an overdose of medical cannabis to the ~~commissioner of health~~ office.

(c) Rules must include the method by which the ~~commissioner~~ office will collect and tabulate reports of unauthorized possession and overdose.

Sec. 12. Minnesota Statutes 2024, section 152.27, subdivision 2, is amended to read:

Subd. 2. **Office duties.** (a) The 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;

(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 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 office may add a delivery method under section 152.22, subdivision 6, upon a petition from a member of the public or the Cannabis Advisory Council under section 342.03 or as directed by law. If the office wishes to add a delivery method under section 152.22, subdivision 6, the office must notify the chairs and ranking minority members of the legislative policy committees having

jurisdiction over health and public safety of the addition and the reasons for its addition, including any written comments received by the office from the public and any guidance received from the Cannabis Advisory Council under section 342.03, by January 15 of the year in which the office wishes to make the change. The change shall be effective on August 1 of that year, unless the legislature by law provides otherwise.

Sec. 13. Minnesota Statutes 2024, section 152.27, subdivision 7, is amended to read:

Subd. 7. **Notice requirements.** Patients and registered designated caregivers shall notify the ~~commissioner~~ 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 ~~commissioner~~ office of the change.

Sec. 14. Minnesota Statutes 2024, 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 office 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 office; 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 office.

(b) Upon notification from the office 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 office;

(2) report health records of the patient throughout the ongoing treatment of the patient to the office in a manner determined by the ~~commissioner~~ office and in accordance with subdivision 2;

(3) determine, 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 office.

(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.

Sec. 15. Minnesota Statutes 2024, section 152.28, subdivision 3, is amended to read:

Subd. 3. **Advertising restrictions.** (a) A health care practitioner shall not publish or cause to be published any advertisement that:

(1) contains false or misleading statements about medical cannabis or about the medical cannabis registry program;

(2) uses colloquial terms to refer to medical cannabis, such as pot, weed, or grass;

(3) states or implies the health care practitioner is endorsed by the ~~Department of Health~~ commissioner's office or by the medical cannabis registry program;

(4) includes images of cannabis in its plant or leaf form or of cannabis-smoking paraphernalia;
or

(5) contains medical symbols that could reasonably be confused with symbols of established medical associations or groups.

(b) A health care practitioner found by the ~~commissioner's office~~ commissioner's office to have violated this subdivision is prohibited from certifying that patients have a qualifying medical condition for purposes of patient participation in the registry program. The ~~commissioner's office's~~ commissioner's office's decision that a health care practitioner has violated this subdivision is a final decision of the ~~commissioner's office~~ commissioner's office and is not subject to the contested case procedures in chapter 14.

Sec. 16. Minnesota Statutes 2024, section 152.29, subdivision 1, is amended to read:

Subdivision 1. **Manufacturer; requirements.** (a) A manufacturer may operate eight distribution facilities, which may include the manufacturer's single location for cultivation, harvesting, manufacturing, packaging, and processing but is not required to include that location. The ~~commissioner's office~~ shall designate the geographical service areas to be served by each manufacturer based on geographical need throughout the state to improve patient access. A manufacturer shall not have more than two distribution facilities in each geographical service area assigned to the manufacturer by the ~~commissioner's office~~ commissioner's office. A manufacturer shall operate only one location where all cultivation, harvesting, manufacturing, packaging, and processing of medical cannabis shall be conducted. This location may be one of the manufacturer's distribution facility sites. The additional distribution facilities may dispense medical cannabis and medical cannabis products but may not contain any medical cannabis in a form other than those forms allowed under section 152.22, subdivision 6, and the manufacturer shall not conduct any cultivation, harvesting, manufacturing, packaging, or processing at the other distribution facility sites. Any distribution facility operated by the manufacturer is subject to all of the requirements applying to the manufacturer under sections 152.22 to 152.37, including, but not limited to, security and distribution requirements.

(b) A manufacturer may acquire hemp grown in this state from a hemp grower, and may acquire hemp products produced by a hemp processor. A manufacturer may manufacture or process hemp and hemp products into an allowable form of medical cannabis under section 152.22, subdivision 6. Hemp and hemp products acquired by a manufacturer under this paragraph are subject to the

same quality control program, security and testing requirements, and other requirements that apply to medical cannabis under sections 152.22 to 152.37 and Minnesota Rules, chapter 4770.

(c) A medical cannabis manufacturer shall contract with a laboratory approved by the ~~commissioner~~ office, subject to any additional requirements set by the ~~commissioner~~ office, for purposes of testing medical cannabis manufactured or hemp or hemp products acquired by the medical cannabis manufacturer as to content, contamination, and consistency to verify the medical cannabis meets the requirements of section 152.22, subdivision 6. The cost of laboratory testing shall be paid by the manufacturer.

(d) The operating documents of a manufacturer must include:

(1) procedures for the oversight of the manufacturer and procedures to ensure accurate record keeping;

(2) procedures for the implementation of appropriate security measures to deter and prevent the theft of medical cannabis and unauthorized entrance into areas containing medical cannabis; and

(3) procedures for the delivery and transportation of hemp between hemp growers and manufacturers and for the delivery and transportation of hemp products between hemp processors and manufacturers.

(e) A manufacturer shall implement security requirements, including requirements for the delivery and transportation of hemp and hemp products, protection of each location by a fully operational security alarm system, facility access controls, perimeter intrusion detection systems, and a personnel identification system.

(f) A manufacturer shall not share office space with, refer patients to a health care practitioner, or have any financial relationship with a health care practitioner.

(g) A manufacturer shall not permit any person to consume medical cannabis on the property of the manufacturer.

(h) A manufacturer is subject to reasonable inspection by the ~~commissioner~~ office.

(i) For purposes of sections 152.22 to 152.37, a medical cannabis manufacturer is not subject to the Board of Pharmacy licensure or regulatory requirements under chapter 151.

(j) A medical cannabis manufacturer may not employ any person who is under 21 years of age or who has been convicted of a disqualifying felony offense. An employee of a medical cannabis manufacturer must submit a completed criminal history records check consent form, a full set of classifiable fingerprints, and the required fees for submission to the Bureau of Criminal Apprehension before an employee may begin working with the manufacturer. The bureau must conduct a Minnesota criminal history records check and the superintendent is authorized to exchange the fingerprints with the Federal Bureau of Investigation to obtain the applicant's national criminal history record information. The bureau shall return the results of the Minnesota and federal criminal history records checks to the ~~commissioner~~ office.

(k) A manufacturer may not operate in any location, whether for distribution or cultivation, harvesting, manufacturing, packaging, or processing, within 1,000 feet of a public or private school existing before the date of the manufacturer's registration with the commissioner office.

(l) A manufacturer shall comply with reasonable restrictions set by the commissioner office relating to signage, marketing, display, and advertising of medical cannabis.

(m) Before a manufacturer acquires hemp from a hemp grower or hemp products from a hemp processor, the manufacturer must verify that the hemp grower or hemp processor has a valid license issued by the commissioner of agriculture under chapter 18K.

(n) Until a state-centralized, seed-to-sale system is implemented that can track a specific medical cannabis plant from cultivation through testing and point of sale, the commissioner office shall conduct at least one unannounced inspection per year of each manufacturer that includes inspection of:

- (1) business operations;
- (2) physical locations of the manufacturer's manufacturing facility and distribution facilities;
- (3) financial information and inventory documentation, including laboratory testing results; and
- (4) physical and electronic security alarm systems.

Sec. 17. Minnesota Statutes 2024, section 152.29, subdivision 2, is amended to read:

Subd. 2. **Manufacturer; production.** (a) A manufacturer of medical cannabis shall provide a reliable and ongoing supply of all medical cannabis needed for the registry program through cultivation by the manufacturer and through the purchase of hemp from hemp growers.

(b) All cultivation, harvesting, manufacturing, packaging, and processing of medical cannabis must take place in an enclosed, locked facility at a physical address provided to the commissioner office during the registration process.

(c) A manufacturer must process and prepare any medical cannabis plant material or hemp plant material into a form allowable under section 152.22, subdivision 6, prior to distribution of any medical cannabis.

Sec. 18. Minnesota Statutes 2024, section 152.29, subdivision 3a, is amended to read:

Subd. 3a. **Transportation of medical cannabis; transport staffing.** (a) A medical cannabis manufacturer may staff a transport motor vehicle with only one employee if the medical cannabis manufacturer is transporting medical cannabis to either a certified laboratory for the purpose of testing or a facility for the purpose of disposal. If the medical cannabis manufacturer is transporting medical cannabis for any other purpose or destination, the transport motor vehicle must be staffed with a minimum of two employees as required by rules adopted by the commissioner office.

(b) Notwithstanding paragraph (a), a medical cannabis manufacturer that is only transporting hemp for any purpose may staff the transport motor vehicle with only one employee.

(c) A medical cannabis manufacturer may contract with a third party for armored car services for deliveries of medical cannabis from its production facility to distribution facilities. A medical cannabis manufacturer that contracts for armored car services remains responsible for the transportation manifest and inventory tracking requirements in rules adopted by the ~~commissioner~~ office.

(d) ~~Department of Health~~ Office staff may transport medical cannabis for the purposes of delivering medical cannabis and other samples to a laboratory for testing under rules adopted by the ~~commissioner~~ office and in cases of special investigations when the ~~commissioner~~ office has determined there is a potential threat to public health. The transport motor vehicle must be staffed with a minimum of two ~~Department of Health~~ office employees. The employees must carry with them their ~~Department of Health~~ office identification card and a transport manifest.

Sec. 19. Minnesota Statutes 2024, section 152.29, subdivision 4, is amended to read:

Subd. 4. **Report.** (a) Each manufacturer shall report to the ~~commissioner~~ office on a monthly basis the following information on each individual patient for the month prior to the report:

- (1) the amount and dosages of medical cannabis distributed;
- (2) the chemical composition of the medical cannabis; and
- (3) the tracking number assigned to any medical cannabis distributed.

(b) For transactions involving Tribal medical cannabis program patients, each manufacturer shall report to the ~~commissioner~~ office on a weekly basis the following information on each individual Tribal medical cannabis program patient for the week prior to the report:

- (1) the name of the Tribal medical cannabis program in which the Tribal medical cannabis program patient is enrolled;
- (2) the amount and dosages of medical cannabis distributed;
- (3) the chemical composition of the medical cannabis distributed; and
- (4) the tracking number assigned to the medical cannabis distributed.

Sec. 20. Minnesota Statutes 2024, section 152.31, is amended to read:

152.31 DATA PRACTICES.

(a) Government data in patient files maintained by the ~~commissioner~~ office and the health care practitioner, and data submitted to or by a medical cannabis manufacturer, are private data on individuals, as defined in section 13.02, subdivision 12, or nonpublic data, as defined in section 13.02, subdivision 9, but may be used for purposes of complying with chapter 13 and complying with a request from the legislative auditor or the state auditor in the performance of official duties. The provisions of section 13.05, subdivision 11, apply to a registration agreement entered between the ~~commissioner~~ office and a medical cannabis manufacturer under section 152.25.

(b) Not public data maintained by the ~~commissioner~~ office may not be used for any purpose not provided for in sections 152.22 to 152.37, and may not be combined or linked in any manner with any other list, dataset, or database.

(c) The ~~commissioner~~ office may execute data sharing arrangements with the commissioner of agriculture to verify licensing, inspection, and compliance information related to hemp growers and hemp processors under chapter 18K.

Sec. 21. Minnesota Statutes 2024, section 152.32, subdivision 2, is amended to read:

Subd. 2. **Criminal and civil protections.** (a) Subject to section 152.23, the following are not violations under this chapter:

(1) use or possession of medical cannabis or medical cannabis products by a patient enrolled in the registry program; possession by a registered designated caregiver or the parent, legal guardian, or spouse of a patient if the parent, legal guardian, or spouse is listed on the registry verification; or use or possession of medical cannabis or medical cannabis products by a Tribal medical cannabis program patient;

(2) possession, dosage determination, or sale of medical cannabis or medical cannabis products by a medical cannabis manufacturer, employees of a manufacturer, a Tribal medical cannabis program manufacturer, employees of a Tribal medical cannabis program manufacturer, a laboratory conducting testing on medical cannabis, or employees of the laboratory; and

(3) possession of medical cannabis or medical cannabis products by any person while carrying out the duties required under sections 152.22 to 152.37.

(b) Medical cannabis obtained and distributed pursuant to sections 152.22 to 152.37 and associated property is not subject to forfeiture under sections 609.531 to 609.5316.

(c) The ~~commissioner~~ office, members of a Tribal medical cannabis board, the ~~commissioner's~~ office's or Tribal medical cannabis board's staff, the ~~commissioner's~~ office's or Tribal medical cannabis board's agents or contractors, and any health care practitioner are not subject to any civil or disciplinary penalties by the Board of Medical Practice, the Board of Nursing, or by any business, occupational, or professional licensing board or entity, solely for participation in the registry program under sections 152.22 to 152.37 or in a Tribal medical cannabis program. A pharmacist licensed under chapter 151 is not subject to any civil or disciplinary penalties by the Board of Pharmacy when acting in accordance with the provisions of sections 152.22 to 152.37. Nothing in this section affects a professional licensing board from taking action in response to violations of any other section of law.

(d) Notwithstanding any law to the contrary, the ~~commissioner~~ office, the governor of Minnesota, 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.

(e) Federal, state, and local law enforcement authorities are prohibited from accessing the patient registry under sections 152.22 to 152.37 except when acting pursuant to a valid search warrant.

(f) Notwithstanding any law to the contrary, neither the ~~commissioner~~ office nor a public employee may release data or information about an individual contained in any report, document, or registry created under sections 152.22 to 152.37 or any information obtained about a patient participating in the program, except as provided in sections 152.22 to 152.37.

(g) No information contained in a report, document, or registry or obtained from a patient under sections 152.22 to 152.37 or from a Tribal medical cannabis program patient may be admitted as evidence in a criminal proceeding unless independently obtained or in connection with a proceeding involving a violation of sections 152.22 to 152.37.

(h) Notwithstanding section 13.09, any person who violates paragraph (e) or (f) is guilty of a gross misdemeanor.

(i) An attorney may not be subject to disciplinary action by the Minnesota Supreme Court, a Tribal court, or the professional responsibility board for providing legal assistance to prospective or registered manufacturers or others related to activity that is no longer subject to criminal penalties under state law pursuant to sections 152.22 to 152.37, or for providing legal assistance to a Tribal medical cannabis program or a Tribal medical cannabis program manufacturer.

(j) The following do not constitute probable cause or reasonable suspicion, and shall not be used to support a search of the person or property of the person possessing or applying for the registry verification or equivalent, or otherwise subject the person or property of the person to inspection by any governmental agency:

(1) possession of a registry verification or application for enrollment in the registry program by a person entitled to possess a registry verification or apply for enrollment in the registry program; or

(2) possession of a verification or equivalent issued by a Tribal medical cannabis program or application for enrollment in a Tribal medical cannabis program by a person entitled to possess such a verification or application.

Sec. 22. Minnesota Statutes 2024, section 152.33, subdivision 1a, is amended to read:

Subd. 1a. **Intentional diversion outside the state; penalties.** (a) In addition to any other applicable penalty in law, the ~~commissioner~~ office may levy a fine of \$250,000 against a manufacturer and may immediately initiate proceedings to revoke the manufacturer's registration, using the procedure in section 152.25, if:

(1) an officer, director, or controlling person of the manufacturer pleads or is found guilty under subdivision 1 of intentionally transferring medical cannabis, while the person was an officer, director, or controlling person of the manufacturer, to a person other than allowed by law; and

(2) in intentionally transferring medical cannabis to a person other than allowed by law, the officer, director, or controlling person transported or directed the transport of medical cannabis outside of Minnesota.

(b) All fines collected under this subdivision shall be deposited in the state government special revenue fund.

Sec. 23. Minnesota Statutes 2024, section 152.33, subdivision 4, is amended to read:

Subd. 4. **Submission of false records; criminal penalty.** A person who knowingly submits false records or documentation required by the ~~commissioner~~ office to register as a manufacturer of medical cannabis under sections 152.22 to 152.37 is guilty of a felony and may be sentenced to imprisonment for not more than two years or by payment of a fine of not more than \$3,000, or both.

Sec. 24. Minnesota Statutes 2024, section 152.35, is amended to read:

152.35 FEES; DEPOSIT OF REVENUE.

(a) The ~~commissioner~~ office shall collect an application fee of \$20,000 from each entity submitting an application for registration as a medical cannabis manufacturer. Revenue from the fee shall be deposited in the state treasury and credited to the state government special revenue fund.

(b) The ~~commissioner~~ office shall establish and collect an annual fee from a medical cannabis manufacturer equal to the cost of regulating and inspecting the manufacturer in that year. Revenue from the fee amount shall be deposited in the state treasury and credited to the state government special revenue fund.

(c) A medical cannabis manufacturer may charge patients enrolled in the registry program a reasonable fee for costs associated with the operations of the manufacturer. The manufacturer may establish a sliding scale of patient fees based upon a patient's household income and may accept private donations to reduce patient fees.

Sec. 25. Minnesota Statutes 2024, section 152.37, is amended to read:

152.37 FINANCIAL EXAMINATIONS; PRICING REVIEWS.

Subdivision 1. **Financial records.** A medical cannabis manufacturer shall maintain detailed financial records in a manner and format approved by the ~~commissioner~~ office, and shall keep all records updated and accessible to the ~~commissioner~~ office when requested.

Subd. 2. **Certified annual audit.** A medical cannabis manufacturer shall submit the results of an annual certified financial audit to the ~~commissioner~~ office no later than May 1 of each year for the calendar year beginning January 2015. The annual audit shall be conducted by an independent certified public accountant and the costs of the audit are the responsibility of the medical cannabis manufacturer. Results of the audit shall be provided to the medical cannabis manufacturer and the ~~commissioner~~ office. The ~~commissioner~~ office may also require another audit of the medical cannabis manufacturer by a certified public accountant chosen by the ~~commissioner~~ office with the costs of the audit paid by the medical cannabis manufacturer.

Subd. 3. **Power to examine.** (a) The ~~commissioner~~ office or designee may examine the business affairs and conditions of any medical cannabis manufacturer, including but not limited to a review of the financing, budgets, revenues, sales, and pricing.

(b) An examination may cover the medical cannabis manufacturer's business affairs, practices, and conditions including but not limited to a review of the financing, budgets, revenues, sales, and pricing. The ~~commissioner~~ office shall determine the nature and scope of each examination and in

doing so shall take into account all available relevant factors concerning the financial and business affairs, practices, and conditions of the examinee. The costs incurred by the department in conducting an examination shall be paid for by the medical cannabis manufacturer.

(c) When making an examination under this section, the ~~commissioner~~ office may retain attorneys, appraisers, independent economists, independent certified public accountants, or other professionals and specialists as designees. A certified public accountant retained by the ~~commissioner~~ office may not be the same certified public accountant providing the certified annual audit in subdivision 2.

(d) The ~~commissioner~~ office shall make a report of an examination conducted under this section and provide a copy to the medical cannabis manufacturer. The ~~commissioner~~ office shall then post a copy of the report on the department's website. All working papers, recorded information, documents, and copies produced by, obtained by, or disclosed to the ~~commissioner~~ office or any other person in the course of an examination, other than the information contained in any ~~commissioner~~ office official report, made under this section are private data on individuals or nonpublic data, as defined in section 13.02.

Sec. 26. Minnesota Statutes 2024, section 342.01, subdivision 9, is amended to read:

Subd. 9. **Bona fide labor organization.** "Bona fide labor organization" means a labor union that represents or is actively seeking to represent ~~cannabis~~ workers; of:

- (1) a cannabis business; or
- (2) a lower-potency hemp edible manufacturer.

Sec. 27. Minnesota Statutes 2024, section 342.01, subdivision 34, is amended to read:

Subd. 34. **Hemp business.** (a) "Hemp business" means ~~either~~ any of the following licensed under this chapter:

- (1) lower-potency hemp edible manufacturer; ~~or~~
- (2) lower-potency hemp edible wholesaler; or
- ~~(2)~~ (3) lower-potency hemp edible retailer.

(b) Hemp business does not include a person or entity licensed under chapter 18K to grow industrial hemp for commercial or research purposes or to process industrial hemp for commercial purposes.

Sec. 28. Minnesota Statutes 2024, section 342.01, subdivision 47, is amended to read:

Subd. 47. **Labor peace agreement.** "Labor peace agreement" means an agreement between a cannabis business and a bona fide labor organization or an agreement between a lower-potency hemp edible manufacturer and a bona fide labor organization that protects the state's interests by, at minimum, prohibiting the labor organization from engaging in picketing, work stoppages, or boycotts against the cannabis business or lower-potency hemp edible manufacturer.

Sec. 29. Minnesota Statutes 2024, 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 wholesaler;
- ~~(12)~~ (13) lower-potency hemp edible retailer; or
- ~~(13)~~ (14) medical cannabis combination business.

Sec. 30. Minnesota Statutes 2024, section 342.01, subdivision 50, is amended to read:

Subd. 50. **Lower-potency hemp edible.** (a) "Lower-potency hemp edible" means any product that:

- (1) is intended to be eaten or consumed as a beverage by humans;
 - (2) contains hemp concentrate or an artificially derived cannabinoid, in combination with food ingredients;
 - (3) is not a drug;
 - (4) does not contain a cannabinoid derived from cannabis plants or cannabis flower;
 - (5) is a type of product approved for sale by the office or is substantially similar to a product approved by the office, including but not limited to products that resemble nonalcoholic beverages, candy, and baked goods; and
 - (6) meets either of the requirements in paragraph (b).
- (b) A lower-potency hemp edible includes:

(1) a product that:

(i) is not intended to be consumed as a beverage and consists of servings that contain no more than five milligrams of delta-9 tetrahydrocannabinol; is intended to be consumed as a beverage and contains no more than ten milligrams of delta-9 tetrahydrocannabinol in a single container; is intended to be consumed in any approved manner and consists of servings or a container that contain no more than ~~25~~ 100 milligrams of cannabidiol, cannabigerol, cannabinol, or cannabichromene; is intended to be consumed in any approved manner and contains no more than the established limit of any other cannabinoid authorized by the office; or is intended to be consumed in any approved manner and contains any combination of those cannabinoids that does not exceed the identified amounts for the applicable product category;

(ii) does not contain more than a combined total of 0.5 milligrams of all other cannabinoids per serving; and

(iii) does not contain an artificially derived cannabinoid other than delta-9 tetrahydrocannabinol, except that a product may include artificially derived cannabinoids created during the process of creating the delta-9 tetrahydrocannabinol that is added to the product, if no artificially derived cannabinoid is added to the ingredient containing delta-9 tetrahydrocannabinol and the ratio of delta-9 tetrahydrocannabinol to all other artificially derived cannabinoids is no less than 20 to one; or

(2) a product that:

(i) contains hemp concentrate processed or refined without increasing the percentage of targeted cannabinoids or altering the ratio of cannabinoids in the extracts or resins of a hemp plant or hemp plant parts beyond the variability generally recognized for the method used for processing or refining or by an amount needed to reduce the total THC in the hemp concentrate; and

(ii) consists of servings that contain no more than five milligrams of total THC.

Sec. 31. Minnesota Statutes 2024, section 342.01, is amended by adding a subdivision to read:

Subd. 54a. **Medical cannabis paraphernalia.** "Medical cannabis paraphernalia" means a delivery device, related supply, or educational material used by a patient enrolled in the registry program to administer medical cannabis and medical cannabinoid products.

Sec. 32. Minnesota Statutes 2024, section 342.01, is amended by adding a subdivision to read:

Subd. 69c. **Tribal medical cannabis board.** "Tribal medical cannabis board" means an agency established by a federally recognized Tribal government and authorized by the Tribe's governing body to provide regulatory oversight and monitor compliance with a Tribal medical cannabis program and applicable regulations.

Sec. 33. Minnesota Statutes 2024, section 342.01, is amended by adding a subdivision to read:

Subd. 69d. **Tribal medical cannabis program.** "Tribal medical cannabis program" means a program established by a federally recognized Tribal government within the boundaries of Minnesota

that involves the commercial production, processing, sale or distribution, and possession of medical cannabis and medical cannabis products.

Sec. 34. Minnesota Statutes 2024, section 342.01, is amended by adding a subdivision to read:

Subd. 69e. **Tribal medical cannabis program patient.** "Tribal medical cannabis program patient" means a person who possesses a valid registration verification card or equivalent document that is issued under the laws or regulations of a Tribal Nation within the boundaries of Minnesota. A valid registration verification card must verify that the card holder is enrolled in or authorized to participate in a Tribal medical cannabis program.

Sec. 35. Minnesota Statutes 2024, section 342.01, subdivision 71, is amended to read:

Subd. 71. **Visiting patient.** "Visiting patient" means an individual who is not a Minnesota resident and who possesses a valid registration verification card or its equivalent that is issued under the laws or regulations of another state, district, commonwealth, or territory of the United States verifying that the individual is enrolled in or authorized to participate in that jurisdiction's medical cannabis or medical marijuana program or in a Tribal medical cannabis program.

Sec. 36. Minnesota Statutes 2024, section 342.02, subdivision 3, is amended to read:

Subd. 3. **Medical cannabis program.** (a) The powers and duties of the Department of Health with respect to the medical cannabis program under Minnesota Statutes 2022, sections 152.22 to 152.37, are transferred to the Office of Cannabis Management under 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 and 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.

~~(e) This subdivision is effective July 1, 2024.~~

Sec. 37. Minnesota Statutes 2024, section 342.09, subdivision 2, is amended to read:

Subd. 2. **Home cultivation of cannabis for personal adult use.** (a) Up to eight cannabis plants, with no more than four being mature, flowering plants may be grown at a single residence, including the curtilage or yard, without a license to cultivate cannabis issued under this chapter provided that cultivation takes place at the primary residence of an individual 21 years of age or older and in an enclosed, locked space that is not open to public view.

(b) Pursuant to section 342.52, subdivision 9, paragraph (d), a registered designated caregiver may cultivate up to eight cannabis plants for not more than one patient household. In addition to eight cannabis plants for one patient household, a registered designated caregiver may cultivate up to eight cannabis plants for the caregiver's personal adult use of cannabis. Of the 16 or fewer total cannabis plants being grown in the registered caregiver's residence, no more than eight may be mature, flowering plants.

Sec. 38. Minnesota Statutes 2024, 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 wholesaler;
- ~~(12)~~ (13) lower-potency hemp edible retailer; and
- ~~(13)~~ (14) medical cannabis combination business.

Sec. 39. Minnesota Statutes 2024, 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 wholesaler:

- (i) an application fee of \$250;
- (ii) an initial license fee of \$10,000; and

(iii) a renewal license fee of \$10,000;

~~(12)~~ (13) for a lower-potency hemp edible retailer:

(i) an application fee of \$250 or, if the lower-potency hemp retailer operates more than one retail location, \$250 per retail location;

(ii) an initial license fee of \$250 or, if the lower-potency hemp retailer operates more than one retail location, \$250 per retail location; and

(iii) a renewal license fee of \$250 or, if the lower-potency hemp retailer operates more than one retail location, \$250 per retail location; and

~~(13)~~ (14) 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.

Sec. 40. Minnesota Statutes 2024, section 342.12, is amended to read:

342.12 LICENSES; TRANSFERS; ADJUSTMENTS.

(a) Licenses issued under this chapter that are available to all applicants pursuant to section 342.14, subdivision 1b, paragraph (c), may be freely transferred subject to the prior written approval of the office unless the license holder has not received a final site inspection or the license holder is a social equity applicant.

(b) Licenses issued as social equity licenses pursuant to either section 342.14, subdivision 1b, paragraph (b), or section 342.175, paragraph (b), may only be transferred to another social equity applicant for three years after the date on which the office issues the license. Three years after the date of issuance, a license holder may transfer a license to any entity. Transfer of a license that was issued as a social equity license must be reviewed by the Division of Social Equity and is subject to the prior written approval of the office.

(c) Preliminary license ~~preapproval~~ approval issued pursuant to section ~~342.125~~ 342.14, subdivision 5, may not be transferred.

(d) 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.

(e) Licenses must be renewed annually.

(f) License holders may petition the office to adjust the tier of a license issued within a license category if the license holder meets all applicable requirements.

(g) The office by rule may permit the relocation of a licensed cannabis business; permit the relocation of an approved operational location, including a cultivation, manufacturing, processing, 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.

Sec. 41. Minnesota Statutes 2024, 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 or hemp 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 if the local unit of government informs the office that the cannabis business does not meet local zoning and land use laws. If the local unit of government does not provide the certification to the office within 30 days of receiving a copy of an application from the office, the office may issue a license.

(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. 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 ~~or, cannabis mezzobusiness or lower-potency hemp edible retailer~~ with a retail operations endorsement, ~~lower-potency hemp edible retailer~~, or medical cannabis combination business operating a retail location 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 a 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.

Sec. 42. Minnesota Statutes 2024, section 342.14, subdivision 1, is amended to read:

Subdivision 1. **Application; contents.** (a) The office shall establish 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 space for cultivation, wholesaling, and retailing, as applicable;

(6) a copy of the security plan, including security monitoring, security equipment, and facility maps if applicable, except an applicant is not required to secure a physical premises for the business at the time of application;

(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;

(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 any training and education that the applicant will provide to employees of the business;

(12) a disclosure of any violation of a license agreement or a federal, state, or local law or regulation committed by the applicant or any true party of interest in the applicant's business that is relevant to business and working conditions;

(13) certification that the applicant will comply with the requirements of this chapter;

(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;

(15) a statement that the applicant agrees to respond to the office's supplemental requests for information; ~~and~~

(16) a release of information for the applicant and every true party of interest in the applicant's business license for the office to perform the background checks required under section 342.15-;

(17) proof that the applicant is a social equity applicant; and

(18) an attestation that the applicant's business policies governing business operations comply with this chapter.

(b) An applicant must file and update as necessary a disclosure of ownership and control identifying any true party of interest as defined in section 342.185, subdivision 1, paragraph (g).

The office shall establish the contents of the disclosure. Except as provided in paragraph ~~(f)~~ (e), 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.

~~(e) 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.~~

~~(f)~~ (c) 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.

(d) A labor peace agreement entered into on or after August 15, 2025, must address the duration of the election.

~~(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)~~ (e) The office may 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.

Sec. 43. Minnesota Statutes 2024, section 342.14, subdivision 3, is amended to read:

Subd. 3. **Review.** (a) After an applicant submits an application that contains all required information and pays the applicable ~~licensing~~ application fee, the office must review the application.

(b) The office may deny an application if:

- (1) the application is incomplete;
 - (2) the application contains a materially false statement about the applicant or omits information required under subdivision 1;
 - (3) the applicant does not meet the qualifications under section 342.16;
 - (4) the applicant is prohibited from holding the license under section 342.18, subdivision 2;
 - (5) the application does not meet the minimum requirements under section 342.18, subdivision 3;
 - (6) the applicant fails to pay the applicable application fee;
 - (7) the application was not submitted by the application deadline;
 - (8) the applicant submitted more than one application for a license type; or
 - (9) the office determines that the applicant would be prohibited from holding a license for any other reason.
- (c) If the office denies an application, the office must notify the applicant of the denial and the basis for the denial.
- (d) The office may request additional information from any 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 of the office's request for information, the office may deny the application.

(e) An applicant whose application is not denied under this subdivision is a qualified applicant.

Sec. 44. Minnesota Statutes 2024, section 342.14, subdivision 6, is amended to read:

Subd. 6. **Completed application; final authorization; issuance of license.** (a) Within 18 months of receiving notice of preliminary license approval, an applicant must provide:

- (1) the address and legal property description of the location where the business will operate;
- (2) the name of the local unit of government where the business will be located; and
- (3) if applicable, an updated description of the location where the business will operate, an updated security plan, and any other additional information required by the office.

(b) Upon receipt of the information required under paragraph (a) from an applicant that has received preliminary license approval, the office must:

(1) 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;

(2) schedule a site inspection; and

(3) require the applicant to pay the applicable license fee.

(c) The office may deny final authorization if:

(1) an applicant fails to submit any required information;

(2) the applicant submits a materially false statement about the applicant or fails to provide any required information;

(3) the office confirms that the cannabis business for which the office granted a preliminary license ~~preapproval~~ approval does not meet local zoning and land use laws;

(4) the applicant fails to pay the applicable license fee; or

(5) the office determines that the applicant is disqualified from holding the license or would operate in violation of the provisions of this chapter.

(d) Within 90 days of receiving the information required under paragraph (a) and the results of any required background check, the office shall grant final authorization and issue the appropriate license or send the applicant a notice of rejection setting forth specific reasons that the office did not approve the application.

Sec. 45. Minnesota Statutes 2024, section 342.151, subdivision 2, is amended to read:

Subd. 2. Criminal history check. A ~~license holder~~ cannabis business may employ or contract with as many unlicensed individuals as may be necessary, provided that the ~~license holder~~ cannabis business is at all times accountable for the good conduct of every individual employed by or contracted with the ~~license holder~~ cannabis business. Before hiring an individual as a cannabis worker, the ~~license holder~~ cannabis business 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~~ cannabis business of the bureau's determination. The ~~license holder~~ cannabis business must not employ an individual who is disqualified from being employed as a cannabis worker.

Sec. 46. Minnesota Statutes 2024, section 342.151, subdivision 3, is amended to read:

Subd. 3. **Disqualification.** (a) A ~~license holder~~ cannabis business 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~~ cannabis business must not employ an individual as a cannabis worker if the individual made any false statement in an application for employment.

Sec. 47. Minnesota Statutes 2024, 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;

(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 willful labor violation with the Department of Labor, National Labor Relations Board, or the Occupational Safety and Health Administration within the last five years, as determined by the office.

(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. 48. Minnesota Statutes 2024, 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 found delinquent for, received a stay of adjudication for, or 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 a service-disabled veteran, current or former member of the national guard;

(5) is a 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;

(6) has been a resident for the last five years of one or more subareas, such as census tracts or neighborhoods:

(i) 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), or another report based on federal or state data on arrests or convictions;

(ii) where the poverty rate was 20 percent or more;

(iii) where the median family income did not exceed 80 percent of the 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;

(iv) where at least 20 percent of the households receive assistance through the Supplemental Nutrition Assistance Program; or

(v) where the population has a high level of vulnerability according to the Centers for Disease Control and Prevention and Agency for Toxic Substances and Disease Registry (CDC/ATSDR) Social Vulnerability Index; 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.

(b) The qualifications described in paragraph (a) apply to each individual applicant or, in the case of a business entity, apply to at least 65 percent of the controlling ownership of the business entity.

Sec. 49. Minnesota Statutes 2024, 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, mezzobusiness licenses, or medical cannabis combination business licenses, or the issuance of ~~both~~ lower-potency hemp edible manufacturer, lower-potency hemp edible wholesaler, and lower-potency hemp edible retailer licenses to the same person or entity.

Sec. 50. Minnesota Statutes 2024, section 342.22, subdivision 3, is amended to read:

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 combination business operating a retail location, or lower-potency hemp edible retailer that:

- (1) has a valid license or preliminary license ~~preapproval~~ approval issued 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 any applicable 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.

Sec. 51. Minnesota Statutes 2024, section 342.22, is amended by adding a subdivision to read:

Subd. 6. **Exception; exclusive delivery services.** The requirements of this section do not apply to a lower-potency hemp edible retailer with a delivery endorsement if the lower-potency hemp edible retailer does not operate a retail location.

Sec. 52. Minnesota Statutes 2024, section 342.28, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** A cannabis microbusiness 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;
- (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 adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;
- (6) purchase immature cannabis plants and seedlings ~~and~~ cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from another cannabis microbusiness, a cannabis mezzobusiness, a cannabis cultivator, a cannabis manufacturer, ~~or~~ a

cannabis wholesaler, a medical cannabis combination business, a lower-potency hemp edible manufacturer, or a lower-potency hemp edible wholesaler;

(7) purchase hemp plant parts and propagules from an industrial hemp grower licensed under chapter 18K;

(8) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(9) purchase cannabis concentrate, hemp concentrate, and artificially derived cannabinoids from another cannabis microbusiness, a 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) package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;

(11) 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;

(12) operate an establishment that permits on-site consumption of edible cannabis products and lower-potency hemp edibles; and

(13) perform other actions approved by the office.

Sec. 53. Minnesota Statutes 2024, section 342.28, subdivision 8, is amended to read:

Subd. 8. **Production of ~~customer~~ consumer products endorsement.** A cannabis microbusiness that manufactures edible cannabis products, lower-potency hemp products, or hemp-derived consumer products must comply with the requirements in section 342.26, subdivisions 2 and 4.

Sec. 54. Minnesota Statutes 2024, 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) make cannabis concentrate;

(4) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

- (5) manufacture artificially derived cannabinoids;
- (6) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;
- (7) process medical cannabinoid products;
- (8) purchase immature cannabis plants and seedlings ~~and~~ cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from a cannabis microbusiness, another cannabis mezzobusiness, a cannabis cultivator, a cannabis manufacturer, or a cannabis wholesaler, a medical cannabis combination business, a lower-potency hemp edible manufacturer, or a lower-potency hemp edible wholesaler;
- (9) purchase cannabis concentrate, hemp concentrate, and ~~synthetically~~ artificially 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) purchase hemp plant parts and propagules from a licensed hemp grower licensed under chapter 18K;
- (11) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;
- (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 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) perform other actions approved by the office.

Sec. 55. Minnesota Statutes 2024, section 342.29, subdivision 7, is amended to read:

Subd. 7. **Production of ~~customer~~ consumer products endorsement.** A cannabis mezzobusiness that manufactures edible cannabis products, lower-potency hemp products, or hemp-derived consumer products must comply with the requirements in section 342.26, subdivisions 2 and 4.

Sec. 56. Minnesota Statutes 2024, section 342.30, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** A cannabis cultivator license entitles the license holder to:

- (1) grow cannabis plants within the approved amount of space from seed or immature plant to mature plant₂;
- (2) harvest cannabis flower from a mature plant₂;
- (3) package and label immature cannabis plants and seedlings and cannabis flower for sale to other cannabis businesses₂;

(4) sell immature cannabis plants and seedlings and cannabis flower to other cannabis businesses;

(5) transport cannabis flower to a cannabis manufacturer located on the same premises; and

(6) perform other actions approved by the office.

Sec. 57. Minnesota Statutes 2024, section 342.32, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** A cannabis retailer license entitles the license holder to:

(1) purchase immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, ~~and~~ cannabis wholesalers, and medical cannabis combination businesses;

(2) purchase lower-potency hemp edibles from a licensed lower-potency hemp edible manufacturer or lower-potency hemp edible wholesaler;

(3) 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 customers; and

(4) perform other actions approved by the office.

Sec. 58. Minnesota Statutes 2024, 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 and a cannabis event organizer license.

(b) Except as provided in paragraph (a) and subdivision 5, 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.

Sec. 59. Minnesota Statutes 2024, section 342.32, subdivision 5, is amended to read:

Subd. 5. **Municipal or county cannabis store.** A city or county may establish, own, and operate a municipal cannabis store subject to the restrictions in this chapter. Notwithstanding any law to the contrary, a city or county that establishes, owns, or operates a municipal cannabis store may also hold a lower-potency hemp edible retailer license.

Sec. 60. Minnesota Statutes 2024, section 342.33, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** A cannabis wholesaler license entitles the license holder to:

(1) purchase immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, medical cannabis combination businesses, and ~~cannabis microbusinesses~~ lower-potency hemp edible manufacturers;

(2) purchase hemp plant parts and propagules from industrial hemp growers licensed under chapter 18K;

(3) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(4) sell immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to cannabis microbusinesses, cannabis mezzobusinesses, cannabis manufacturers, and cannabis retailers;

(5) sell lower-potency hemp edibles to lower-potency hemp edible retailers;

(6) import hemp-derived consumer products and lower-potency hemp edibles that contain hemp concentrate or artificially derived cannabinoids that are derived from hemp plants or hemp plant parts; and

(7) perform other actions approved by the office.

Sec. 61. Minnesota Statutes 2024, section 342.34, subdivision 5, is amended to read:

Subd. 5. **Importation of hemp-derived products.** (a) A cannabis wholesaler that imports lower-potency hemp edibles or hemp-derived consumer products, other than hemp-derived topical products, that are manufactured outside the boundaries of the state of Minnesota with the intent to sell the products to a cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, lower-potency hemp edible wholesaler, or lower-potency hemp edible retailer must obtain a hemp-derived product importer endorsement from the office.

(b) A cannabis wholesaler with a hemp-derived product importer endorsement may sell products manufactured outside the boundaries of the state of Minnesota if:

(1) the manufacturer is licensed in another jurisdiction and subject to regulations designed to protect the health and safety of consumers that the office determines are substantially similar to the regulations in this state; or

(2) the cannabis wholesaler establishes, to the satisfaction of the office, that the manufacturer engages in practices that are substantially similar to the practices required for licensure of manufacturers in this state.

(c) The cannabis wholesaler must enter all relevant information regarding an imported hemp-derived consumer product into the statewide monitoring system before the product may be distributed. Relevant information includes information regarding the cultivation, processing, and

testing of the industrial hemp used in the manufacture of the product and information regarding the testing of the hemp-derived consumer product. If information regarding the industrial hemp or hemp-derived consumer product was submitted to a statewide monitoring system used in another state, the office may require submission of any information provided to that statewide monitoring system and shall assist in the transfer of data from another state as needed and in compliance with any data classification established by either state.

(d) The office may suspend, revoke, or cancel the endorsement of a distributor who is prohibited from distributing products containing cannabinoids in any other jurisdiction, convicted of an offense involving the distribution of products containing cannabinoids in any other jurisdiction, or found liable for distributing any product that injured customers in any other jurisdiction. A cannabis wholesaler shall disclose all relevant information related to actions in another jurisdiction. Failure to disclose relevant information may result in disciplinary action by the office, including the suspension, revocation, or cancellation of an endorsement or license.

(e) Notwithstanding any law to the contrary, it shall not be a defense in any civil or criminal action that a licensed wholesaler relied on information on a product label or otherwise provided by a manufacturer who is not licensed in this state.

Sec. 62. Minnesota Statutes 2024, section 342.36, subdivision 6, is amended to read:

Subd. 6. **Multiple employees; secured vehicles; delivery routes.** All cannabis transporter vehicles transporting immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products must be ~~staffed with a minimum of two employees~~ (1) secured by turning off the ignition, locking all doors and storage compartments, and removing the operating keys or device, or (2) attended by a cannabis transporter employee at all times. If there are multiple team members staffing an unsecured transport vehicle, at least one delivery team member shall remain with the motor vehicle at all times that the motor vehicle contains immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products. A cannabis transporter must not be required to randomize delivery times and routes or staff cannabis transport vehicles with multiple employees.

Sec. 63. Minnesota Statutes 2024, section 342.37, subdivision 2, is amended to read:

Subd. 2. **Additional information required; exception.** (a) In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis testing facility license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems and policies to avoid sales to unlicensed businesses;

(2) proof of accreditation by a laboratory accrediting organization approved by the office that, at a minimum, requires a laboratory to operate formal management systems under the International Organization for Standardization; and

(3) evidence that the business will comply with the applicable operation requirements for the license being sought.

(b) An independent laboratory approved to test medical cannabis produced by a medical cannabis manufacturer pursuant to section 152.25 and Minnesota Rules, part 4770.2000, before May 1, 2025, is not required to submit an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement at the time of an initial application for a cannabis testing facility license. A laboratory that receives a cannabis testing facility license under this exception must submit an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement at the time of the second renewal of the license.

Sec. 64. Minnesota Statutes 2024, section 342.37, is amended by adding a subdivision to read:

Subd. 2a. **Cannabis testing facility licenses.** (a) Pending an applicant's accreditation by a laboratory accrediting organization approved by the office, the office may issue or renew a cannabis testing facility license for an applicant that is a person, cooperative, or business if the applicant:

(1) submits documentation to the office demonstrating that the applicant has a signed contract with a laboratory accreditation organization approved by the office, has scheduled an audit, and is making progress toward accreditation by a laboratory accrediting organization approved by the office according to the standards of the most recent edition of ISO/IEC 17025: General Requirements for the Competence of Testing and Calibration Laboratories;

(2) passes a final site inspection conducted by the office; and

(3) meets all other licensing requirements according to chapter 342 and Minnesota Rules.

(b) After receiving a license under this section, a license holder may operate a cannabis testing facility up to one year with pending accreditation status.

(c) If after one year a license holder continues to have pending accreditation status, the license holder may apply for a onetime extension to continue operations for up to six months. The office may grant an extension under this paragraph to a license holder if the license holder:

(1) passes a follow-up site inspection conducted by the office;

(2) submits an initial audit report from a laboratory accrediting organization approved by the office; and

(3) submits any additional information requested by the office.

(d) The office may revoke a cannabis testing facility license held by a license holder with pending accreditation status if the office determines or has reason to believe that the license holder:

(1) is not making progress toward accreditation; or

(2) has violated a cannabis testing requirement, an ownership requirement, or an operational requirement in chapter 342 or Minnesota Rules.

(e) The office must not issue or renew a cannabis testing facility license under this subdivision for a license holder if the license holder's accreditation has been suspended or revoked by a laboratory accrediting organization.

Sec. 65. Minnesota Statutes 2024, section 342.37, is amended by adding a subdivision to read:

Subd. 2b. **Loss of accreditation.** (a) A license holder must report loss of accreditation to the office within 24 hours of receiving notice of the loss of accreditation.

(b) The office must immediately revoke a license holder's license upon receiving notice that the license holder has lost accreditation.

Sec. 66. Minnesota Statutes 2024, section 342.39, subdivision 3, is amended to read:

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis event organizer license may not hold a cannabis testing facility license, a lower-potency hemp edible manufacturer license, a lower-potency hemp edible wholesaler license, or a lower-potency hemp edible retailer license.

(b) The office by rule may limit the number of cannabis event licenses that a person or business may hold.

(c) For purposes of this subdivision, restrictions on the number or type of license that a business may hold apply to every cooperative member or every director, manager, and general partner of a cannabis business.

Sec. 67. Minnesota Statutes 2024, 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; or

~~(4) give away cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products; or~~

~~(5)~~ (4) 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.

Sec. 68. Minnesota Statutes 2024, section 342.40, is amended by adding a subdivision to read:

Subd. 7a. **Cannabis sample products.** (a) Notwithstanding any other provisions of law, a retailer authorized to make sales to customers pursuant to subdivision 7 may give away samples of cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products during a cannabis event. A label or notice containing the information required to be affixed to the packaging or container containing cannabis flower, adult-use cannabis products,

lower-potency hemp edibles, or hemp-derived consumer products sold to customers must be displayed and available for consumers.

(b) Products given away as samples must not consist of more than:

(1) one gram of adult-use cannabis flower or adult-use cannabis concentrate;

(2) ten milligrams of tetrahydrocannabinol infused in an edible cannabis product; and

(3) five milligrams of delta-9 tetrahydrocannabinol, 100 milligrams of cannabidiol, cannabigerol, cannabinol, or cannabichromene, or any combination of those cannabinoids that does not exceed the identified amounts in a lower-potency hemp edible.

(c) Authorized retailers must not give away samples to an individual who is visibly intoxicated.

(d) Samples of any cannabis plants, cannabis flower, cannabis products, and hemp-derived consumer products that are required to be entered into the statewide monitoring system must be documented in the statewide monitoring system.

Sec. 69. Minnesota Statutes 2024, section 342.43, subdivision 1, is amended to read:

Subdivision 1. **License types.** The office shall issue the following types of hemp business licenses:

(1) lower-potency hemp edible manufacturer; and

(2) lower-potency hemp edible wholesaler; and

~~(2)~~ (3) lower-potency hemp edible retailer.

Sec. 70. Minnesota Statutes 2024, section 342.43, subdivision 2, is amended to read:

Subd. 2. **Multiple licenses; limits.** (a) A person, cooperative, or business may hold ~~both any combination of a lower-potency hemp edible manufacturer, a lower-potency hemp edible wholesaler, and a lower-potency hemp edible retailer license.~~

(b) Nothing in this section prohibits a person, cooperative, or business from holding a lower-potency hemp edible manufacturer license, a lower-potency hemp edible wholesaler license, a lower-potency hemp edible retailer license, or both any combination of those licenses, and also holding a license to cultivate industrial hemp issued pursuant to chapter 18K.

(c) Nothing in this section prohibits a person, cooperative, or business from holding a lower-potency hemp edible manufacturer license, a lower-potency hemp edible wholesaler license, a lower-potency hemp edible retailer license, or both any combination of those licenses, and also holding any other license, including but not limited to a license to prepare or sell food; sell tobacco, tobacco-related devices, electronic delivery devices as defined in section 609.685, subdivision 1, and nicotine and lobelia delivery products as described in section 609.6855; or manufacture or sell alcoholic beverages as defined in section 340A.101, subdivision 2.

(d) A person, cooperative, or business holding a lower-potency hemp edible manufacturer license, a lower-potency hemp edible wholesaler license, a lower-potency hemp edible retailer license, or both any combination of those licenses, may not hold a cannabis business license.

Sec. 71. Minnesota Statutes 2024, section 342.43, is amended by adding a subdivision to read:

Subd. 3. **Exception; municipal or county licenses.** Notwithstanding any law to the contrary, a city or county that establishes, owns, or operates a municipal cannabis store may also hold a lower-potency hemp edible retailer license.

Sec. 72. Minnesota Statutes 2024, 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.

(c) 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. A labor peace agreement entered into on or after August 15, 2025, must address the duration of the election.

~~(d) An application on behalf of a corporation or association shall be signed by at least two officers or managing agents of that entity.~~

Sec. 73. Minnesota Statutes 2024, section 342.45, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** A lower-potency hemp edible manufacturer license, consistent with the specific license endorsement or endorsements, entitles the license holder to:

(1) purchase hemp plant parts, hemp concentrate, and artificially derived cannabinoids from cannabis microbusinesses, cannabis mezzobusinesses, cannabis manufacturers, cannabis wholesalers, and lower-potency hemp edible manufacturers;

(2) purchase hemp plant parts and propagules from industrial hemp growers licensed under chapter 18K;

(3) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(4) make hemp concentrate;

(5) manufacture artificially derived cannabinoids;

(6) manufacture lower-potency hemp edibles for public consumption;

(7) package and label lower-potency hemp edibles for sale to customers;

(8) sell hemp concentrate, artificially derived cannabinoids, and lower-potency hemp edibles to other cannabis businesses and hemp businesses; ~~and~~

(9) manufacture, package, and label products containing cannabinoids that are intended for sale outside of the state;

(10) store products containing cannabinoids that are intended for sale outside of the state;

(11) sell products containing cannabinoids that do not qualify as lower-potency hemp edibles but are compliant with the importing state's requirements to customers outside of the state; and

~~(9)~~ (12) perform other actions approved by the office.

Sec. 74. Minnesota Statutes 2024, section 342.45, is amended by adding a subdivision to read:

Subd. 4a. **Products intended for sale in other jurisdictions.** (a) A lower-potency hemp edible manufacturer that produces products containing cannabinoids that do not qualify as lower-potency hemp edibles and are intended for sale only in jurisdictions other than Minnesota must obtain a hemp product exporter endorsement from the office.

(b) All areas within the premises of a lower-potency hemp edible manufacturer used for producing products containing cannabinoids that do not qualify as lower-potency hemp edibles must meet the sanitary standards specified in rules adopted by the office.

(c) A lower-potency hemp edible manufacturer must not add any cannabis flower, cannabis concentrate, or cannabinoid derived from cannabis flower or cannabis concentrate to products containing cannabinoids that do not qualify as lower-potency hemp edibles.

(d) All products containing cannabinoids that do not qualify as lower-potency hemp edibles and are intended, distributed, and offered for sale only in jurisdictions other than Minnesota must be physically separated from all lower-potency hemp edibles during the manufacturing, packaging, and labeling process.

(e) All products containing cannabinoids that do not qualify as lower-potency hemp edibles and are intended, distributed, and offered for sale only in jurisdictions other than Minnesota must be tested as provided in section 342.61 and must meet all standards established by the office except for any limits on the amount of any cannabinoid a product may contain. The packaging of such products must contain verification that the product was tested according to section 342.61 and that the product complies with applicable standards except for any limits on the amount of any cannabinoid a product may contain. The packaging must also include the product's batch number and the cannabinoid profile per serving and in total.

(f) The packaging of all products containing cannabinoids that do not qualify as lower-potency hemp edibles and are intended, distributed, and offered for sale only in jurisdictions other than Minnesota must clearly state that the products are not for sale in Minnesota.

(g) A lower-potency hemp edible manufacturer may only sell or offer for sale products containing cannabinoids to customers outside of the state if the products are compliant with the importing state's requirements.

(h) A lower-potency hemp edible manufacturer must not sell or offer for sale products containing cannabinoids that do not qualify as lower-potency hemp edibles in Minnesota and must not manufacture, distribute, or store such products knowing or having reason to know that the products will be sold in Minnesota. A lower-potency hemp edible manufacturer selling such products must ensure that the products are not sold in Minnesota by notifying the distributor, wholesaler, retail business, or other person purchasing a product that sale of the products in Minnesota could result in the imposition of civil or criminal penalties and in the termination of any contract between the lower-potency hemp edible manufacturer and the distributor, wholesaler, retail business, or other person purchasing the product.

(i) The office may suspend, revoke, or cancel the license or endorsement of a lower-potency hemp edible manufacturer who is prohibited from distributing products containing cannabinoids in any other jurisdiction, convicted of an offense involving the distribution of products containing cannabinoids in any other jurisdiction, or found liable for distributing any product that injured customers in any other jurisdiction. A lower-potency hemp edible manufacturer shall disclose all relevant information related to actions in another jurisdiction. Failure to disclose relevant information may result in disciplinary action by the office, including the suspension, revocation, or cancellation of an endorsement or license.

Sec. 75. Minnesota Statutes 2024, section 342.45, is amended by adding a subdivision to read:

Subd. 6. **Building conditions.** (a) A lower-potency hemp edible manufacturer must comply with state and local building, fire, and zoning codes, requirements, and regulations.

(b) A lower-potency hemp edible manufacturer must ensure that licensed premises are maintained in a clean and sanitary condition and are free from infestation by insects, rodents, or other pests.

Sec. 76. **[342.455] LOWER-POTENCY HEMP EDIBLE WHOLESALER.**

Subdivision 1. **Authorized actions.** A lower-potency hemp edible wholesaler 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) purchase lower-potency hemp edibles from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, other lower-potency hemp edible wholesalers, and lower-potency hemp edible manufacturers;

(2) sell lower-potency hemp edibles to lower-potency hemp edible retailers with a retail endorsement, cannabis microbusinesses with a retail endorsement, cannabis mezzobusinesses with a retail endorsement, cannabis retailers, cannabis wholesalers, medical cannabis combination businesses, and other lower-potency hemp edible wholesalers;

(3) import lower-potency hemp edibles that contain hemp concentrate or artificially derived cannabinoids that are derived from hemp plants or hemp plant parts;

(4) purchase and store products containing cannabinoids that are intended for sale outside of the state;

(5) sell products containing cannabinoids that do not qualify as lower-potency hemp edibles to customers outside of the state; and

(6) perform other actions approved by the office.

Subd. 2. Operations; physical presence. (a) A lower-potency hemp edible wholesaler must maintain accurate records and ensure that appropriate labels remain affixed to lower-potency hemp edibles.

(b) A lower-potency hemp edible wholesaler must maintain compliance with state and local building, fire, and zoning requirements or regulations and must ensure that the wholesaler's premises are maintained in a clean and sanitary condition, free from infestation by insects, rodents, or other pests.

(c) A lower-potency hemp edible wholesaler may purchase and sell other products or items for which the wholesaler has a license or an authorization or that do not require a license or an authorization. Products for which no license or authorization is required include but are not limited to industrial hemp products, products that contain hemp grain, hemp-derived topical products, and cannabis paraphernalia. Cannabis paraphernalia includes but is not limited to childproof packaging containers and other devices designed to ensure the safe storage and monitoring of cannabis flower and cannabis products in the home to prevent access by individuals under 21 years of age.

(d) A lower-potency hemp edible wholesaler must own or lease warehouse or office space within the state.

Subd. 3. Importation of lower-potency hemp edibles; endorsement. (a) A lower-potency hemp edible wholesaler that imports lower-potency hemp edibles that are manufactured outside the boundaries of the state of Minnesota with the intent to sell the products to a cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, cannabis wholesaler, medical cannabis combination business, other lower-potency hemp edible wholesaler, or lower-potency hemp edible retailer must obtain a lower-potency hemp edible importer endorsement from the office.

(b) A lower-potency hemp edible wholesaler with an endorsement issued under this subdivision may sell products manufactured outside the boundaries of the state of Minnesota if:

(1) the manufacturer is licensed in another jurisdiction and subject to regulations designed to protect the health and safety of consumers that the office determines are substantially similar to the regulations in this state; or

(2) the lower-potency hemp edible wholesaler establishes, to the satisfaction of the office, that the manufacturer engages in practices that are substantially similar to the practices required for licensure of manufacturers in this state.

(c) The office may suspend, revoke, or cancel the license or endorsement of a wholesaler who is prohibited from distributing products containing cannabinoids in any other jurisdiction, convicted of an offense involving the distribution of products containing cannabinoids in any other jurisdiction, or found liable for distributing any product that injured customers in any other jurisdiction. A lower-potency hemp edible wholesaler shall disclose all relevant information related to actions in another jurisdiction. Failure to disclose relevant information may result in disciplinary action by the office, including the suspension, revocation, or cancellation of an endorsement or license.

(d) Notwithstanding any law to the contrary, it is not a defense in any civil or criminal action that a wholesaler relied on information on a product label or otherwise provided by a manufacturer who is not licensed in this state.

Subd. 4. Products intended for sale in other jurisdictions. (a) A lower-potency hemp edible wholesaler that purchases, stores, transports, or sells products containing cannabinoids that do not qualify as lower-potency hemp edibles and are intended for sale only in jurisdictions other than Minnesota must obtain a hemp product exporter endorsement from the office.

(b) All products containing cannabinoids that do not qualify as lower-potency hemp edibles and are intended, distributed, and offered for sale only in jurisdictions other than Minnesota must be physically separated from all lower-potency hemp edibles and must be in packaging that clearly states that the products are not for sale in Minnesota.

(c) All products containing cannabinoids that do not qualify as lower-potency hemp edibles and are intended, distributed, and offered for sale only in jurisdictions other than Minnesota must be packaged in a manner that includes verification that the product was tested according to section 342.61 and that the product complies with applicable standards except for any limits on the amount of any cannabinoid a product may contain. The packaging must also include the product's batch number and the cannabinoid profile per serving and in total.

(d) A lower-potency hemp edible wholesaler must not sell or offer for sale products containing cannabinoids that do not qualify as lower-potency hemp edibles in Minnesota and must not distribute or store such products knowing or having reason to know that the products will be sold in Minnesota.

(e) The office may suspend, revoke, or cancel the license or endorsement of a lower-potency hemp edible wholesaler who is prohibited from distributing products containing cannabinoids in any other jurisdiction, convicted of an offense involving the distribution of products containing cannabinoids in any other jurisdiction, or found liable for distributing any product that injured customers in any other jurisdiction. A lower-potency hemp edible wholesaler shall disclose all relevant information related to actions in another jurisdiction. Failure to disclose relevant information may result in disciplinary action by the office, including the suspension, revocation, or cancellation of an endorsement or license.

Subd. 5. **Transportation of lower-potency hemp edibles; endorsement.** (a) A lower-potency hemp edible wholesaler that transports lower-potency hemp edibles to a cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, cannabis wholesaler, medical cannabis combination business, different lower-potency hemp edible wholesaler, or lower-potency hemp edible retailer must obtain a lower-potency hemp edible transporter endorsement from the office.

(b) In addition to the information required to be submitted under section 342.44, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a lower-potency hemp edible transporter endorsement must submit the following information in a form approved by the office:

(1) an appropriate surety bond, a certificate of insurance, qualifications as a self-insurer, or other securities or agreements, in the amount of not less than \$300,000, for loss of or damage to cargo;

(2) an appropriate surety bond, a certificate of insurance, qualifications as a self-insurer, or other securities or agreements, in the amount of not less than \$1,000,000, for injury to one or more persons in any one accident and, if an accident has resulted in injury to or destruction of property, of not less than \$100,000 because of such injury to or destruction of property of others in any one accident;

(3) the number and type of equipment the business will use to transport lower-potency hemp edibles;

(4) a loading, transporting, and unloading plan;

(5) a description of the applicant's experience in the distribution or security business; and

(6) evidence that the business will comply with the applicable operation requirements for the license being sought.

(c) A lower-potency hemp edible wholesaler may transport lower-potency hemp edibles on public roadways if:

(1) the lower-potency hemp edibles are in a locked, safe, and secure storage compartment that is part of the motor vehicle or in a locked storage container that has a separate key or combination pad;

(2) the lower-potency hemp edibles are packaged in tamper-evident containers that are not visible or recognizable from outside the transporting vehicle;

(3) the lower-potency hemp edible wholesaler has a shipping manifest in the wholesaler's possession that describes the contents of all tamper-evident containers;

(4) all departures, arrivals, and stops are appropriately documented;

(5) no person other than a designated employee enters a vehicle at any time that the vehicle is transporting lower-potency hemp edibles;

(6) at all times that the vehicle contains lower-potency hemp edibles, the vehicle is (i) secured by turning off the ignition, locking all doors and storage compartments, and removing the operating keys or device, or (ii) attended by a lower-potency hemp edible wholesaler employee; and

(7) the lower-potency hemp edible wholesaler complies with any other rules adopted by the office related to the transportation of lower-potency hemp edibles by a lower-potency hemp edible wholesaler, except that rules requiring a lower-potency hemp edible wholesaler to randomize delivery times and routes or staff vehicles with multiple employees do not apply.

(d) Any vehicle assigned for the purposes of transporting lower-potency hemp edibles is subject to inspection at any time.

Sec. 77. Minnesota Statutes 2024, section 342.46, subdivision 1, is amended to read:

Subdivision 1. ~~**Sale of lower-potency hemp edibles**~~ **Authorized actions.** (a) A lower-potency hemp edible retailer ~~may only sell lower-potency hemp edibles to individuals who are at least 21 years of age;~~ 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:

~~(b) A lower-potency hemp edible retailer may sell lower-potency hemp edibles that:~~

~~(1) are obtained~~ purchase lower-potency hemp edibles from a licensed Minnesota cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, cannabis wholesaler, medical cannabis combination business, ~~or lower-potency hemp edible manufacturer, or lower-potency hemp edible wholesaler; and~~

~~(2) meet all applicable packaging and labeling requirements~~ sell lower-potency hemp edibles that meet all packaging and labeling requirements to customers who are at least 21 years of age;

(3) transport and deliver lower-potency hemp edibles to customers; and

(4) perform other actions approved by the office.

Sec. 78. Minnesota Statutes 2024, section 342.46, is amended by adding a subdivision to read:

Subd. 1a. **Retailer operations endorsement.** In addition to the information required to be submitted under section 342.44, subdivision 1, a lower-potency hemp edible retailer that intends to operate a retail establishment must indicate that intent in the form and manner approved by the office.

Sec. 79. Minnesota Statutes 2024, section 342.46, is amended by adding a subdivision to read:

Subd. 1b. **Delivery endorsement.** (a) In addition to the information required to be submitted under section 342.44, subdivision 1, a lower-potency hemp edible retailer that delivers lower-potency hemp edibles must submit the following information in a form approved by the office:

(1) proof of insurance for each vehicle or general liability insurance with a limit of at least \$1,000,000 for each occurrence;

(2) a business plan demonstrating policies to avoid sales of lower-potency hemp edibles to individuals who are under 21 years of age; and

(3) evidence that the business will comply with the applicable operation requirements for the license being sought.

(b) A lower-potency hemp edible retailer with a delivery endorsement:

(1) must ensure that lower-potency hemp edibles are not visible from outside the delivery vehicle;

(2) must ensure that a vehicle that contains lower-potency hemp edibles is (i) secured by turning off the ignition, locking all doors and storage compartments, and removing the operating keys or device, or (ii) attended by a lower-potency hemp edible retailer employee or independent contractor acting on behalf of the lower-potency hemp edible retailer; and

(3) must not use a vehicle or trailer with an image depicting the types of items being transported, including but not limited to an image depicting a cannabis or hemp leaf, or a name suggesting that the delivery vehicle is used for transporting lower-potency hemp edibles.

(c) Any vehicle delivering lower-potency hemp edibles is subject to inspection at any time.

(d) The office may, by policy, establish limits on the amount of lower-potency hemp edibles that a single delivery vehicle may transport at any time. If the office establishes limits under this paragraph, the office must notify all lower-potency hemp edible retailers with a delivery endorsement of the limit and must post the limit on the office's publicly accessible website.

Sec. 80. Minnesota Statutes 2024, section 342.46, subdivision 3, is amended to read:

Subd. 3. **Age verification.** Prior to initiating a sale or completing a delivery, an employee or independent contractor of the lower-potency hemp edible retailer must verify that the customer is at least 21 years of age. Section 342.27, subdivision 4, applies to the verification of a customer's age.

Sec. 81. Minnesota Statutes 2024, section 342.46, subdivision 4, is amended to read:

Subd. 4. **Display and storage of lower-potency hemp edibles.** A lower-potency hemp edible retailer operating a retail location shall ensure that all lower-potency hemp edibles, other than lower-potency hemp edibles that are intended to be consumed as a beverage, are displayed behind a checkout counter where the public is not permitted or in a locked case. All lower-potency hemp edibles that are not displayed must be stored in a secure area.

Sec. 82. Minnesota Statutes 2024, section 342.46, subdivision 5, is amended to read:

Subd. 5. **Transportation of lower-potency hemp edibles.** (a) A lower-potency hemp edible retailer may transport lower-potency hemp edibles on public roadways provided:

(1) the lower-potency hemp edibles are in final packaging;

(2) the lower-potency hemp edibles are packaged in tamper-evident containers that are not visible or recognizable from outside the transporting vehicle;

(3) the lower-potency hemp edible retailer has a shipping manifest in the lower-potency hemp edible retailer's possession that describes the contents of all tamper-evident containers;

(4) all departures, arrivals, and stops are appropriately documented;

(5) no person other than a designated employee enters a vehicle at any time that the vehicle is transporting lower-potency hemp edibles; and

(6) the lower-potency hemp edible retailer complies with any other rules adopted by the office, except that rules requiring a lower-potency hemp edible retailer to randomize delivery times and routes or staff vehicles with multiple employees do not apply.

(b) Any vehicle assigned for the purposes of transporting lower-potency hemp edibles is subject to inspection at any time.

(c) The requirements under paragraph (a) do not apply to the delivery of lower-potency hemp edibles to customers by a lower-potency hemp edible retailer with a delivery endorsement.

Sec. 83. Minnesota Statutes 2024, 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 products containing cannabinoids offered for sale qualify as hemp-derived topical products or lower-potency hemp edibles and comply with the all applicable limits on the amount and types of cannabinoids that a lower-potency hemp edible the product 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 edible cannabinoid products that are intended to be combined with food or beverage products 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. 84. Minnesota Statutes 2024, section 342.46, subdivision 7, is amended to read:

Subd. 7. **Prohibitions.** A lower-potency hemp edible retailer ~~may~~ must not:

- (1) sell or deliver lower-potency hemp edibles to an individual who is under 21 years of age;
- (2) sell or deliver a lower-potency hemp edible to a person who is visibly intoxicated;
- (3) sell or deliver cannabis flower, cannabis products, or hemp-derived consumer products;
- (4) allow for the dispensing of lower-potency hemp edibles in vending machines; or
- (5) distribute or allow free samples of lower-potency hemp edibles except when the business is licensed to permit on-site consumption and samples are consumed within its licensed premises.

Sec. 85. Minnesota Statutes 2024, section 342.46, subdivision 8, is amended to read:

Subd. 8. **On-site consumption.** (a) A lower-potency hemp edible retailer may permit on-site consumption of lower-potency hemp edibles on a portion of its premises if it has an on-site consumption endorsement.

(b) The office shall issue an on-site consumption endorsement to any lower-potency hemp edible retailer that also holds an on-sale license issued under chapter 340A.

(c) A lower-potency hemp edible retailer must ensure that lower-potency hemp edibles sold for on-site consumption comply with this chapter and rules adopted pursuant to this chapter regarding testing.

(d) Lower-potency hemp edibles sold for on-site consumption, other than lower-potency hemp edibles that are intended to be consumed as a beverage, must be served in the required packaging, but may be removed from the products' packaging by customers and consumed on site.

(e) Lower-potency hemp edibles that are intended to be consumed as a beverage may be served outside of the edibles' packaging if the information that is required to be contained on the label of a lower-potency hemp edible is posted or otherwise displayed by the lower-potency hemp edible retailer. Hemp workers who serve beverages under this paragraph are not required to obtain an edible cannabinoid product handler endorsement under section 342.07, subdivision 3.

(f) Food and beverages not otherwise prohibited by this subdivision may be prepared and sold on site if the lower-potency hemp edible retailer complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(g) A lower-potency hemp edible retailer may offer recorded or live entertainment if the lower-potency hemp edible retailer complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(h) In addition to the prohibitions under subdivision 7, a lower-potency hemp edible retailer with an on-site consumption endorsement may not:

(1) sell, give, furnish, or in any way procure for another lower-potency hemp edibles for the use of an obviously intoxicated person;

(2) sell lower-potency hemp edibles that are designed or reasonably expected to be mixed with an alcoholic beverage; or

(3) permit lower-potency hemp edibles that have been removed from the products' packaging to be removed from the premises of the lower-potency hemp edible retailer.

(i) A lower-potency hemp edible retailer is permitted to sell and may permit the consumption of lower-potency hemp edibles that are intended to be consumed as a beverage at an event hosted off site if:

(1) the event has been authorized by the local unit of government exercising jurisdiction over the location;

(2) the event organizer holds an on-sale license issued under chapter 340A; and

(3) the event does not exceed four days.

Sec. 86. Minnesota Statutes 2024, section 342.46, subdivision 9, is amended to read:

Subd. 9. **Posting of notices.** A lower-potency hemp edible retailer with a retail endorsement must post all notices as provided in section 342.27, subdivision 6.

Sec. 87. Minnesota Statutes 2024, section 342.51, subdivision 2, is amended to read:

Subd. 2. **Distribution requirements.** (a) Prior to distribution of medical cannabis flower or medical cannabinoid products to a person enrolled in the registry program, an employee ~~with a valid medical cannabis consultant certificate issued by the office or a licensed pharmacist under chapter 151~~ of a cannabis business must:

(1) review and confirm the patient's enrollment in the registry program;

(2) verify that the person requesting the distribution of medical cannabis flower or medical cannabinoid products is the patient, the patient's registered designated caregiver, or the patient's parent, legal guardian, or spouse using the procedures established by the office;

(3) ~~provide~~ confirm that the patient had a consultation to the patient with (i) an employee with a valid medical cannabis consultant certificate issued by the office; or (ii) an employee who is a licensed pharmacist under chapter 151 to determine the proper medical cannabis flower or medical cannabinoid 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 the office; and

(5) provide the patient with any other information required by the office.

(b) A cannabis business with a medical cannabis retail endorsement may not deliver medical cannabis flower or medical cannabinoid products to a person enrolled in the registry program unless the cannabis business with a medical cannabis retail endorsement also holds a cannabis delivery service license. The delivery of medical cannabis flower and medical cannabinoid products are subject to the provisions of section 342.42.

Sec. 88. Minnesota Statutes 2024, section 342.51, is amended by adding a subdivision to read:

Subd. 2a. **Distribution to visiting patients.** (a) A cannabis business with a medical cannabis retail endorsement may distribute medical cannabis flower or medical cannabinoid products to a visiting patient.

(b) Before receiving a distribution of medical cannabis, a visiting patient must provide to an employee of the cannabis business:

(1) a valid medical cannabis registration verification card or equivalent document issued under the laws and regulations of another state, district, commonwealth, Tribal Nation, or territory that indicates that the visiting patient is authorized to use medical cannabis in the issuing jurisdiction; and

(2) a valid photographic identification card issued by the visiting patient's medical cannabis program, a valid driver's license, or a valid state identification card.

(c) Prior to the distribution of medical cannabis flower or medical cannabinoid products to a visiting patient, an employee of a cannabis business must:

(1) ensure that a patient-specific label has been applied to all medical cannabis flower and medical cannabinoid products. The label must include the recommended dosage requirements and other information required by the office; and

(2) provide the patient with any other information required by the office.

(d) For each transaction that involves a visiting patient, a cannabis business with a medical cannabis retail endorsement must report to the office on a weekly basis:

(1) the name of the visiting patient;

(2) the name of the medical cannabis program in which the visiting patient is enrolled;

(3) the amount and dosages of medical cannabis distributed;

(4) the chemical composition of the medical cannabis distributed; and

(5) the tracking number assigned to the medical cannabis that was distributed to the visiting patient.

(e) A cannabis business with a medical cannabis retail endorsement may distribute medical cannabis flower and medical cannabinoid products to a visiting patient in a motor vehicle if:

(1) an employee of the cannabis business receives payment and distributes medical cannabis flower and medical cannabinoid products in a designated zone that is as close as feasible to the front door of the facility where the cannabis business is located;

(2) the cannabis business with a medical cannabis retail endorsement ensures that the receipt of payment and distribution of medical cannabis flower and medical cannabinoid products are visually recorded by a closed-circuit television surveillance camera and provides any other necessary security safeguards required by the office;

(3) the cannabis business with a medical cannabis retail endorsement does not store medical cannabis flower or medical cannabinoid products outside a restricted access area;

(4) an employee of the cannabis business transports medical cannabis flower and medical cannabinoid products from a restricted access area to the designated zone for distribution to patients only after confirming that the visiting patient has arrived in the designated zone;

(5) the payment for and distribution of medical cannabis flower and medical cannabinoid products to a patient only occurs after meeting the requirements in paragraph (b);

(6) immediately following the distribution of medical cannabis flower or medical cannabinoid products to a patient, an employee of the cannabis business records the transaction in the statewide monitoring system; and

(7) immediately following the distribution of medical cannabis flower and medical cannabinoid products, an employee of the cannabis business transports all payments received into the facility where the cannabis business is located.

Sec. 89. Minnesota Statutes 2024, section 342.515, subdivision 1, is amended to read:

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, 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, or another medical cannabis combination business;

(10) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(11) manufacture, package, and label medical cannabis flower and medical cannabinoid products for sale to cannabis businesses with a medical cannabis processor endorsement, cannabis businesses with a medical cannabis retail endorsement, other medical cannabis combination businesses, and persons in the registry program;

(12) transport and deliver medical cannabis flower and medical cannabinoid products to medical cannabis processors, medical cannabis retailers, other medical cannabis combination businesses, patients enrolled in the registry program, registered designated caregivers, and parents, legal guardians, and spouses of an enrolled patient;

(12) (13) manufacture, package, and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers and other cannabis businesses;

(13) (14) sell medical cannabis flower and medical cannabinoid products to other cannabis businesses with a medical endorsement, 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;

(14) (15) 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

(16) transport 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;

(17) sell and transport lower-potency hemp edibles to lower-potency hemp edible retailers and lower-potency hemp edible wholesalers; and

(15) (18) perform other actions approved by the office.

(d) A medical cannabis combination business is not required to obtain a medical cannabis endorsement to perform any actions authorized under this section.

Sec. 90. Minnesota Statutes 2024, section 342.515, subdivision 7, is amended to read:

Subd. 7. **Transportation between facilities.** A medical cannabis combination business may 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 ~~between facilities operated by the medical cannabis combination business~~ if the medical cannabis combination business:

- (1) provides the office with the information described in section 342.35, subdivision 2; and
- (2) complies with the requirements of section 342.36.

Sec. 91. Minnesota Statutes 2024, section 342.52, is amended by adding a subdivision to read:

Subd. 7a. **Allowable delivery methods.** A patient in the registry program may receive medical cannabis flower and medical cannabinoid products. The office may approve additional delivery methods to expand the types of products that qualify as medical cannabinoid products.

Sec. 92. Minnesota Statutes 2024, section 342.52, subdivision 9, is amended to read:

Subd. 9. **Registered designated caregiver.** (a) The office must register a designated caregiver for a patient if the patient requires assistance in administering medical cannabis flower or medical cannabinoid products; obtaining medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia from a cannabis business with a medical cannabis retail endorsement; or cultivating cannabis plants as permitted by section 342.09, subdivision 2.

(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 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.

(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.

(d) Notwithstanding any law to the contrary, a registered designated caregiver approved to assist a patient enrolled in the registry program with obtaining medical cannabis flower may cultivate cannabis plants on behalf of one patient. A registered designated caregiver may grow up to eight cannabis plants for the patient household that the registered designated caregiver is approved to assist with obtaining medical cannabis flower. If a patient enrolled in the registry program directs the patient's registered designated caregiver to cultivate cannabis plants on behalf of the patient, the patient must assign the patient's right to cultivate cannabis plants to the registered designated caregiver and ~~the~~ notify the office. A patient who assigns the patient's right to cultivate cannabis plants to a registered caregiver is prohibited from cultivating cannabis plants for personal use. Nothing in this paragraph limits the right of a registered designated caregiver cultivating cannabis plants on behalf of a patient enrolled in the registry program to also cultivate cannabis plants for personal use pursuant to section 342.09, subdivision 2.

Sec. 93. Minnesota Statutes 2024, 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~~, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or hemp-derived topical 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~~, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or hemp-derived topical 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~~ or hemp for patients; and that ~~medical cannabis flower or medical cannabinoid~~, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or hemp-derived topical 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~~, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or hemp-derived topical products to the extent that such use is authorized under sections 342.51 to 342.59, or, in the case of a visiting patient, authorized to use cannabis under the laws of their state of residence. No facility or provider listed in this subdivision may prohibit a patient access to or use of ~~medical cannabis flower or medical cannabinoid~~, cannabis products due solely to the fact that cannabis is a controlled substance 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~~, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or hemp-derived topical 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~~, cannabis 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~~ cannabis 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.

(d) Nothing in this subdivision is intended to require a facility covered by this subdivision to permit violations of sections 144.411 to 144.417.

(e) This subdivision does not apply to sober homes under section 254B.181, except that a resident of a sober home who is a patient enrolled in the registry program must have access to medical cannabis flower and medical cannabinoid products subject to the restrictions and requirements in paragraphs (a) and (b).

Sec. 94. Minnesota Statutes 2024, section 342.57, is amended to read:

342.57 PROTECTIONS FOR REGISTRY PROGRAM PARTICIPANTS.

Subdivision 1. **Presumption.** (a) There is a presumption that ~~a patient or other person~~ an individual enrolled in the registry program or a Tribal medical cannabis program patient is engaged in the authorized use or possession of medical cannabis flower and medical cannabinoid products.

(b) This presumption may be rebutted by evidence that:

(1) the use or possession of medical cannabis flower or medical 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 qualifying medical condition or symptoms associated with the patient's qualifying medical condition; or

(2) a Tribal medical cannabis program patient's use of medical cannabis was not for a purpose authorized by the Tribal medical cannabis program.

Subd. 2. **Criminal and civil protections.** (a) Subject to section 342.56, the following are not violations of this chapter or chapter 152:

(1) use or possession of medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia by a patient enrolled in the registry program ~~or by~~ a visiting patient, or a Tribal medical cannabis program 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 enrolled in the registry program; or

(3) possession of medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia by any person while carrying out duties required under sections 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, members of a Tribal medical cannabis board, a Tribal medical cannabis board's staff, a Tribal medical cannabis board's agents or contractors, 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 or a Tribal medical cannabis 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 342.51 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 342.51 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 342.51 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 342.51 to 342.60 or from a Tribal medical cannabis program patient 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 342.51 to 342.60.

(g) Possession of a registry verification or an application for enrollment in the registry program and possession of a registry verification or its equivalent issued by a Tribal medical cannabis program or application for enrollment in a Tribal medical cannabis program by a person entitled to possess the verification or application:

(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.

(h) A patient enrolled in the registry program or a Tribal medical cannabis program must not be subject to any penalty or disciplinary action by an occupational or a professional licensing board solely because:

- (1) the patient is enrolled in the registry program or in a Tribal medical cannabis program; or
- (2) the patient has a positive test for cannabis components or metabolites.

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 or a Tribal medical cannabis program as a pupil solely because the patient or person is enrolled in the registry program or a Tribal medical cannabis 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 a Tribal medical cannabis program or otherwise penalize a patient or person enrolled in the registry program or a Tribal medical cannabis program solely because the patient or person is enrolled in the registry program or a Tribal medical cannabis 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.

(c) A school must not refuse to enroll a patient as a pupil solely because cannabis is a controlled substance according to the Uniform Controlled Substances Act, United States Code, title 21, section 812.

(d) A school must not penalize a pupil who is a patient solely because cannabis is a controlled substance according to the Uniform Controlled Substances Act, United States Code, title 21, section 812.

(e) A landlord must not refuse to lease a property to a patient solely because cannabis is a controlled substance according to the Uniform Controlled Substances Act, United States Code, title 21, section 812.

(f) A landlord must not otherwise penalize a patient solely because cannabis is a controlled substance according to the Uniform Controlled Substances Act, United States Code, title 21, section 812.

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 342.51 to 342.60, or a Tribal medical cannabis program patient's use of medical cannabis as authorized by a Tribal medical cannabis program, 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.

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~~ an individual enrolled in the registry program; or
- (2) the person's status as a Tribal medical cannabis program patient; or

~~(2)~~ (3) 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 in the registry program or a Tribal medical cannabis program and whose employer requires the employee to undergo drug testing according to section 181.953 may present the employee's registry verification or verification of enrollment in a Tribal medical cannabis program as part of the employee's explanation under section 181.953, subdivision 6.

Subd. 5a. **Notice.** An employer, a school, or a landlord must provide written notice to a patient at least 14 days before the employer, school, or landlord takes an action against the patient that is prohibited under subdivision 3 or 5. The written notice must cite the specific federal law or regulation that the employer, school, or landlord believes would be violated if the employer, school, or landlord fails to take action. The notice must specify what monetary or licensing-related benefit under federal law or regulations that the employer, school, or landlord would lose if the employer, school, or landlord fails to take action.

Subd. 6. **Custody; visitation; parenting time.** ~~A person~~ An individual 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~~ individual's status as ~~a patient or person~~ an individual enrolled in the registry program or on the individual's status as a Tribal medical cannabis program patient. There must be no presumption of neglect or child endangerment for conduct allowed under sections 342.51 to 342.60 or under a Tribal medical cannabis program, unless the ~~person's~~ individual's behavior creates an unreasonable danger to the safety of the minor as established by clear and convincing evidence.

Subd. 6a. **Retaliation prohibited.** A school, a landlord, a health care facility, or an employer must not retaliate against a patient for asserting the patient's rights or seeking remedies under this section or section 152.32.

Subd. 7. **Action for damages; injunctive relief.** In addition to any other remedy provided by law, ~~a patient or person~~ an individual enrolled in the registry program or a Tribal medical cannabis 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~~ an individual enrolled in the registry program or a Tribal medical cannabis program injured by the violation for the greater of the person's actual damages or a civil penalty of \$100 \$1,000 and reasonable attorney fees. A patient may bring an action for injunctive relief to prevent or end a violation of subdivisions 3 to 6a.

Subd. 8. **Sanctions restricted for those on parole, supervised release, or conditional release.**
(a) This subdivision applies to an individual placed on parole, supervised release, or conditional release.

(b) The commissioner of corrections may not:

(1) prohibit an individual from participating in the registry program or a Tribal medical cannabis program as a condition of release; or

(2) revoke an individual's parole, supervised release, or conditional release or otherwise sanction an individual solely:

- (i) for participating in the registry program or a Tribal medical cannabis program; or
- (ii) for a positive drug test for cannabis components or metabolites.

Sec. 95. Minnesota Statutes 2024, section 342.59, subdivision 2, is amended to read:

Subd. 2. **Allowable use; prohibited use.** Data specified in subdivision 1 may be used to comply with chapter 13, to comply with a request from the legislative auditor or the state auditor in the performance of official duties, and for purposes specified in sections ~~342.47~~ 342.51 to 342.60. Data specified in subdivision 1 and maintained by the Office of Cannabis Management or Division of Medical Cannabis must not be used for any purpose not specified in sections ~~342.47~~ 342.51 to 342.60 and must not be combined or linked in any manner with any other list, dataset, or database. Data specified in subdivision 1 must not be shared with any federal agency, federal department, or federal entity unless specifically ordered to do so by a state or federal court.

Sec. 96. Minnesota Statutes 2024, 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, 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, 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 A cannabis testing facility business~~ 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.

Sec. 97. Minnesota Statutes 2024, section 342.62, subdivision 2, is amended to read:

Subd. 2. **Packaging requirements.** (a) Except as provided in paragraph (b), all cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products sold to customers or patients must be:

(1) prepackaged in packaging or a container that is child-resistant, tamper-evident, and opaque; or

(2) placed in packaging or a container that is plain, child-resistant, tamper-evident, and opaque at the final point of sale to a customer.

(b) The requirement that packaging be child-resistant does not apply to a lower-potency hemp edible that is intended to be consumed as a beverage.

(c) If a cannabis product, lower-potency hemp edible, or a hemp-derived consumer product is packaged in a manner that includes more than a single serving, each serving must be indicated by scoring, wrapping, or other indicators designating the individual serving size. ~~If the item is a lower-potency hemp edible, serving indicators must meet the requirements of section 342.46, subdivision 6, paragraph (b).~~

(d) Notwithstanding paragraph (c), any edible cannabinoid products that are intended to be combined with food or beverage products before consumption must indicate a single serving using one of the following methods:

(1) the product is packaged in individual servings;

(2) the product indicates a single serving by scoring or use of another indicator that appears on the product; or

(3) the product is sold with a calibrated dropper, measuring spoon, or similar device for measuring a single serving.

(e) A package containing multiple servings of a lower-potency hemp edible that is not intended to be consumed as a beverage must not contain:

(1) more than 50 milligrams of delta-9 tetrahydrocannabinol;

(2) more than 1,000 milligrams of cannabidiol, cannabigerol, cannabinol, or cannabichromene;

(3) more than the established limit of any other cannabinoid authorized by the office; or

(4) any combination of those cannabinoids that exceeds the identified amounts for the applicable product category.

(f) A single container containing a lower-potency hemp edible product that is intended to be consumed as a beverage must not contain:

(1) more than ten milligrams of delta-9 tetrahydrocannabinol;

(2) more than 200 milligrams of cannabidiol, cannabigerol, cannabinol, or cannabichromene;

(3) more than the established limit of any other cannabinoid authorized by the office; or

(4) any combination of those cannabinoids that exceeds the identified amounts for the applicable product category.

~~(d)~~ (g) Edible cannabis products and lower-potency hemp edibles containing more than a single serving must be prepackaged or placed at the final point of sale in packaging or a container that is resealable.

Sec. 98. Minnesota Statutes 2024, 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 combination business, 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) 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.

Sec. 99. Minnesota Statutes 2024, 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 concentrate, 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 combination business, 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 combination business, 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, lower-potency hemp edible manufacturer, or medical cannabis combination business 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) 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 if those requirements provide consumers with information that is substantially similar to the information described in paragraph (a).

Sec. 100. Minnesota Statutes 2024, section 342.63, subdivision 5, is amended to read:

Subd. 5. **Content of label; hemp-derived topical products.** ~~(a)~~ All hemp-derived topical products sold to customers must have affixed to the packaging or container of the product a label that contains at least the following information:

- (1) the manufacturer name, location, phone number, and website;
- (2) the name and address of the independent, accredited laboratory used by the manufacturer to test the product;
- (3) the net weight or volume of the product in the package or container;
- (4) the type of topical product;
- (5) the amount or percentage of cannabidiol, cannabigerol, or any other cannabinoid, derivative, or extract of hemp, per serving and in total;
- (6) a list of ingredients;
- (7) a statement that the product does not claim to diagnose, treat, cure, or prevent any disease and that the product has not been evaluated or approved by the United States Food and Drug Administration, unless the product has been so approved; and
- (8) any other statements or information required by the office.

~~(b) The information required in paragraph (a), clauses (1), (2), and (5), may be provided through the use of a scannable barcode or matrix barcode that links to a page on a website maintained by the manufacturer or distributor if that page contains all of the information required by this subdivision.~~

Sec. 101. Minnesota Statutes 2024, section 342.63, subdivision 6, is amended to read:

Subd. 6. **Additional information.** (a) A cannabis microbusiness, cannabis mezzobusiness, 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, cannabis retailer, or medical cannabis combination business may include the information described in paragraph (a) by:

(1) including the information 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)~~ (2) posting the information in the premises of the cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, or medical cannabis combination business; or

~~(2)~~ (3) 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.

Sec. 102. Minnesota Statutes 2024, section 342.66, subdivision 6, is amended to read:

Subd. 6. **Prohibitions.** (a) A product sold to consumers under this section must not be manufactured, marketed, distributed, or intended:

(1) for external or internal use in the diagnosis, cure, mitigation, treatment, or prevention of disease in humans or other animals;

(2) to affect the structure or any function of the bodies of humans or other animals;

(3) to be consumed by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product;

(4) to be consumed through chewing; or

(5) to be consumed through injection or application to nonintact skin or a mucous membrane ~~or nonintact skin~~, except for products applied sublingually.

(b) A product manufactured, marketed, distributed, or sold to consumers under this section must not:

(1) consist, in whole or in part, of any filthy, putrid, or decomposed substance;

(2) have been produced, prepared, packed, or held under unsanitary conditions where the product may have been rendered injurious to health, or where the product may have been contaminated with filth;

(3) be packaged in a container that is composed, in whole or in part, of any poisonous or deleterious substance that may render the contents injurious to health;

(4) contain any additives or excipients that have been found by the United States Food and Drug Administration to be unsafe for human or animal consumption;

(5) contain a cannabinoid or an amount or percentage of cannabinoids that is different than the information stated on the label;

(6) contain a cannabinoid, other than cannabidiol, cannabigerol, or a cannabinoid approved by the office, in an amount that exceeds the standard established in subdivision 2 3, paragraph (c); or

(7) contain any contaminants for which testing is required by the office in amounts that exceed the acceptable minimum standards established by the office.

(c) No product containing any cannabinoid may be sold to any individual who is under 21 years of age.

Sec. 103. Minnesota Statutes 2024, section 609A.06, subdivision 3, is amended to read:

Subd. 3. **Eligibility; cannabis offense.** (a) A person is eligible for an expungement or resentencing to a lesser offense if:

(1) the person was convicted of, or adjudication was stayed for, a violation of any of the following a first-, second-, third-, fourth-, or fifth-degree controlled substance crime involving the sale or possession of marijuana or tetrahydrocannabinols:

~~(i) section 152.021, subdivision 1, clause (6);~~

~~(ii) section 152.021, subdivision 2, clause (6);~~

~~(iii) section 152.022, subdivision 1, clause (5), or clause (7), item (iii);~~

~~(iv) section 152.022, subdivision 2, clause (6);~~

~~(v) section 152.023, subdivision 1, clause (5);~~

~~(vi) section 152.023, subdivision 2, clause (5);~~

~~(vii) section 152.024, subdivision (4); or~~

~~(viii) section 152.025, subdivision 2, clause (1) under Minnesota Statutes 2023 Supplement, section 152.021, 152.022, 152.023, 152.024, or 152.025, or a previous version of those or any other statutes criminalizing the possession, sale, transportation, or cultivation of marijuana or tetrahydrocannabinols;~~

(2) the offense did not involve a dangerous weapon, the intentional infliction of bodily harm on another, an attempt to inflict bodily harm on another, or an act committed with the intent to cause fear in another of immediate bodily harm or death;

(3) the act on which the charge was based would either be a lesser offense or no longer be a crime after August 1, 2023; and

(4) the person did not appeal the conviction, any appeal was denied, or the deadline to file an appeal has expired.

(b) A person who is eligible for an expungement under paragraph (a) is also eligible for an expungement of any other cannabis-related offense that was charged along with the underlying crime described in paragraph (a) and was dismissed.

(c) For purposes of this ~~subdivision~~, a section, the following terms have the meanings given:

(1) "cannabis-related offense" means an offense described in paragraph (a), clause (1), and also includes an offense described in Minnesota Statutes 2022, section 152.027, subdivisions 3 and 4; and

(2) "lesser offense" means a nonfelony offense if the person was charged with a felony.

Sec. 104. Minnesota Statutes 2024, section 609A.06, subdivision 7, is amended to read:

Subd. 7. **Review and determination.** (a) The Cannabis Expungement Board shall review all available records to determine whether the conviction or stay of adjudication is eligible for an expungement or resentencing to a lesser offense and, if so, whether any dismissed cannabis-related offense is also eligible for expungement. An expungement under this section is presumed to be in the public interest unless there is clear and convincing evidence that an expungement or resentencing to a lesser offense would create a risk to public safety.

(b) If the Cannabis Expungement Board determines that an expungement is in the public interest, the board shall determine whether a person's conviction should be vacated and charges should be dismissed.

(c) If the Cannabis Expungement Board determines that an expungement is in the public interest, the board shall determine whether the limitations under section 609A.03, subdivision 5a, apply.

(d) If the Cannabis Expungement Board determines that an expungement is in the public interest, the board shall determine whether the limitations under section 609A.03, subdivision 7a, paragraph (b), clause (5), apply.

(e) If the Cannabis Expungement Board determines that an expungement is not in the public interest, the board shall determine whether the person is eligible for resentencing to a lesser offense.

(f) In making a determination under this subdivision, the Cannabis Expungement Board shall consider:

(1) the nature and severity of the underlying crime, including but not limited to the total amount of marijuana or tetrahydrocannabinols possessed by the person and whether the offense involved a

dangerous weapon, the intentional infliction of bodily harm on another, an attempt to inflict bodily harm on another, or an act committed with the intent to cause fear in another of immediate bodily harm or death;

(2) whether an expungement or resentencing the person a lesser offense would increase the risk, if any, the person poses to other individuals or society;

(3) if the person is under sentence, whether an expungement or resentencing to a lesser offense would result in the release of the person and whether release earlier than the date that the person would be released under the sentence currently being served would present a danger to the public or would be compatible with the welfare of society;

(4) aggravating or mitigating factors relating to the underlying crime, including the person's level of participation and the context and circumstances of the underlying crime;

(5) statements from victims and law enforcement, if any;

(6) if an expungement or resentencing the person to a lesser offense is considered, whether there is good cause to restore the person's right to possess firearms and ammunition;

(7) if an expungement is considered, whether an expunged record of a conviction or stay of adjudication may be opened for purposes of a background check required under section 122A.18, subdivision 8; and

(8) whether the person was also charged with other offenses in addition to the underlying crime, the disposition of those other charges, and other factors deemed relevant by the Cannabis Expungement Board.

(g) In making a determination under this subdivision, the Cannabis Expungement Board shall not consider the impact the expungement would have on the offender based on any records held by the Department of Health; Department of Children, Youth, and Families; or Department of Human Services.

(h) The affirmative vote of three members is required for action taken at any meeting.

Sec. 105. Minnesota Statutes 2024, section 609A.06, subdivision 10, is amended to read:

Subd. 10. **Notice to judicial branch and offenders.** (a) The Cannabis Expungement Board shall identify any conviction ~~or~~ stay of adjudication, or dismissed cannabis-related offense that qualifies for an order of expungement or resentencing to a lesser offense and notify the judicial branch of:

(1) the name and date of birth of a person whose conviction or stay of adjudication is eligible for an order of expungement or resentencing to a lesser offense;

(2) the court file number of the eligible conviction or stay of adjudication;

(3) whether the person is eligible for an expungement;

(4) if the person is eligible for an expungement, whether the person's conviction should be vacated and charges should be dismissed;

(5) if the person is eligible for an expungement, whether there is good cause to restore the offender's right to possess firearms and ammunition;

(6) if the person is eligible for an expungement, whether the limitations under section 609A.03, subdivision 7a, paragraph (b), clause (5), apply; ~~and~~

(7) if the person is eligible for an expungement, whether the expungement should also apply to any dismissed cannabis-related offense in addition to the underlying crime; and

(8) if the person is eligible for resentencing to a lesser offense, the lesser sentence to be imposed.

(b) The Cannabis Expungement Board shall make a reasonable and good faith effort to notify any person whose conviction or stay of adjudication qualifies for an order of expungement that the offense qualifies and notice is being sent to the judicial branch. Notice sent pursuant to this paragraph shall inform the person that, following the order of expungement, any records of an arrest, conviction, or incarceration should not appear on any background check or study.

Sec. 106. Minnesota Statutes 2024, section 609A.06, subdivision 12, is amended to read:

Subd. 12. **Order of expungement.** (a) Upon receiving notice that an offense qualifies for expungement, the court shall issue an order sealing all records relating to an arrest, indictment or information, trial, verdict, or dismissal and discharge for an offense described in subdivision 3, and any dismissed cannabis-related offense identified by the Cannabis Expungement Board as eligible for expungement. In addition, the court shall order the sealing of all records, including those pertaining to probation, incarceration, or supervision, held by the Department of Corrections or local correctional officials. The courts shall not order the Department of Health; the Department of Children, Youth, and Families; or the Department of Human Services to seal records under this section. If the Cannabis Expungement Board determined that the person's conviction should be vacated and charges should be dismissed, the order shall vacate and dismiss the charges.

(b) If the Cannabis Expungement Board determined that there is good cause to restore the person's right to possess firearms and ammunition, the court shall issue an order pursuant to section 609.165, subdivision 1d.

(c) If the Cannabis Expungement Board determined that an expunged record of a conviction or stay of adjudication may not be opened for purposes of a background check required under section 122A.18, subdivision 8, the court shall direct the order specifically to the Professional Educator Licensing and Standards Board.

(d) The court administrator shall send a copy of an expungement order issued under this section to each agency and jurisdiction whose records are affected by the terms of the order and send a letter to the last known address of the person whose offense has been expunged identifying each agency to which the order was sent.

(e) In consultation with the commissioner of human services, the court shall establish a schedule on which it shall provide the commissioner of human services a list identifying the name and court

file number or, if no court file number is available, the citation number of each record for a person who received an expungement under this section.

(f) Data on the person whose offense has been expunged in a letter sent under this subdivision are private data on individuals as defined in section 13.02, subdivision 12.

Sec. 107. **CANNABIS SUPPLY CHAIN STREAMLINING; PROPOSAL.**

By January 15, 2026, the Office of Cannabis Management must submit a proposal to the chairs, co-chairs, and ranking members of the legislative committees and divisions with jurisdiction over cannabis policy on the streamlining of the cannabis supply chain. The proposal must address adult-use cannabis and medical cannabis to allow for the cultivation, manufacturing, storage, and use of equipment in a manner that promotes efficiency, permits co-location, and authorizes the use of equipment for multiple purposes. The proposal must preserve access to medical cannabis for rare and childhood diseases.

Sec. 108. **REPEALER.**

Minnesota Statutes 2024, sections 152.22, subdivision 2; 342.151, subdivision 1; and 342.36, subdivision 5, are repealed.

Sec. 109. **EFFECTIVE DATE.**

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to cannabis; including the Office of Cannabis Management as an agency for the purpose of having a government-to-government relationship with Tribal governments; modifying medical cannabis provisions; modifying provisions regarding the sale of cannabinoids derived from hemp; modifying the limits of certain cannabinoids in lower-potency hemp edibles; establishing a license and fee for lower-potency hemp edible wholesalers; providing for delivery of lower-potency hemp edibles; regulating certain products intended for export; modifying regulations on the transportation of cannabis and hemp; providing for cannabis testing facility accreditation; modifying labeling requirements; modifying cannabis license qualifications and application requirements; authorizing municipalities to hold cannabis and hemp licenses; allowing samples at cannabis events; modifying expungement and resentencing provisions for felony cannabis offenses; requiring a proposal to the legislature; making technical and conforming changes; amending Minnesota Statutes 2024, sections 10.65, subdivision 2; 151.72, subdivisions 3, 5a; 152.22, subdivisions 4, 7, 10, 13; 152.24; 152.25; 152.26; 152.261; 152.27, subdivisions 2, 7; 152.28, subdivisions 1, 3; 152.29, subdivisions 1, 2, 3a, 4; 152.31; 152.32, subdivision 2; 152.33, subdivisions 1a, 4; 152.35; 152.37; 342.01, subdivisions 9, 34, 47, 48, 50, 71, by adding subdivisions; 342.02, subdivision 3; 342.09, subdivision 2; 342.10; 342.11; 342.12; 342.13; 342.14, subdivisions 1, 3, 6; 342.151, subdivisions 2, 3; 342.16; 342.17; 342.18, subdivision 2; 342.22, subdivision 3, by adding a subdivision; 342.28, subdivisions 1, 8; 342.29, subdivisions 1, 7; 342.30, subdivision 1; 342.32, subdivisions 1, 4, 5; 342.33, subdivision 1; 342.34, subdivision 5; 342.36, subdivision 6; 342.37, subdivision 2, by adding subdivisions; 342.39, subdivision 3; 342.40, subdivision 7, by adding a subdivision; 342.43, subdivisions 1, 2, by adding a subdivision; 342.44, subdivision 1; 342.45, subdivision 1, by adding subdivisions; 342.46, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, by adding

subdivisions; 342.51, subdivision 2, by adding a subdivision; 342.515, subdivisions 1, 7; 342.52, subdivision 9, by adding a subdivision; 342.56, subdivision 2; 342.57; 342.59, subdivision 2; 342.61, subdivision 4; 342.62, subdivision 2; 342.63, subdivisions 2, 3, 5, 6; 342.66, subdivision 6; 609A.06, subdivisions 3, 7, 10, 12; proposing coding for new law in Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2024, sections 152.22, subdivision 2; 342.151, subdivision 1; 342.36, subdivision 5."

We request the adoption of this report and repassage of the bill.

Senate Conferees: D. Scott Dibble, Lindsey Port

House Conferees: Zack Stephenson, Jessica Hanson, Nolan West, Keith Allen

Senator Dibble moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2370 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2370 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 34 and nays 33, as follows:

Those who voted in the affirmative were:

Boldon	Frentz	Kunesh	Mitchell	Putnam
Carlson	Gustafson	Kupec	Mohamed	Rest
Champion	Hauschild	Latz	Murphy	Seeberger
Clark	Hawj	Mann	Oumou Verbeten	Westlin
Cwodzinski	Hoffman	Marty	Pappas	Wiklund
Dibble	Johnson Stewart	Maye Quade	Pha	Xiong
Fateh	Klein	McEwen	Port	

Pursuant to Rule 40, Senator Hauschild cast the affirmative vote on behalf of the following Senators: Hawj, Maye Quade, Mohamed, and Rest.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Duckworth.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2298 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. No. 2298

A bill for an act relating to housing; establishing budget for Minnesota Housing Finance Agency; making policy, finance, and technical changes to housing provisions; establishing a task force on homeowners and commercial property insurance; removing certain real property recording fees; transferring money; requiring a report; appropriating money; amending Minnesota Statutes 2024, sections 327C.095, subdivision 12; 462A.051, subdivision 2; 462A.07, subdivision 19, by adding a subdivision; 462A.2095, subdivision 3; 462A.222, by adding a subdivision; 462A.33, subdivisions 2, 9; 462A.40, subdivision 3; 507.18, subdivisions 5, 6; Laws 2023, chapter 37, article 1, section 2, subdivisions 20, 21, 29, as amended; article 2, section 10; proposing coding for new law in Minnesota Statutes, chapter 462A; repealing Minnesota Statutes 2024, sections 16A.287; 462A.43.

May 16, 2025

The Honorable Bobby Joe Champion
President of the Senate

The Honorable Lisa M. Demuth
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2298 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 2298 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1**HOUSING BUDGET****Section 1. APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agency for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

APPROPRIATIONS
Available for the Year
Ending June 30

20262027Sec. 2. **HOUSING FINANCE AGENCY**Subdivision 1. **Total Appropriation**\$ 101,148,000 \$ 82,798,000

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

(b) Unless otherwise specified, the appropriations for the programs in this section are appropriated and made available for the purposes of the housing development fund. Except as otherwise indicated, the amounts appropriated are part of the agency's permanent budget base.

Subd. 2. **Challenge Program**14,925,000 12,925,000

(a) This appropriation is for the economic development and housing challenge program under Minnesota Statutes, sections 462A.33 and 462A.07, subdivision 14.

(b) Of this amount, \$1,208,000 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) The base for this program in fiscal year 2028 and beyond is \$12,925,000.

Subd. 3. **Workforce Housing Development**2,000,000 2,000,000

This appropriation is for the greater Minnesota workforce housing development program under Minnesota Statutes, section 462A.39. If requested by the applicant and approved by the agency, funded properties may include a portion of income- and rent-restricted units. Funded properties may include owner-occupied homes.

40TH DAY]

SATURDAY, MAY 17, 2025

5229

Subd. 4. Manufactured Home Park Infrastructure Grants

1,000,000

1,000,000

This appropriation is for manufactured home park infrastructure grants under Minnesota Statutes, section 462A.2035, subdivision 1b.

Subd. 5. Workforce Homeownership Program

2,250,000

250,000

(a) This appropriation is for the workforce homeownership program under Minnesota Statutes, section 462A.38.

(b) The base for this program in fiscal year 2028 and beyond is \$250,000.

Subd. 6. Rent Assistance Program

23,000,000

23,000,000

This appropriation is for the rent assistance program under Minnesota Statutes, section 462A.2095.

Subd. 7. Housing Trust Fund

11,646,000

11,646,000

This appropriation is for deposit in the housing trust fund account created under Minnesota Statutes, section 462A.201, and may be used for the purposes provided in that section.

Subd. 8. Homework Starts with Home

2,750,000

2,750,000

This appropriation is for the homework starts with home program under Minnesota Statutes, sections 462A.201, subdivision 2, paragraph (a), clause (4), and 462A.204, subdivision 8, to provide assistance to homeless families, those at risk of homelessness, or highly mobile families.

Subd. 9. Rental Assistance for Mentally Ill

5,338,000

5,338,000

(a) This appropriation is for the rental housing assistance program for persons with a mental illness or families with an adult member with a mental illness under Minnesota Statutes, section 462A.2097. Among comparable proposals, the agency shall prioritize those proposals that target, in part, eligible persons who desire to move to more integrated, community-based settings.

(b) Notwithstanding any law to the contrary, this appropriation may be used for risk mitigation funds, landlord incentives, or other costs necessary to decrease the risk of homelessness, as determined by the agency.

Subd. 10. Family Homeless Prevention

18,619,000

10,269,000

(a) This appropriation is for the family homeless prevention and assistance program under Minnesota Statutes, section 462A.204.

(b) Notwithstanding any law to the contrary, this appropriation may be used for program costs necessary to decrease the risk of homelessness and improve the effectiveness of the program, as determined by the agency.

(c) When a new grantee works with a current or former grantee in a given geographic area, a new grantee may work with either an advisory committee as required under Minnesota Statutes, section 462A.204, subdivision 6, or the local continuum of care and is not required to meet the requirements of Minnesota Statutes, section 462A.204, subdivision 4.

(d) Notwithstanding procurement provisions outlined in Minnesota Statutes, section 16C.06, subdivisions 1, 2, and 6, the agency may award grants to existing program grantees.

(e) The base for this program in fiscal year 2028 and beyond is \$10,719,000.

Subd. 11. Home Ownership Assistance Fund

2,885,000

885,000

(a) This appropriation is for the home ownership assistance program under Minnesota Statutes, section 462A.21, subdivision 8. The agency shall continue to strengthen its efforts to address the disparity gap in the homeownership rate between white households and Indigenous American Indians and communities of color. To better understand and address the disparity gap, the agency is required to collect, on a voluntary

basis, demographic information regarding race, color, national origin, and sex of applicants for agency programs intended to benefit homeowners and homebuyers.

(b) The base for this program in fiscal year 2028 and beyond is \$885,000.

Subd. 12. <u>Affordable Rental Investment Fund</u>	<u>4,218,000</u>	<u>4,218,000</u>
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(a) This appropriation is for the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b, to finance the acquisition, rehabilitation, and debt restructuring of federally assisted rental property and for making equity take-out loans under Minnesota Statutes, section 462A.05, subdivision 39.

(b) The owner of federally assisted rental property must agree to participate in the applicable federally assisted housing program and to extend any existing low-income affordability restrictions on the housing for the maximum term permitted.

(c) The appropriation also may be used to finance the acquisition, rehabilitation, and debt restructuring of existing supportive housing properties and naturally occurring affordable housing as determined by the commissioner. For purposes of this paragraph, "supportive housing" means affordable rental housing with links to services necessary for individuals, youth, and families with children to maintain housing stability.

Subd. 13. <u>Owner-Occupied Housing Rehabilitation</u>	<u>2,772,000</u>	<u>2,772,000</u>
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(a) This appropriation is for the rehabilitation of owner-occupied housing under Minnesota Statutes, section 462A.05, subdivisions 14 and 14a.

(b) Notwithstanding any law to the contrary, grants or loans under this subdivision may be made without rent or income restrictions

of owners or tenants. To the extent practicable, grants or loans must be made available statewide.

Subd. 14. Rental Housing Rehabilitation

3,743,000

3,743,000

(a) This appropriation is for the rehabilitation of eligible rental housing under Minnesota Statutes, section 462A.05, subdivision 14. In administering a rehabilitation program for rental housing, the agency may apply the processes and priorities adopted for administration of the economic development and housing challenge program under Minnesota Statutes, section 462A.33, and may provide grants or forgivable loans if approved by the agency.

(b) Notwithstanding any law to the contrary, grants or loans under this subdivision may be made without rent or income restrictions of owners or tenants. To the extent practicable, grants or loans must be made available statewide.

Subd. 15. Homeownership Education, Counseling, and Training

857,000

857,000

This appropriation is for the homeownership education, counseling, and training program under Minnesota Statutes, section 462A.209.

Subd. 16. Capacity Building Grants

645,000

645,000

This appropriation is for capacity building grants under Minnesota Statutes, section 462A.21, subdivision 3b.

Subd. 17. Build Wealth Minnesota

500,000

500,000

This appropriation is for a grant to Build Wealth Minnesota to provide a family stabilization plan program including program outreach, financial literacy education, and budget and debt counseling.

Subd. 18. Greater Minnesota Housing Infrastructure Grants

2,000,000

-0-

This appropriation is for the greater Minnesota housing infrastructure grant

program under Minnesota Statutes, section 462A.395. This is a onetime appropriation.

Subd. 19. Community-Based First-Generation Homebuyers Down Payment Assistance

2,000,000

-0-

This appropriation is for a grant to Midwest Minnesota Community Development Corporation (MMCDC), through its wholly owned subsidiary CDC Investments, Inc., for the community-based first-generation homebuyers down payment assistance program under Laws 2023, chapter 37, article 2, section 9, as amended. At the end of each biennium, MMCDC must remit any unused funds to the Minnesota Housing Finance Agency. Funds remitted to the agency under this subdivision are appropriated to the agency to administer the workforce and affordable homeownership development program under Minnesota Statutes, section 462A.38. This is a onetime appropriation.

Subd. 20. Availability and Transfer of Funds

Money appropriated in the first year in this article is available the second year. After notifying the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy, the commissioner may shift or transfer money in the second year in subdivisions 2, 3, 4, 5, 12, 13, and 14 to address high-priority housing needs.

Sec. 3. Laws 2023, chapter 37, article 1, section 2, subdivision 29, as amended by Laws 2024, chapter 127, article 14, section 11, is amended to read:

Subd. 29. Community Stabilization

45,000,000

70,000,000

68,000,000

(a) This appropriation is for the community stabilization program. This a onetime appropriation.

(b) The first year and second year appropriations are available as follows:

(1) \$10,000,000 is for a grant to AEON for Huntington Place;

(2) notwithstanding Minnesota Statutes, sections 16B.98, subdivisions 5 and 12, and 16B.981, subdivision 2, \$3,250,000 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. The grantee must verify that 50 percent of units are occupied by households with incomes at or below 60 percent of area median income;

(3) \$41,750,000 is for multiunit rental housing;

(4) ~~\$10,000,000~~ \$8,000,000 is for single-family housing; and

(5) \$50,000,000 is for recapitalization of distressed buildings. Of this amount, up to \$15,000,000 is for preservation or recapitalization of housing that includes supportive housing.

(c) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to one percent of this appropriation for administrative costs for the grants in paragraph (b), clauses (1) and (2). This is a onetime appropriation.

Sec. 4. **REPEALER.**

(a) Minnesota Statutes 2024, section 16A.287, is repealed.

(b) Minnesota Statutes 2024, section 462A.43, is repealed.

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

ARTICLE 2

HOUSING INFRASTRUCTURE BONDS

Section 1. Minnesota Statutes 2024, section 462A.37, is amended by adding a subdivision to read:

Subd. 2k. **Additional authorization.** In addition to the amount authorized in subdivisions 2 to 2j and 3a, the agency may issue up to \$50,000,000 in one or more series to which the payments under this section may be pledged.

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

Sec. 2. Minnesota Statutes 2024, 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.

(k) Each July 15, beginning in 2027 and through 2048, if any housing infrastructure bonds issued under subdivision 2k, 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.

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

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

ARTICLE 3

HOUSING POLICY

Section 1. Minnesota Statutes 2024, section 327C.095, subdivision 12, is amended to read:

Subd. 12. **Payment to the Minnesota manufactured home relocation trust fund.** (a) If a manufactured home owner is required to move due to the conversion of all or a portion of a manufactured home park to another use, the closure of a park, or cessation of use of the land as a manufactured home park, the manufactured park owner shall, upon the change in use, pay to the Minnesota Housing Finance Agency for deposit in the Minnesota manufactured home relocation trust fund under section 462A.35, the lesser amount of the actual costs of moving or purchasing the manufactured home approved by the neutral third party and paid by the Minnesota Housing Finance Agency under subdivision 13, paragraph (a) or (e), or \$3,250 for each single section manufactured home, and \$6,000 for each multisection manufactured home, for which a manufactured home owner

has made application for payment of relocation costs under subdivision 13, paragraph (c). The manufactured home park owner shall make payments required under this section to the Minnesota manufactured home relocation trust fund within 60 days of receipt of invoice from the neutral third party.

(b) A manufactured home park owner is not required to make the payment prescribed under paragraph (a), nor is a manufactured home owner entitled to compensation under subdivision 13, paragraph (a) or (e), if:

(1) the manufactured home park owner relocates the manufactured home owner to another space in the manufactured home park or to another manufactured home park at the park owner's expense;

(2) the manufactured home owner is vacating the premises and has informed the manufactured home park owner or manager of this prior to the mailing date of the closure statement under subdivision 1;

(3) a manufactured home owner has abandoned the manufactured home, or the manufactured home owner is not current on the monthly lot rental, personal property taxes;

(4) the manufactured home owner has a pending eviction action for nonpayment of lot rental amount under section 327C.09, which was filed against the manufactured home owner prior to the mailing date of the closure statement under subdivision 1, and the writ of recovery has been ordered by the district court;

(5) the conversion of all or a portion of a manufactured home park to another use, the closure of a park, or cessation of use of the land as a manufactured home park is the result of a taking or exercise of the power of eminent domain by a governmental entity or public utility; or

(6) the owner of the manufactured home is not a resident of the manufactured home park, as defined in section 327C.015, subdivision 14; the owner of the manufactured home is a resident, but came to reside in the manufactured home park after the mailing date of the closure statement under subdivision 1; or the owner of the manufactured home has not paid the \$15 assessment when due under paragraph (c).

(c) If the unencumbered fund balance in the manufactured home relocation trust fund is less than \$2,000,000 as of June 30 of each year, the Minnesota Housing Finance Agency shall assess each manufactured home park owner by mail the total amount of \$15 for each licensed lot in their park, payable on or before December 15 of that year. Failure to notify and timely assess the manufactured home park owner by July 31 of any year shall waive the assessment and payment obligations of the manufactured home park owner for that year. Together with said assessment notice, each year the Minnesota Housing Finance Agency shall prepare and distribute to park owners a letter explaining whether funds are being collected for that year, information about the collection, an invoice for all licensed lots, a notice for distribution to the residents, and a sample form for the park owners to collect information on which park residents and lots have been accounted for. The agency must also include information in the letter about the tax credit available for sales of manufactured home parks to cooperatives in section 290.0694 and about notice requirements for unsolicited sales in section 327C.097. The agency may include additional information in the letter about programs and resources available to manufactured home park residents and owners. In a font no smaller than 14-point, the notice provided by the Minnesota Housing Finance Agency for

distribution to residents by the park owner will include the payment deadline of October 31 and the following language: "THIS IS NOT AN OPTIONAL FEE. IF YOU OWN A MANUFACTURED HOME ON A LOT YOU RENT IN A MANUFACTURED HOME PARK, AND YOU RESIDE IN THAT HOME, YOU MUST PAY WHEN PROVIDED NOTICE." If assessed under this paragraph, the park owner may recoup the cost of the \$15 assessment as a lump sum or as a monthly fee of no more than \$1.25 collected from park residents together with monthly lot rent as provided in section 327C.03, subdivision 6. If, by September 15, a park owner provides the notice to residents for the \$15 lump sum, a park owner may adjust payment for lots in their park that are vacant or otherwise not eligible for contribution to the trust fund under section 327C.095, subdivision 12, paragraph (b), and for park residents who have not paid the \$15 assessment when due to the park owner by October 31, and deduct from the assessment accordingly. The Minnesota Housing Finance Agency shall deposit any payments in the Minnesota manufactured home relocation trust fund and maintain an annual record for each manufactured home park of the amount received for that park and the number of deductions made for each of the following reasons: vacant lots, ineligible lots, and uncollected fees.

(d) This subdivision and subdivision 13, paragraph (c), clause (5), are enforceable by the neutral third party, on behalf of the Minnesota Housing Finance Agency, or by action in a court of appropriate jurisdiction. The court may award a prevailing party reasonable attorney fees, court costs, and disbursements.

Sec. 2. Minnesota Statutes 2024, section 462A.051, subdivision 2, is amended to read:

Subd. 2. **Application.** This section applies to all forms of financial assistance provided by the Minnesota Housing Finance Agency, as well as the allocation and award of federal low-income housing credits by all allocating agencies as defined under section 462A.221, for the development, construction, rehabilitation, renovation, or retrofitting of ~~multiunit residential~~ multifamily housing, including loans, grants, tax credits, loan guarantees, loan insurance, and other financial assistance.

Sec. 3. Minnesota Statutes 2024, section 462A.07, is amended by adding a subdivision to read:

Subd. 21. **Promotion of materials on rights and obligations of landlords and residential tenants.** The commissioner shall publish information on the rights and obligations of landlords and residential tenants, including promotion of the statement required under section 504B.275. The commissioner must prominently display this information on the agency website.

Sec. 4. Minnesota Statutes 2024, section 462A.2095, subdivision 2, is amended to read:

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

(b) "Eligible household" means a household with an annual income of up to 50 percent of the area median income as determined by the United States Department of Housing and Urban Development, adjusted for family size, that is paying more than 30 percent of the household's annual income on rent. Eligibility is determined at the time a household first receives rent assistance under this section. Eligibility Income shall be recertified every year thereafter for the purposes of determining the amount of rent assistance under subdivision 4. Eligible household does not include a household receiving federal tenant-based or project-based assistance under Section 8 of the United States Housing Act of 1937, as amended.

(c) "Program administrator" means:

(1) a housing and redevelopment authority or other local government agency or authority that administers federal tenant-based or project-based assistance under Section 8 of the United States Housing Act of 1937, as amended;

(2) a Tribal government or Tribally designated housing entity; or

(3) if there is no entity under clause (1) or (2) with the capacity to administer the program, a nongovernmental organization determined by the agency to have the capacity to administer the program.

Sec. 5. Minnesota Statutes 2024, section 462A.2095, subdivision 3, is amended to read:

Subd. 3. **Grants to program administrators.** (a) The agency may make grants to program administrators to provide rental assistance for eligible households. Notwithstanding section 16C.06, the commissioner may use a formula to determine award amounts to program administrators. For both tenant-based and project-based assistance, program administrators shall pay assistance directly to housing providers. Rental assistance may be provided in the form of tenant-based assistance or project-based assistance. Notwithstanding the amounts awarded under subdivision 1, paragraph (b), and to the extent practicable, the agency must make grants statewide in proportion to the number of households eligible for assistance in each county according to the most recent American Community Survey of the United States Census Bureau. The agency may, at its discretion, redistribute unused or underutilized funds among eligible program administrators to increase program efficiency and effectiveness.

(b) The program administrator may use its existing procedures to administer the rent assistance program or may develop alternative procedures with the goals of reaching households most in need and incentivizing landlord participation. The agency must approve a program administrator's alternative procedures. Priority for rental assistance shall be given to households with children 18 years of age and under, and annual incomes of up to 30 percent of the area median income. Program administrators may establish additional priority populations based on local need.

Sec. 6. Minnesota Statutes 2024, section 462A.33, subdivision 2, is amended to read:

Subd. 2. **Eligible recipients.** Challenge grants or loans may be made to a city; a federally recognized American Indian Tribe or subdivision located in Minnesota; a Tribal housing corporation; a private developer; a nonprofit organization; a school district; a cooperative unit, as defined in section 123A.24, subdivision 2; a charter school; a contract alternative school; a Tribal contract school; or the owner of the housing, including individuals. For the purpose of this section, "city" has the meaning given it in section 462A.03, subdivision 21. To the extent practicable, grants and loans shall be made so ~~that~~ an approximately equal number of housing units are financed in the metropolitan area and in the nonmetropolitan area.

Sec. 7. Minnesota Statutes 2024, section 462A.33, subdivision 9, is amended to read:

Subd. 9. **Grant funding to schools.** A school district; a cooperative unit, as defined in section 123A.24, subdivision 2; ~~or~~ a charter school; a contract alternative school; a Tribal contract school; or a nonprofit organization contracted by one of the preceding entities may receive funding under

this section in the form of a grant less than \$100,000. ~~A school district, intermediate district, or charter school~~ A grantee under this subdivision that uses a grant under this ~~section~~ subdivision to construct a home for owner occupancy must require the future occupant to participate in the homeownership education counseling and training program under section 462A.209.

Sec. 8. Minnesota Statutes 2024, 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, adaptive reuse, and rehabilitation of supportive housing where at least 50 percent of units are set aside for individuals and families who are without a permanent residence;

(2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned housing to be used for affordable rental housing or for affordable home ownership and the costs of new construction of rental housing on abandoned or foreclosed property where the existing structures will be demolished or removed;

(3) to finance that portion of the costs of acquisition of property that is attributable to the land to be leased by community land trusts to low- and moderate-income home buyers;

(4) to finance the acquisition, improvement, and infrastructure of manufactured home parks under section 462A.2035, subdivision 1b;

(5) to finance the costs of acquisition, rehabilitation, adaptive reuse, 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;

(8) to finance the costs of construction, acquisition, adaptive reuse, 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; and

(9) to finance the costs of construction, acquisition, rehabilitation, conversion, and development of cooperatively owned housing created under chapter 308A, 308B, or 308C that is affordable to low- and moderate-income households.

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

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

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

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

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

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

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

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

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

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

(f) If a loan recipient uses the loan for new construction 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, and each accessible unit includes at least one roll-in shower, water closet, and kitchen work surface meeting the requirements of 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. 9. Laws 2023, chapter 37, article 1, section 2, subdivision 20, is amended to read:

Subd. 20. Community-Based First-Generation Homebuyers Down Payment Assistance	100,000,000	-0-
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This appropriation is for a grant to Midwest Minnesota Community Development Corporation (MMCDC) to act as the administrator of the community-based first-generation homebuyers down payment assistance program. The funds shall be available to MMCDC for a three-year period commencing with issuance of the funds to MMCDC. At the expiration of that period, any unused funds shall be remitted to the agency. ~~Any funds recaptured by MMCDC after the expiration of that period shall be remitted to the agency.~~ Funds remitted to the agency under this paragraph are appropriated to the agency for administration of the first-generation homebuyers down payment assistance fund.

Sec. 10. Laws 2023, chapter 37, article 1, section 2, subdivision 21, is amended to read:

Subd. 21. Local Housing Trust Fund Grants	4,800,000	-0-
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(a) This appropriation is for deposit in the housing development fund for grants to local housing trust funds established under Minnesota Statutes, section 462C.16, to incentivize local funding. This is a onetime appropriation.

(b) A grantee is eligible to receive a grant amount equal to 100 percent of the public revenue committed to the local housing trust fund from any source other than the state or federal government, up to \$150,000, and in addition, an amount equal to 50 percent of the public revenue committed to the local

housing trust fund from any source other than the state or federal government that is more than \$150,000 but not more than \$300,000.

(c) A grantee must use grant funds within ~~eight~~ five years of receipt for purposes (1) authorized under Minnesota Statutes, section 462C.16, subdivision 3, and (2) benefiting households with incomes at or below 115 percent of the state median income. A grantee must return any grant funds not used for these purposes within eight years of receipt to the commissioner of the Minnesota Housing Finance Agency for deposit into the housing development fund.

Sec. 11. Laws 2023, chapter 37, article 2, section 9, is amended to read:

Sec. 9. COMMUNITY-BASED FIRST-GENERATION HOMEBUYERS ASSISTANCE PROGRAM.

Subdivision 1. **Establishment.** A community-based first-generation homebuyers down payment assistance program is established as a ~~pilot project program~~ under the administration of the Midwest Minnesota Community Development Corporation (MMCDC), a community development financial institution (CDFI) as defined under the Riegle Community Development and Regulatory Improvement Act of 1994, to provide targeted assistance to eligible ~~households~~ homebuyers.

Subd. 2. **Eligible ~~household~~ homebuyer.** For purposes of this section, "~~eligible household~~" "eligible homebuyer" means ~~a household~~ an adult person:

(1) whose income is at or below 100 percent of the ~~area~~ statewide median income at the time of ~~purchase~~ application; ~~and~~

~~(2) that includes at least one adult member;~~

~~(i)~~ (2) who is preapproved for a first mortgage loan; and

~~(ii)~~ (3)(i) who either never owned a home or who owned a home but lost it due to foreclosure; and

~~(iii)~~ (ii) whose parent or prior legal guardian either never owned a home or owned a home but lost it due to foreclosure.

~~At least one adult household member meeting the criteria under clause (2)~~ The eligible homebuyer must complete an approved homebuyer education course prior to signing a purchase agreement and, following the purchase of the home, must occupy it as their primary residence.

Subd. 3. **Use of funds.** Assistance under this section is limited to ten percent of the purchase price of a one or two unit home, not to exceed \$32,000. Beginning in fiscal year 2027, the maximum

amount of assistance may be increased to up to ten percent of the median home sales price as reported in the previous year's Minnesota Realtors Annual Report on the Minnesota Housing Market. Funds are reserved at the issuance of preapproval. Reservation of funds is not contingent on having an executed purchase agreement. The assistance must be provided in the form of a no-interest loan that is forgiven over five years, forgivable at a rate of 20 percent per year on the day after the anniversary date of the note, with the final 20 percent forgiven on the down payment assistance loan maturity date. There is no monthly pro rata or partial year credit. The loan has no monthly payment and does not accrue interest. The prorated balance due is repayable if the property converts to nonowner occupancy, is sold, is subjected to an ineligible refinance, is subjected to an unauthorized transfer of title, or is subjected to a completed foreclosure action within the five-year loan term. Recapture can be waived in the event of financial or personal hardship. MMCDC may retain recaptured funds for assisting eligible homebuyers as provided in this section. Funds may be used for closing costs, down payment, or principal reduction. The eligible household may select any first mortgage lender or broker of their choice, provided that the funds are used in conjunction with a conforming first mortgage loan that is fully amortizing and meets the standards of a qualified mortgage or meets the minimum standards for exemption under Code of Federal Regulations, title 12, section 1026.43. Funds may be used in conjunction with other programs the eligible household may qualify for and the loan placed in any priority position.

Subd. 4. **Administration.** The community-based first-generation homebuyers down payment assistance program is available statewide and shall be administered by MMCDC, the designated central CDFI. MMCDC may originate and service funds and authorize other CDFIs, Tribal entities, and nonprofit organizations administering down payment assistance to reserve, originate, fund, and service funds for eligible households homebuyers. Administrative costs must not exceed \$3,200 per loan ten percent of the fiscal year appropriation.

Subd. 5. **Report to legislature.** By January 15 each year, the fund administrator, MMCDC, must report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy the following information:

- (1) the number and amount of loans closed;
- (2) the median loan amount;
- (3) the number and amount of loans issued by race or ethnic categories;
- (4) the median home purchase price;
- (5) the interest rates and types of mortgages;
- (6) the credit scores of both applicants and households served;
- (7) the total amount returned to the fund; ~~and~~
- (8) the number and amount of loans issued by county;

(9) the number of each type of housing purchased, including but not limited to single-family houses, townhouses, condominiums, and manufactured housing; and

(10) the mean and median price of each type of housing, including but not limited to single-family houses, townhouses, condominiums, and manufactured housing.

Sec. 12. Laws 2023, chapter 37, article 2, section 10, is amended to read:

Sec. 10. **HIGH-RISE SPRINKLER SYSTEM GRANT AND LOAN PROGRAM.**

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Eligible building" means an existing residential building in which:

(1) at least one story used for human occupancy is the building is seven stories or more in height or 75 feet or more above the lowest level of fire department vehicle access; and

(2) at least two-thirds of its units are affordable to households with an annual income at or below 50 60 percent of the area median income as determined by the United States Department of Housing and Urban Development, adjusted for family size, that is paying no more than 30 percent of annual income on rent.

(c) "Sprinkler system" means the same as the term "fire protection system" as defined in Minnesota Statutes, section 299M.01.

Subd. 2. **~~Grant program~~ Use of funds.** The commissioner of the Housing Finance Agency must make grants or loans to owners of eligible buildings for installation of sprinkler systems and, if necessary, for relocation of residents during the installation of sprinkler systems. Priority shall be given to nonprofit applicants. The maximum grant per eligible building shall be \$2,000,000. Each grant to a nonprofit organization shall require a 25 percent match. Each grant to a for-profit organization shall require a 50 percent match.

Sec. 13. **LOCAL ACTIONS TO SUPPORT HOUSING.**

Where practicable, the commissioner of the Housing Finance Agency shall award an additional point or points, not to exceed five percent of the total available points in a given competitive development program, to proposals in competitive capital development programs if the proposed project is located in a jurisdiction that meets any of the following criteria to reduce barriers to affordable housing development:

(1) the jurisdiction allows for the development of multifamily housing in at least 50 percent of the area within the jurisdiction zoned as a commercial district, excluding areas covered by state or local shoreland regulations;

(2) the jurisdiction allows for duplexes, accessory dwelling units, or townhomes within 50 percent of the area within the jurisdiction zoned for single-family housing, excluding areas covered by state or local shoreland regulations;

(3) the jurisdiction does not have parking mandates greater than one stall per unit of housing for single-family housing;

(4) the jurisdiction does not have parking mandates greater than one stall per unit of housing for multifamily developments;

(5) the jurisdiction does not mandate lot sizes larger than one-eighth of an acre for new single-family home construction, excluding areas covered by state or local shoreland regulations;

(6) the jurisdiction does not place aesthetic mandates on new single-family construction, including type of exterior finish materials, including siding; the presence of shutters, columns, gables, decks, balconies, or porches; or minimum garage square footage, size, width, or depth;

(7) the jurisdiction has a density bonus for affordable housing that provides for an increase in floor area and lot coverage if the housing is affordable housing; or

(8) the jurisdiction has adopted an inclusionary zoning policy for the purpose of increasing the supply of affordable housing.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to selection criteria and scoring systems developed on or after that day. This section expires December 31, 2029.

Sec. 14. PRESERVATION FRAMEWORK FOR TARGETED STABILIZATION OF REGULATED AFFORDABLE HOUSING.

(a) The commissioner of the Minnesota Housing Finance Agency must work with members of the affordable housing industry, representing diverse racial and geographic perspectives including the Interagency Stabilization Group, affordable housing providers, supportive service providers, legal services, and housing stakeholders, to develop a preservation framework for the targeted stabilization of regulated affordable rental housing. The goal of this framework is to preserve and sustain affordable housing development organizations, the affordable rental buildings they own, and the housing for the people who live in the buildings today and in the future. To the extent practicable, the framework must identify:

(1) strategies, tools, and funding mechanisms to support targeted stabilization of affordable rental housing and recapitalization of distressed properties;

(2) options for temporary or permanent modifications to financing and regulatory terms and conditions, which may include changes to compliance requirements such as rent and income limits;

(3) potential improvements to processes and programs that are critical to the operations of permanent supportive housing including but not limited to coordinated entry, front desk and service funding, and relief options if there is a lack of identified service dollars or service providers;

(4) strategies for asset management to support long-term stabilization of regulated affordable housing; and

(5) state statutory changes needed to support or enable identified strategies.

(b) The framework shall identify options for tenant protections that may be needed during stabilization efforts. The agency must also consider such factors as protecting public resources and legal requirements.

(c) By February 15, 2026, the commissioner of the Minnesota Housing Finance Agency must submit the preservation framework to the chairs and ranking minority members of the legislative

committees having jurisdiction over housing finance and policy on the preservation framework, including any improvements implemented as well as any potential changes to existing state statute that may be needed to support targeted stabilization of regulated affordable housing and recapitalization of distressed properties.

Sec. 15. **REPORT ON MINNESOTA HOUSING FINANCE AGENCY ASSET PORTFOLIO.**

By March 31, 2026, and March 31, 2027, the commissioner of the Minnesota Housing Finance Agency shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy on the financial stability of the agency's asset management portfolio. The report must include the following information from the previous year for individual properties:

(1) the ratio of operating expenses to revenue, including debt service and replacement reserves; and

(2) a summary of aggregate tenant receivables, which includes the amount of late rent, tenant fees, and tenant damages.

Sec. 16. **REPORT ON ACCESSIBLE HOUSING.**

By February 15, 2026, the commissioner of the Minnesota Housing Finance Agency must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy on the state's Olmstead Plan activities related to affordable and accessible housing for persons with disabilities, including topics or areas that may require legislative action.

ARTICLE 4

HOUSING MISCELLANEOUS POLICY

Section 1. Minnesota Statutes 2024, section 462C.16, subdivision 1, is amended to read:

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

(b) "Commissioner" means the commissioner of the Minnesota Housing Finance Agency.

(c) "Fund" means a local housing trust fund or a regional housing trust fund.

(d) "Local government" means any statutory or home rule charter city, a housing and redevelopment authority, or a county.

(e) "Local housing trust fund" means a fund established by a local government with one or more dedicated sources of public revenue for housing.

(f) "Regional housing trust fund" means a fund established and administered under a joint powers agreement entered into by two or more local governments with one or more dedicated sources of public revenue for housing.

Sec. 2. Minnesota Statutes 2024, section 477A.35, subdivision 5, is amended to read:

Subd. 5. **Use of proceeds.** (a) Any funds distributed under this section must be spent on a qualifying project. Funds are considered spent on a qualifying project if:

(1) a tier I city or county demonstrates to the Minnesota Housing Finance Agency that the city or county cannot expend funds on a qualifying project by the deadline imposed by paragraph (b) due to factors outside the control of the city or county; and

(2) the funds are transferred to a local housing trust fund.

Funds transferred to a local housing trust fund under this paragraph must be spent on a project or household that meets the affordability requirements of subdivision 4, paragraph (a).

(b) Funds must be spent by December 31 in the third year following the year after the aid was received. The requirements of this paragraph are satisfied if funds are:

(1) committed to a qualifying project by December 31 in the third year following the year after the aid was received; and

(2) expended by December 31 in the fourth year following the year after the aid was received.

(c) An aid recipient may not use aid money to reimburse itself for prior expenditures.

(d) Any program income generated from funds distributed under this section must be used on a qualifying project.

Sec. 3. Minnesota Statutes 2024, section 477A.36, subdivision 5, is amended to read:

Subd. 5. **Use of proceeds.** (a) Any funds distributed under this section must be spent on a qualifying project. If a tier I city or county demonstrates to the Minnesota Housing Finance Agency that the tier I city or county cannot expend funds on a qualifying project by the deadline imposed by paragraph (b) due to factors outside the control of the tier I city or county, funds shall be considered spent on a qualifying project if the funds are transferred to a local housing trust fund. Funds transferred to a local housing trust fund must be spent on a project or household that meets the affordability requirements of subdivision 4, paragraph (a).

(b) Funds must be spent by December 31 in the third year following the year after the aid was received. The requirements of this paragraph are satisfied if funds are:

(1) committed to a qualifying project by December 31 in the third year following the year after the aid was received; and

(2) expended by December 31 in the fourth year following the year after the aid was received.

(c) An aid recipient may not use aid funds to reimburse itself for prior expenditures.

(d) Any program income generated from funds distributed under this section must be used on a qualifying project.

Sec. 4. Minnesota Statutes 2024, section 504B.161, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) In every lease or license of residential premises, the landlord or licensor covenants:

(1) that the premises and all common areas are fit for the use intended by the parties;

(2) to keep the premises and all common areas in reasonable repair during the term of the lease or license, including services and conditions listed in section 504B.381, subdivision 1, and extermination of insects, rodents, vermin, or other pests on the premises, except when the disrepair has been caused by the willful, malicious, or irresponsible conduct of the tenant or licensee or a person under the direction or control of the tenant or licensee;

(3) to make the premises and all common areas reasonably energy efficient by installing weatherstripping, caulking, storm windows, and storm doors when any such measure will result in energy procurement cost savings, based on current and projected average residential energy costs in Minnesota, that will exceed the cost of implementing that measure, including interest, amortized over the ten-year period following the incurring of the cost;

(4) to maintain the premises and all common areas in compliance with the applicable health and safety laws of the United States, of the state, and of the local units of government, including ordinances regulating rental licensing, where the premises are located during the term of the lease or license, except when violation of the health and safety laws has been caused by the willful, malicious, or irresponsible conduct of the tenant or licensee or a person under the direction or control of the tenant or licensee; and

(5) to supply ~~equip~~ or furnish heat capable of maintaining at a minimum temperature of 68 degrees Fahrenheit in all places intended for habitation including kitchens and bathrooms from October 1 through April 30, unless a utility company requires and instructs the heat to be reduced.

(b) The parties to a lease or license of residential premises may not waive or modify the covenants imposed by this section.

Sec. 5. Minnesota Statutes 2024, section 504B.206, subdivision 2, is amended to read:

Subd. 2. **Treatment of information.** (a) A landlord must not disclose:

(1) any information provided to the landlord by a tenant in the written notice required under subdivision 1, paragraph (b);

(2) any information contained in the qualifying document;

(3) the address or location to which the tenant has relocated; or

(4) the status of the tenant as a victim of violence.

(b) The information referenced in paragraph (a) must not be entered into any shared database or provided to any person or entity but may be used when required as evidence in an eviction proceeding, action for unpaid rent or damages arising out of the tenancy, claims under section 504B.178, with the consent of the tenant, or as otherwise required by law.

(c) The requirements of this subdivision to treat the information enumerated in paragraph (a) are paramount and supersede any other document or form previously signed by the tenant, including but not limited to any release of information form.

~~(c)~~ (d) A landlord who violates this section is liable to the tenant for statutory damages of \$2,000, plus reasonable attorney fees and costs.

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

Sec. 6. Minnesota Statutes 2024, section 504B.385, subdivision 1, is amended to read:

Subdivision 1. **Escrow of rent.** (a) If a violation exists in a residential building, a residential tenant may deposit the amount of rent due to the landlord with the court administrator using the procedures described in paragraphs (b) to (d).

(b) For a violation as defined in section 504B.001, subdivision 14, clause (1), the residential tenant may deposit with the court administrator the rent due to the landlord along with a copy of the written notice of the code violation as provided in section 504B.185, subdivision 2. The residential tenant may not deposit the rent or file the written notice of the code violation until the time granted to make repairs has expired without satisfactory repairs being made, unless the residential tenant alleges that the time granted is excessive.

(c) For a violation as defined in section 504B.001, subdivision 14, clause (2) ~~or~~ (3), (4), or (5), the residential tenant must give written notice to the landlord specifying the violation. The notice must be delivered personally or sent to the person or place where rent is normally paid. If the violation is not corrected within 14 days, the residential tenant may deposit the amount of rent due to the landlord with the court administrator along with an affidavit specifying the violation. The court must provide a simplified form affidavit for use under this paragraph.

(d) The residential tenant need not deposit rent if none is due to the landlord at the time the residential tenant files the notice required by paragraph (b) or (c). All rent which becomes due to the landlord after that time but before the hearing under subdivision 6 must be deposited with the court administrator. As long as proceedings are pending under this section, the residential tenant must pay rent to the landlord or as directed by the court and may not withhold rent to remedy a violation.

Sec. 7. Minnesota Statutes 2024, section 504B.395, subdivision 4, is amended to read:

Subd. 4. **Landlord must be informed.** A landlord must be informed in writing of an alleged violation at least 14 days before an action is brought by:

(1) a residential tenant of a residential building in which a violation as defined in section 504B.001, subdivision 14, clause (2) ~~or~~ (3), (4), or (5), is alleged to exist; or

(2) a housing-related neighborhood organization, with the written permission of a residential tenant of a residential building in which a violation, as defined in section 504B.001, subdivision 14, clause (2), (3), (4), or (5), is alleged to exist. The notice requirement may be waived if the court finds that the landlord cannot be located despite diligent efforts.

Sec. 8. Minnesota Statutes 2024, section 507.18, subdivision 5, is amended to read:

Subd. 5. **Discharge of restrictive covenants related to protected classes.** The owner of any interest in real property may record, at no cost, the statutory form provided in subdivision 6 in the office of the county recorder of any county where the real property is located to discharge and release a restrictive covenant related to a protected class permanently from the title. This subdivision does not apply to real property registered under chapters 508 and 508A. The discharge of the restrictive covenant is valid and enforceable under the law of Minnesota when the statutory form provided in subdivision 6 is properly recorded, but the instrument containing such restrictive covenants shall have full force in all other respects and shall be construed as if no such restrictive covenant were contained therein. A restrictive covenant affecting a protected class is void regardless of whether a statutory form as provided for in this section has been recorded in the office of the county recorder in the county where the real property affected by the restrictive covenant is located.

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

Sec. 9. Minnesota Statutes 2024, section 507.18, subdivision 6, is amended to read:

Subd. 6. **Filing; recording.** (a) The county recorder must accept the statutory form provided in this subdivision for recording when the form:

- (1) has been executed before a notary;
 - (2) contains the legal description of the real property affected by the restrictive covenant related to a protected class;
 - (3) contains the date of recording of the instrument containing the restrictive covenant, and the volume and page number or document number of the instrument; and
 - (4) complies with all other recording requirements, ~~and applicable recording fees have been paid.~~
- (b) The commissioner of commerce must provide electronic copies of the statutory form in this subdivision to the public ~~free of~~ at no cost.
- (c) The recording of this form does not alter or affect the duration or expiration of covenants, conditions, or restrictions under section 500.20 and may not be used to extend the effect of a covenant, condition, or restriction.
- (d) The statutory form that follows may be used to discharge restrictive covenants on property that limit the ownership, occupancy, use, or financing based on protected class:

DISCHARGE OF RESTRICTIVE COVENANT AFFECTING PROTECTED CLASSES

Pursuant to Minnesota Statutes, section 507.18, any restrictive covenant affecting a protected class, including covenants which were placed on the real property with the intent of restricting the use, occupancy, ownership, or financing because of a person's race, color, creed, national origin, or religious beliefs, is discharged and released from the land described herein.

State of Minnesota, County of

I/we,, having an ownership or other interest in all or part of the real property described herein, solemnly swear that the contents of this form are true to the best of my/our knowledge, except as to those matters stated on information and belief, and that as to those matters I/we believe them to be true.

Name and Address of Owner(s)

The real property owned by owner(s) is located in County, Minnesota, and is legally described as follows:

OWNER(s),, swears and affirms that Owner(s) is/are 18 years of age or older and is/are not under any legal incapacity and that the information provided in this form is true and correct based on the information available and based on reasonable information and belief:

(1) a restrictive covenant which had the intent to restrict the use, occupancy, ownership, or financing of this property based on a protected class, including race, color, creed, national origin, or religion, existed at one time related to the property described in this form;

(2) the restrictive covenant is contained in an instrument dated, and recorded as Document Number (or in Book of, Page.....) in the Office of the County Recorder of, Minnesota;

(3) restrictive covenants relating to or affecting protected classes are unenforceable and void pursuant to Minnesota Statutes, sections 507.18 and 363A.09, the United States Constitution, and the Minnesota Constitution;

(4) Minnesota Statutes, section 507.18, provides for the discharge of a restrictive covenant of the nature described herein through the use of this statutory form to permanently discharge such covenants from the land described herein and release the current and future landowner(s) from any such restrictive covenant related to or affecting protected classes;

(5) the instrument containing such restrictive covenants shall have full force in all other respects and shall be construed as if no such restrictive covenant was contained therein; and

(6) the filing of this form does not alter or change the duration or expiration of covenants, conditions, or restrictions under Minnesota Statutes, section 500.20.

The affiant(s) know(s) the matters herein stated are true and make(s) this affidavit for the purpose of documenting the discharge of the illegal and unenforceable restrictive covenants affecting protected classes.

.....

Affiant (Owner(s) Signature)

Signed and sworn before me on

(Date), by

..... (Affiant/Owner)

.....

Signature of Notary

Stamp

My commission expires

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

Sec. 10. Laws 2023, chapter 52, article 19, section 90, is amended to read:

Sec. 90. **EFFECTIVE DATE.**

(a) Sections 83 to 89 are effective January 1, 2024, and apply to leases signed on or after that date.

(b) Sections 83 to 89 are effective January 1, 2026, for leases renewed or extended on or after that date. For the purposes of this section, estates at will shall be deemed to be renewed or extended at the commencement of each rental period.

EFFECTIVE DATE. Paragraph (b) is effective January 1, 2026, and applies to leases entered into, renewed, or extended on or after that date.

Sec. 11. Laws 2023, chapter 52, article 19, section 102, is amended to read:

Sec. 102. **EFFECTIVE DATE.**

(a) Sections 97, 98, and 100 are effective January 1, 2024, and apply to leases entered into or renewed on or after January 1, 2024.

(b) Sections 97, 98, and 100 are effective January 1, 2026, for leases extended on or after January 1, 2026. For the purposes of this section, estates at will shall be deemed to be renewed or extended at the commencement of each rental period.

EFFECTIVE DATE. Paragraph (b) is effective January 1, 2026, and applies to leases entered into, renewed, or extended on or after that date.

Sec. 12. Laws 2024, chapter 96, article 1, section 91, is amended to read:

Sec. 91. **EFFECTIVE DATE.**

This article is effective August 1, ~~2025~~ 2026.

Sec. 13. Laws 2024, chapter 96, article 2, section 13, is amended to read:

Sec. 13. **EFFECTIVE DATE.**

This article is effective August 1, ~~2025~~ 2026.

Sec. 14. **APPLICABLE PREVAILING WAGE RATE.**

(a) An allocating agency, as defined in Minnesota Statutes, section 116J.871, subdivision 1, paragraph (f), may adopt a policy or ordinance utilizing the applicable carpenter rate for residential construction under the federal Davis-Bacon and Related Acts for wood frame carpenter work as defined in paragraph (b). This paragraph only applies to projects subject to prevailing wage

requirements pursuant to Minnesota Statutes, section 116J.871, subdivision 2, where any financial assistance, as defined in Minnesota Statutes, section 116J.871, subdivision 1, paragraph (c), consists solely of allocations or awards of low-income housing tax credits as provided in Minnesota Statutes, section 462A.222, and where the project does not receive any other state financing or funding.

(b) For purposes of this section, "wood frame carpenter work" means carpenter work as described in Minnesota Rules, part 5200.1102, subpart 4, performed in the erection, remodeling, or finishing of a structure of up to six stories, or any portion thereof, that is wood framed and intended for residential use.

(c) This section expires December 31, 2027.

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

Sec. 15. REPORT AND GUIDANCE ON REPOSITIONING PUBLIC HOUSING AND ON GENERAL OBLIGATION BOND FUNDING FOR PUBLIC HOUSING AUTHORITIES.

(a) By February 15, 2026, the commissioner of management and budget shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy and over capital investment.

(b) The report must:

(1) summarize guidance identifying possible options available under current law for public housing authorities to participate in repositioning programs with the United States Department of Housing and Urban Development while remaining eligible for funding through state general obligation bonds;

(2) review current legal barriers related to the eligibility of public housing authorities to receive state general obligation bond funding while participating in repositioning programs of the United States Department of Housing and Urban Development; and

(3) identify any provisions that present unresolved legal questions regarding ownership, repayment, or public purpose requirements applicable to the use of general obligation bond proceeds for repositioned public housing.

(c) In preparing the report, the commissioner of management and budget must consult with entities that have expertise on repositioning programs with the United States Department of Housing and Urban Development, including the commissioner of the Minnesota Housing Finance Agency and the Minnesota Chapter of the National Association of Housing and Redevelopment Officials."

Delete the title and insert:

"A bill for an act relating to state government; establishing budget for Minnesota Housing Finance Agency; making policy, finance, and technical changes to housing provisions; modifying requirements for landlord and tenant provisions; authorizing issuance of housing infrastructure bonds; modifying and clarifying requirements for certain housing development and aid programs; repealing housing support account; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 327C.095, subdivision 12; 462A.051, subdivision 2; 462A.07, by adding a

subdivision; 462A.2095, subdivisions 2, 3; 462A.33, subdivisions 2, 9; 462A.37, subdivisions 2, 5, by adding a subdivision; 462C.16, subdivision 1; 477A.35, subdivision 5; 477A.36, subdivision 5; 504B.161, subdivision 1; 504B.206, subdivision 2; 504B.385, subdivision 1; 504B.395, subdivision 4; 507.18, subdivisions 5, 6; Laws 2023, chapter 37, article 1, section 2, subdivisions 20, 21, 29, as amended; article 2, sections 9; 10; Laws 2023, chapter 52, article 19, sections 90; 102; Laws 2024, chapter 96, article 1, section 91; article 2, section 13; repealing Minnesota Statutes 2024, sections 16A.287; 462A.43."

We request the adoption of this report and repassage of the bill.

Senate Conferees: Lindsey Port, Liz Boldon

House Conferees: Spencer Igo, Jim Nash, Michael Howard, Liish Kozlowski

Senator Port moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2298 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2298 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 36 and nays 31, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Hauschild cast the affirmative vote on behalf of the following Senators: Fateh, Hawj, Mohamed, and Rest.

Those who voted in the negative were:

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

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

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1959 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. No. 1959

A bill for an act relating to state government; establishing a budget for the Department of Military Affairs and the Department of Veterans Affairs; modifying veterans services and benefits provisions; requiring the commissioner of administration to place a memorial plaque honoring Gold Star and Blue Star families on State Capitol grounds; providing benefits to veterans of the Secret War in Laos; requiring county veteran services officers to aid certain additional veterans; establishing a task force; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 13.461, subdivision 27; 193.143; 197.065; 197.236, subdivisions 8, 9; 197.603, subdivision 1; 197.608, subdivision 6; 197.75, subdivision 1; 197.791, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 197.

May 16, 2025

The Honorable Bobby Joe Champion
President of the Senate

The Honorable Lisa M. Demuth
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1959 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 1959 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1**MILITARY AFFAIRS AND VETERANS AFFAIRS 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 "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

APPROPRIATIONS
Available for the Year
Ending June 30

	<u>2026</u>	<u>2027</u>
Sec. 2. <u>MILITARY AFFAIRS</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$ 29,487,000</u>	<u>\$ 33,458,000</u>
<u>The amounts that may be spent for each purpose are specified in the following subdivisions. The base for this appropriation is \$27,458,000 in fiscal year 2028 and each fiscal year thereafter.</u>		
Subd. 2. <u>Maintenance of Training Facilities</u>	<u>10,067,000</u>	<u>10,067,000</u>
Subd. 3. <u>General Support</u>	<u>5,006,000</u>	<u>4,977,000</u>
<u>Holistic Health and Fitness (H2F).</u> <u>Of this amount, \$242,000 the first year is for administrative and payroll costs to operate Holistic Health and Fitness (H2F) initiatives across the Minnesota Army National Guard. This is a onetime appropriation.</u>		
Subd. 4. <u>Enlistment Incentives</u>	<u>14,114,000</u>	<u>18,114,000</u>
<u>The base for this appropriation is \$12,114,000 in fiscal year 2028 and each fiscal year thereafter.</u>		
<u>The appropriations in this subdivision are available until June 30, 2029.</u>		
<u>If the amount for fiscal year 2026 is insufficient, the amount for 2027 is available in fiscal year 2026. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.</u>		
Subd. 5. <u>Emergency Services</u>	<u>300,000</u>	<u>300,000</u>
Sec. 3. <u>VETERANS AFFAIRS</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$ 142,457,000</u>	<u>\$ 146,710,000</u>
<u>The base for this appropriation is \$151,140,000 in fiscal year 2028 and each fiscal year thereafter. The amounts that may be spent for each purpose are specified in the following subdivisions.</u>		

Subd. 2. Veterans Programs and Services**31,055,000****30,940,000**

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

(a) **State Veterans Cemeteries.** \$3,782,000 each year is for the operation of the state veterans cemeteries.

(b) **Veterans Service Organizations.** \$500,000 each year is for grants to the following congressionally chartered veterans service organizations as designated by the commissioner: Disabled American Veterans, Military Order of the Purple Heart, the American Legion, Veterans of Foreign Wars, AMVETS, and Paralyzed Veterans of America. This funding must be allocated in direct proportion to the funding currently being provided by the commissioner to these organizations.

(c) **Honor Guards.** \$200,000 each year is for compensation for honor guards at the funerals of veterans under Minnesota Statutes, section 197.231.

(d) **Minnesota GI Bill.** \$200,000 each year is for the costs of administering the Minnesota GI Bill postsecondary educational benefits, on-the-job training, and apprenticeship program under Minnesota Statutes, section 197.791.

(e) **Gold Star Program.** \$100,000 each year is for administering the Gold Star Program for surviving family members of deceased veterans.

(f) **County Veterans Service Office.** \$1,610,000 each year is for the County Veterans Service Office grant program under Minnesota Statutes, section 197.608. Of this amount, \$20,000 is for a women veterans technical assistance coordinator, \$20,000 is for a veteran suicide prevention technical assistance coordinator, and \$20,000 is for a

justice-involved veteran technical assistance coordinator. Any unencumbered balance in the first year does not cancel and is available in the second year.

(g) **Camp Bliss.** \$150,000 each year is for a grant to Independent Lifestyles, Inc., to provide therapy, transportation, and activities customized for veterans who are Minnesota residents and the veterans' spouses, domestic partners, and children at Camp Bliss in the city of Walker. The commissioner of veterans affairs must report to the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs on:

(1) the number of veterans and veterans' family members served; and

(2) a detailed explanation of expenditures of the grant money.

(h) **CORE Program.** \$1,525,000 the first year and \$1,225,000 the second year are for the Counseling and Case Management Outreach Referral and Education (CORE) program.

Of this amount, \$300,000 the first year is to provide:

(1) home-delivered meals to veterans outside of Hennepin and Ramsey Counties; and

(2) technical, enrollment, outreach, and volunteer recruitment assistance to member programs.

The grantee must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance by September 1 each year with a detailed explanation of how the grant money was used and the number of veterans and service members served by the program. Any unencumbered balance in the first year does not cancel at the end of

the first year and is available in the second year. This is a onetime appropriation.

(i) Recently Separated Veterans Program.

\$300,000 each year is for operation of the recently separated veterans program. The commissioner of veterans affairs may use Department of Defense and other veteran data that was provided with an appropriate disclosure to assist with connecting veterans to resources and new programming. The commissioner may use money for personnel, research, marketing, technology solutions, and professional or technical contracts.

(j) Homeless Veterans and SOAR Program.

\$1,344,000 each year is to operate the homeless veteran registry and homeless programs and to assist veterans, former service members, and veterans' and former service members' dependents with obtaining federal benefits through the Social Security Administration. The commissioner of veterans affairs may use money for personnel, training, research, marketing, and professional or technical contracts.

(k) State Soldiers Assistance Program.

\$5,600,000 each year is for veteran financial assistance through the state soldiers assistance program.

(l) Higher Education Veterans Assistance.

\$1,629,000 each year is for veterans higher education assistance.

(m) Claims and Outreach Office.

\$3,621,000 each year is for the claims and outreach office to assist veterans and the veterans' families in accessing benefits and services.

(n) Minnesota Assistance Council for Veterans.

\$1,075,000 each year is for grants to the Minnesota Assistance Council for Veterans to provide assistance throughout Minnesota to veterans and veterans' families

who are homeless or in danger of homelessness, including assistance with:

- (1) supportive services to maintain housing;
- (2) employment;
- (3) legal issues;
- (4) housing and housing-related costs;
- (5) transportation;
- (6) the acquisition and creation of permanent supportive housing; and
- (7) property management of permanent supportive housing.

Any unencumbered balance remaining in this paragraph in the first year does not cancel and is available for the second year. Assistance authorized under this paragraph must be provided only to a veteran who has resided in Minnesota for 30 days prior to the veteran's application for assistance and according to other guidelines established by the commissioner. To avoid duplication of services, the commissioner must ensure that this assistance is coordinated with all other available programs for veterans.

(o) Veterans of Special Guerilla Units and Irregular Forces in Laos Advisory Task Force. \$118,000 the first year is for the commissioner to staff and support the work of the Veterans of Special Guerilla Units and Irregular Forces in Laos Advisory Task Force.

(p) Hometown Hero Outdoors. \$100,000 the first year is for a grant to Hometown Hero Outdoors, a 501(c)(3) nonprofit organization based in Stillwater, Minnesota, to fund outdoor recreational activities and mental health services for currently serving military personnel and veterans to promote positive mental health and interactions with mental health service professionals; to promote

longevity and quality of life through outdoor activities and mental health services, including public education; and to ensure that the organization is able to continue supporting persons who are currently serving or have served in the military. Hometown Hero Outdoors must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance no later than September 1, 2026. The report must include, at a minimum, a detailed explanation of how the grant money was used and the number of veterans served by the program.

(q) **Minnesota Military and Veterans Museum.** \$300,000 each year is for a grant to the Minnesota Military and Veterans Museum for museum staff to provide direct services to veterans and their families.

Subd. 3. **Veterans Health Care**

111,402,000

115,770,000

(a) \$110,302,000 the first year and \$114,670,000 the second year may be transferred to a veterans homes special revenue account in the special revenue fund in the same manner as other receipts are deposited according to Minnesota Statutes, section 198.34, and are appropriated to the commissioner of veterans affairs for the operation of veterans homes facilities and programs. The base for this transfer is \$119,100,000 in fiscal year 2028 and each fiscal year thereafter.

(b) The department shall seek opportunities to maximize federal reimbursements of Medicare-eligible expenses and provide annual reports to the commissioner of management and budget on the federal Medicare reimbursements that are received. Contingent upon future federal Medicare receipts, reductions to the veterans homes' general fund appropriation may be made.

(c) \$400,000 each year is for the department to staff Veteran Community Health Navigators in community-based hospitals.

(d) \$700,000 each year is for the department to operate the veteran suicide prevention program. The commissioner shall develop a comprehensive plan to prevent Minnesota veterans from dying by suicide. The plan must include:

(1) a community integration and collaboration strategy that brings together veteran-serving organizations to provide veterans with coordinated services and supports, including services and supports related to employment, health, housing, benefits, recreation, education, and social connections;

(2) strategies to promote a sense of belonging and purpose among veterans by connecting veterans with each other, with civilians, and with the veteran's communities through a range of activities, including physical activity, community service, and disaster response efforts; and

(3) an implementation strategy that identifies opportunities to coordinate existing efforts within federal, state, local, and Tribal governments and nongovernmental entities and includes a description of the policy changes and resources that are required to prevent veteran suicides.

The commissioner must submit a report containing the required plan to the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance by February 15, 2026.

(e) The commissioner of veterans affairs is not required to perform the annual calculation of the cost of care for veterans homes in Montevideo, Preston, and Bemidji in the first year and second year. In the first year and

second year, the commissioner must calculate the average daily cost of care per resident by averaging the cost of care for veterans homes in Luverne and Fergus Falls. The commissioner must only use this method of calculating the cost of care for veterans homes in the first year and second year. This paragraph expires June 30, 2027.

Sec. 4. Laws 2023, chapter 38, article 1, section 3, subdivision 2, as amended by Laws 2024, chapter 100, section 23, is amended to read:

Subd. 2. Veterans Programs and Services	56,523,000	31,214,000
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The amounts that may be spent for each purpose are specified in the following subdivisions. The base is \$30,258,000 in fiscal year 2026 and each fiscal year thereafter.

(a) **State's Veterans Cemeteries.** \$4,282,000 each year is for the operation of the state's veterans cemeteries. The base for this appropriation is \$3,782,000 in fiscal year 2026 and each fiscal year thereafter.

(b) **Veterans Service Organizations.** \$500,000 each year is for grants to the following congressionally chartered veterans service organizations as designated by the commissioner: Disabled American Veterans, Military Order of the Purple Heart, the American Legion, Veterans of Foreign Wars, Vietnam Veterans of America, AMVETS, and Paralyzed Veterans of America. This funding must be allocated in direct proportion to the funding currently being provided by the commissioner to these organizations.

(c) **Honor Guards.** \$200,000 each year is for compensation for honor guards at the funerals of veterans under Minnesota Statutes, section 197.231.

(d) **Minnesota GI Bill.** \$200,000 each year is for the costs of administering the Minnesota GI Bill postsecondary educational benefits, on-the-job training, and

apprenticeship program under Minnesota Statutes, section 197.791.

(e) **Gold Star Program.** \$100,000 each year is for administering the Gold Star Program for surviving family members of deceased veterans.

(f) **County Veterans Service Office.** \$1,550,000 each year is for funding the County Veterans Service Office grant program under Minnesota Statutes, section 197.608.

(g) **Camp Bliss.** \$150,000 each year is for a grant to Camp Bliss as provided under article 2, section 9.

(h) **Veterans on the Lake.** \$50,000 each year is for a grant to Veterans on the Lake for expenses related to retreats for veterans, including therapy, transportation, and activities customized for veterans. These are onetime appropriations.

(i) **Veteran Resilience Project.** \$300,000 each year is for a grant to the veteran resilience project. Grant funds must be used to make eye movement desensitization and reprocessing therapy available to veterans, veterans' spouses, current military service members, and current military service members' spouses who are suffering from posttraumatic stress disorder and trauma. The base for this appropriation is \$200,000 in fiscal year 2026 and each fiscal year thereafter.

The veteran resilience project must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance by January 15 of each year on the program. The report must include an overview of the program's budget, a detailed explanation of program expenditures, the number of veterans and service members served by the program, and

a list and explanation of the services provided to program participants.

(j) **CORE Program.** \$1,225,000 each year is for the Counseling and Case Management Outreach Referral and Education (CORE) program.

(k) **LinkVet Call Center.** \$369,000 each year is for the operation of the state's LinkVet Call Center.

(l) **Recently Separated Veterans Program.** \$350,000 each year is for operation of the recently separated veterans program. The commissioner of veterans affairs may use Department of Defense and other veteran data that were provided with an appropriate disclosure to assist with connecting veterans to resources and new programming. The commissioner may use money for personnel, research, marketing, technology solutions, and professional or technical contracts. The base for this appropriation is \$300,000 in fiscal year 2026 and each fiscal year thereafter.

(m) **Homeless Veterans and SOAR Program.** \$1,035,000 each year is to operate the homeless veteran registry and homeless programs and to assist veterans, former service members, and veterans' and former service members' dependents with obtaining federal benefits through the Social Security Administration. The commissioner of veterans affairs may use money for personnel, training, research, marketing, and professional or technical contracts. The base for this appropriation is \$1,344,000 in fiscal year 2026 and each fiscal year thereafter.

(n) **Minnesota Assistance Council for Veterans.** \$7,865,000 the first year and \$1,075,000 the second year are for grants to the Minnesota Assistance Council for Veterans to provide assistance throughout Minnesota to veterans and veterans' families

who are homeless or in danger of homelessness, including assistance with:

- (1) supportive services to maintain housing;
- (2) employment;
- (3) legal issues;
- (4) housing and housing-related costs;
- (5) transportation;
- (6) the acquisition and creation of permanent supportive housing; and
- (7) property management of permanent supportive housing.

Of these amounts, \$6,350,000 the first year is for the establishment of permanent supportive housing options for homeless veterans and former service members. This is a onetime appropriation and is available until June 30, 2026. \$440,000 the first year is for the direct veteran assistance grant. This is a onetime appropriation. Any unencumbered balance remaining in this subdivision in the first year for grants to the Minnesota Assistance Council for Veterans does not cancel and is available for the second year. Assistance authorized under this paragraph must be provided only to a veteran who has resided in Minnesota for 30 days prior to the veteran's application for assistance and according to other guidelines established by the commissioner. To avoid duplication of services, the commissioner must ensure that this assistance is coordinated with all other available programs for veterans.

(o) **Veterans Bonus Program.** \$15,000,000 the first year is for service bonuses to Post-9/11 Veterans and Gold Star families under Minnesota Statutes, section 197.79. This is a onetime appropriation and is available until June 30, 2024.

(p) **Metro Meals on Wheels.** \$540,000 each year is for a grant to Metro Meals on Wheels to provide: (1) home-delivered meals to veterans; and (2) technical, enrollment, outreach, and volunteer recruitment assistance to member programs. Metro Meals on Wheels must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance by September 1 each year with a detailed explanation of how the grant money was used and the number of veterans and service members served by the program. ~~This is a onetime appropriation. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.~~ This is a onetime appropriation and is available until June 30, 2027.

(q) **Minnesota Military and Veterans Museum.** \$225,000 the second year is for a grant to the Minnesota Military and Veterans Museum for museum staff to provide direct services to veterans and their families. The base for this appropriation is \$300,000 in fiscal year 2026 and each fiscal year thereafter.

(r) **Every Third Saturday.** \$100,000 each year is for a grant to Every Third Saturday to provide veterans with emergency assistance and internships. Every Third Saturday must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance no later than September 1, 2024, and by September 1 of each subsequent year. Each report must include, at a minimum, a detailed explanation of how the grant money was used and the number of veterans served by the program. ~~These are onetime appropriations.~~ These are onetime appropriations and are available until June 30, 2026.

(s) **Veteran Homelessness Initiative.** \$4,311,000 the first year and \$1,311,000 the second year are for an initiative to prevent and end veteran homelessness.

(t) **Veterans Campground Wastewater System Upgrades.** \$744,000 the first year is for one or more grants to the Veterans Campground on Big Marine Lake, a 501(c)(3) nonprofit organization, to design, engineer, permit, and construct wastewater systems on campground property to increase the capacity of wastewater systems. This is a onetime appropriation.

ARTICLE 2

MILITARY AFFAIRS AND VETERANS AFFAIRS POLICY

Section 1. Minnesota Statutes 2024, section 13.461, subdivision 27, is amended to read:

Subd. 27. ~~State soldiers assistance program~~ **Veterans affairs programs.** Access to information for purposes of verifying eligibility for the State Soldiers Assistance Program, the Veterans Stable Housing Initiative, and veterans programs is governed by section 197.065.

Sec. 2. Minnesota Statutes 2024, section 192.49, subdivision 1, is amended to read:

Subdivision 1. **Officers.** Every commissioned officer of the military forces shall receive from the state, while engaged in any state active service ~~ordered by the governor~~ as defined in section 190.05, subdivision 5a, pay and allowances at the rate now or hereafter paid or allowed by law to officers of the same grade and length of service in the armed forces of the United States, but not less than \$130 a day.

Sec. 3. Minnesota Statutes 2024, section 192.49, subdivision 2, is amended to read:

Subd. 2. **Enlisted persons.** When called into state active service by the governor, other than for encampment or maneuvers, including the time necessarily consumed in travel, each enlisted person of the military forces shall be paid by the state the pay and the allowances, when not furnished in kind, provided by law for enlisted persons of similar grade, rating, and length of service in the armed forces of the United States, or \$130 a day, whichever is more.

Sec. 4. Minnesota Statutes 2024, section 192.49, is amended by adding a subdivision to read:

Subd. 2a. **Pension offset stipend.** The adjutant general is authorized to pay service members ordered into state active service a stipend equivalent to five percent of basic pay for the period of duty to compensate the service member for pension inequity compared to similar federal service.

Sec. 5. Minnesota Statutes 2024, section 193.143, is amended to read:

193.143 STATE ARMORY BUILDING COMMISSION, POWERS.

Such corporation, subject to the conditions and limitations prescribed in sections 193.141 to 193.149, shall possess all the powers of a body corporate necessary and convenient to accomplish the objectives and perform the duties prescribed by sections 193.141 to 193.149, including the following, which shall not be construed as a limitation upon the general powers hereby conferred:

(1) To acquire by lease, purchase, gift, or condemnation proceedings all necessary right, title, and interest in and to the lands required for a site for a new armory and all other real or personal property required for the purposes contemplated by the Military Code and to hold and dispose of the same, subject to the conditions and limitations herein prescribed; provided that any such real or personal property or interest therein may be so acquired or accepted subject to any condition which may be imposed thereon by the grantor or donor and agreed to by such corporation not inconsistent with the proper use of such property by the state for armory or military purposes as herein provided.

(2) To exercise the power of eminent domain in the manner provided by chapter 117, for the purpose of acquiring any property which such corporation is herein authorized to acquire by condemnation; provided, that the corporation may take possession of any such property so to be acquired at any time after the filing of the petition describing the same in condemnation proceedings; provided further, that this shall not preclude the corporation from abandoning the condemnation of any such property in any case where possession thereof has not been taken.

(3) To construct and equip new armories as authorized herein; to pay therefor out of the funds obtained as hereinafter provided and to hold, manage, and dispose of such armory, equipment, and site as hereinafter provided. The total amount of bonds issued on account of such armories shall not exceed the amount of the cost thereof; provided also, that the total bonded indebtedness of the commission shall not at any time exceed the aggregate sum of ~~\$15,000,000~~ \$45,000,000.

(4) To provide partnerships with federal and state governments and to match federal and local funds, when available.

(5) To sue and be sued.

(6) To contract and be contracted with in any matter connected with any purpose or activity within the powers of such corporations as herein specified; provided, that no officer or member of such corporation shall be personally interested, directly or indirectly, in any contract in which such corporation is interested.

(7) To employ any and all professional and nonprofessional services and all agents, employees, workers, and servants necessary and proper for the purposes and activities of such corporation as authorized or contemplated herein and to pay for the same out of any portion of the income of the corporation available for such purposes or activities. The officers and members of such corporation shall not receive any compensation therefrom, but may receive their reasonable and necessary expenses incurred in connection with the performance of their duties; provided however, that whenever the duties of any member of the commission require full time and attention the commission may compensate the member therefor at such rates as it may determine.

(8) To borrow money and issue bonds for the purposes and in the manner and within the limitations herein specified, and to pledge any and all property and income of such corporation

acquired or received as herein provided to secure the payment of such bonds, subject to the provisions and limitations herein prescribed, and to redeem any such bonds if so provided therein or in the mortgage or trust deed accompanying the same.

(9) To use for the following purposes any available money received by such corporation from any source as herein provided in excess of those required for the payment of the cost of such armory and for the payment of any bonds issued by the corporation and interest thereon according to the terms of such bonds or of any mortgage or trust deed accompanying the same:

(a) to pay the necessary incidental expenses of carrying on the business and activities of the corporation as herein authorized;

(b) to pay the cost of operating, maintaining, repairing, and improving such new armories;

(c) if any further excess money remains, to purchase upon the open market at or above or below the face or par value thereof any bonds issued by the corporation as herein authorized, provided that any bonds so purchased shall thereupon be canceled.

(10) To adopt and use a corporate seal.

(11) To adopt all needful bylaws and rules for the conduct of business and affairs of such corporation and for the management and use of all armories while under the ownership and control of such corporation as herein provided, not inconsistent with the use of such armory for armory or military purposes.

(12) Such corporation shall issue no stock.

(13) No officer or member of such corporation shall have any personal share or interest in any funds or property of the corporation or be subject to any personal liability by reason of any liability of the corporation.

(14) The Minnesota State Armory Building Commission created under section 193.142 shall keep all money and credits received by it as a single fund, to be designated as the "Minnesota State Armory Building Commission fund," with separate accounts for each armory; and the commission may make transfers of money from funds appertaining to any armory under its control for use for any other such armory; provided such transfers shall be made only from money on hand, from time to time, in excess of the amounts required to meet payments of interest or principal on bonds or other obligations appertaining to the armory to which such funds pertain and only when necessary to pay expenses of construction, operation, maintenance, debt service, and other obligations reasonable and necessary, of such other armory; provided further, no such transfer of any money paid for the support of any armory by the municipality in which such armory is situated shall be made by the commission.

(15) The corporation created under section 193.142 may designate one or more state or national banks as depositories of its funds, and may provide, upon such conditions as the corporation may determine, that the treasurer of the corporation shall be exempt from personal liability for loss of funds deposited in any such depository due to the insolvency or other acts or omissions of such depository.

(16) The governor is empowered to apply for grants of money, equipment, and materials which may be made available to the states by the federal government for leasing, building, and equipping armories for the use of the military forces of the state which are reserve components of the armed forces of the United States, whenever the governor is satisfied that the conditions under which such grants are offered by the federal government, are for the best interests of the state and are not inconsistent with the laws of the state relating to armories, and to accept such grants in the name of the state. The Minnesota State Armory Building Commission is designated as the agency of the state to receive such grants and to use them for armory purposes as prescribed in this chapter, and by federal laws, and regulations not inconsistent therewith.

Sec. 6. Minnesota Statutes 2024, section 197.065, is amended to read:

197.065 ACCESS TO DATABASE.

(a) Notwithstanding section 13.46, subdivision 2, the commissioner of veterans affairs may electronically access the MAXIS database maintained by the Department of Human Services Children, Youth, and Families for the purpose of verifying eligibility status of applicants for benefits under the State Soldiers Assistance Program, the Veterans Stable Housing Initiative, and veterans programs. The commissioner may electronically access the MAXIS database to ensure that veterans are connected to all available state and federal resources for which the veterans are eligible.

(b) In order to access any private data on individuals, as defined by section 13.02, subdivision 12, pursuant to paragraph (a), the commissioner of veterans affairs must have received informed consent from the subject of the data.

Sec. 7. Minnesota Statutes 2024, section 197.236, subdivision 8, is amended to read:

Subd. 8. **Eligibility.** Cemeteries must be operated solely for the burial of service members who die on active duty, eligible veterans, and their spouses and dependent children, as defined in United States Code, title 38, section ~~101~~ 2402, paragraph ~~(2)~~ (a), subparagraphs 1 to 5 and 7.

Sec. 8. Minnesota Statutes 2024, section 197.236, subdivision 9, is amended to read:

Subd. 9. **Burial fees.** (a) The commissioner of veterans affairs shall establish a fee schedule, which may be adjusted from time to time, for the interment of eligible spouses and dependent children. The fees shall cover as nearly as practicable the actual costs of interment, excluding the value of the plot.

(b) Upon application, the commissioner may waive or reduce the burial fee for an indigent eligible person. The commissioner shall ~~develop~~ maintain a policy, eligibility standards, and application form for requests to waive or reduce the burial fee to indigent eligible applicants.

(c) No plot or interment fees may be charged for the burial of service members who die on active duty or eligible veterans, as defined in United States Code, title 38, section ~~101~~ 2402, paragraph ~~(2)~~ (a), subparagraphs 1 to 4 and 7.

Sec. 9. **[197.448] VETERAN OF THE SECRET WAR IN LAOS.**

Subdivision 1. **Definition.** As used in this section, the term "veteran of the Secret War in Laos" means a person who resides in Minnesota and who:

(1) was naturalized as provided in section 2(1) of the federal Hmong Veterans' Naturalization Act of 2000, Public Law 106-207; or

(2) is a person who the commissioner of veterans affairs determines served honorably with a special guerrilla unit or with irregular forces that operated from a base in Laos in support of the armed forces of the United States at any time during the period beginning February 28, 1961, and ending May 14, 1975, and is a citizen of the United States or an alien lawfully admitted for permanent residence in the United States.

Subd. 2. **Eligibility for benefits and privileges.** (a) A veteran of the Secret War in Laos, as defined in subdivision 1, clause (1), is entitled to the benefits and privileges listed in paragraph (d) the day following the effective date of this act.

(b) A veteran of the Secret War in Laos, as defined in subdivision 1, clause (2), is entitled to the benefits and privileges listed in paragraph (d) after the commissioner of veterans affairs verifies the person's veteran status. The commissioner must not begin accepting applications for verification under this paragraph until the legislature enacts criteria and a protocol to determine:

(1) which Minnesotans served in special guerilla units or with irregular forces in Laos; and

(2) which of the Minnesotans who served in special guerilla units or with irregular forces in Laos are deserving of Minnesota veterans benefits.

(c) If the commissioner verifies a person's status as a veteran of the Secret War in Laos, the commissioner must provide the person with a certificate of eligibility for the benefits and privileges listed in paragraph (d) on a form developed by the commissioner for this purpose. The commissioner must develop the form required under this paragraph no later than September 15, 2025.

(d) The following statutory benefits and privileges available to a veteran, as defined in section 197.447, are also available to a veteran of the Secret War in Laos: section 171.07, subdivision 15 (veteran designation on drivers' licenses and state identification cards); section 197.23 (purchase of grave markers); section 197.231 (honor guards); section 197.236 (state veterans cemeteries); section 197.455 (veterans preference); section 197.4551 (permissive preference for veterans in private employment); section 197.63 (vital records, certified copies); section 197.65 (renewal of professional licenses, motor vehicle registration, and drivers' licenses); and section 197.987 (honor and remember flag).

Sec. 10. Minnesota Statutes 2024, section 197.608, subdivision 6, is amended to read:

Subd. 6. **Grant amount.** (a) Each county is eligible to receive an annual grant of \$7,500 for the following purposes:

(1) to provide outreach to the county's veterans;

(2) to assist in the reintegration of combat veterans into society;

(3) to collaborate with other social service agencies, educational institutions, and other community organizations for the purposes of enhancing services offered to veterans;

(4) to reduce homelessness among veterans; and

(5) to enhance the operations of the county veterans service office.

(b) In addition to the grant amount in paragraph (a), each county is eligible to receive an additional annual grant under this paragraph. The amount of each additional annual grant must be determined by the commissioner and may not exceed:

(1) \$0, if the county's veteran population is less than 1,000;

(2) \$2,500, if the county's veteran population is 1,000 or more but less than 3,000;

(3) \$5,000, if the county's veteran population is 3,000 or more but less than 5,000;

(4) \$7,500, if the county's veteran population is 5,000 or more but less than 10,000;

(5) \$10,000, if the county's veteran population is 10,000 or more but less than 20,000;

(6) \$15,000, if the county's veteran population is 20,000 or more but less than 30,000; or

(7) \$20,000, if the county's veteran population is 30,000 or more.

(c) The Minnesota Association of County Veterans Service Officers is eligible to receive an annual grant of ~~\$100,000~~ \$160,000. The grant ~~shall~~ must be used for administrative costs of the association, certification of mandated county veterans service officer training and accreditation, and costs associated with reintegration services. Up to \$60,000 of this amount may be used to train technical assistance coordinators and for technical assistance coordinators to travel to consult with Minnesota counties on specific areas of expertise upon request. The Minnesota Association of County Veterans Service Officers executive board must select technical assistance coordinators, who are either county veterans service officers or assistant county veterans service officers, to serve for a minimum of one year.

(d) The veteran population of each county shall be determined by the figure supplied by the United States Department of Veterans Affairs, as adopted by the commissioner.

Sec. 11. Minnesota Statutes 2024, section 197.75, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Commissioner" means the commissioner of veterans affairs.

(c) "Deceased veteran" means a veteran who has died as a result of the person's military service, as determined by the United States Veterans Administration, and who was a resident of this state: (1) within six months of entering the United States armed forces, or (2) for the six months preceding the veteran's date of death.

(d) "Eligible child" means a person who:

(1) is the natural or adopted child or stepchild of a deceased veteran; and

(2) is a student making satisfactory academic progress at an eligible institution of higher education.

(e) "Eligible institution" means a postsecondary educational institution located in this state that either is operated by this state or the Board of Regents of the University of Minnesota, or is licensed or registered with the Office of Higher Education.

(f) "Eligible spouse" means the surviving spouse of a deceased veteran, regardless of whether the surviving spouse remarries.

(g) "Eligible veteran" means a veteran who:

(1) is a student making satisfactory academic progress at an eligible institution of higher education;

(2) had Minnesota as the person's state of residence at the time of the person's enlistment or any reenlistment into the United States armed forces, as shown by the person's federal form DD-214 or other official documentation to the satisfaction of the commissioner;

(3) except for benefits under this section, has no remaining military or veteran-related educational assistance benefits for which the person may have been entitled; and

(4) while using the educational assistance authorized in this section, remains a resident student as defined in section 136A.101, subdivision 8.

(h) "Satisfactory academic progress" has the meaning given in section 136A.101, subdivision 10.

(i) "Student" has the meaning given in section 136A.101, subdivision 7.

(j) "Veteran" has the meaning given in section 197.447.

Sec. 12. Minnesota Statutes 2024, section 197.791, subdivision 4, is amended to read:

Subd. 4. **Eligibility.** (a) A person is eligible for educational assistance under subdivision 5 if:

(1) the person is:

(i) a veteran who is serving or has served honorably in any branch or unit of the United States armed forces at any time;

(ii) a nonveteran who has served honorably for a total of five years or more cumulatively as a member of the Minnesota National Guard or any other active or reserve component of the United States armed forces, and any part of that service occurred on or after September 11, 2001;

(iii) the surviving spouse or child of a person who has served in the military and who has died as a direct result of that military service, only if the surviving spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United

States Code, title 38, chapter 35, as amended, except that remarriage does not terminate a surviving spouse's eligibility; or

(iv) the spouse or child of a person who has served in the military at any time and who has a total and permanent service-connected disability as rated by the United States Veterans Administration, only if the spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; and

(2) the person receiving the educational assistance is a Minnesota resident, as defined in section 136A.101, subdivision 8; and

(3) the person receiving the educational assistance:

(i) is an undergraduate or graduate student at an eligible institution;

(ii) is maintaining satisfactory academic progress as defined by the institution for students participating in federal Title IV programs;

(iii) is enrolled in an education program leading to a certificate, diploma, or degree at an eligible institution;

(iv) has applied for educational assistance under this section prior to the end of the academic term for which the assistance is being requested;

(v) is in compliance with child support payment requirements under section 136A.121, subdivision 2, clause (5); and

(vi) has completed the Free Application for Federal Student Aid (FAFSA).

(b) A person's eligibility terminates when the person becomes eligible for benefits under section 135A.52.

(c) To determine eligibility, the commissioner may require official documentation, including the person's federal form DD-214 or other official military discharge papers; correspondence from the United States Veterans Administration; birth certificate; marriage certificate; proof of enrollment at an eligible institution; signed affidavits; proof of residency; proof of identity; or any other official documentation the commissioner considers necessary to determine eligibility.

(d) The commissioner may deny eligibility or terminate benefits under this section to any person who has not provided sufficient documentation to determine eligibility for the program. An applicant may appeal the commissioner's eligibility determination or termination of benefits in writing to the commissioner at any time. The commissioner must rule on any application or appeal within 30 days of receipt of all documentation that the commissioner requires. The decision of the commissioner regarding an appeal is final. However, an applicant whose appeal of an eligibility determination has been rejected by the commissioner may submit an additional appeal of that determination in writing to the commissioner at any time that the applicant is able to provide substantively significant additional information regarding the applicant's eligibility for the program. An approval of an applicant's eligibility by the commissioner following an appeal by the applicant is not retroactively

effective for more than one year or the semester of the person's original application, whichever is later.

(e) Upon receiving an application with insufficient documentation to determine eligibility, the commissioner must notify the applicant within 30 days of receipt of the application that the application is being suspended pending receipt by the commissioner of sufficient documentation from the applicant to determine eligibility.

Sec. 13. ADVISORY TASK FORCE ESTABLISHED; VETERANS OF SPECIAL GUERRILLA UNITS AND IRREGULAR FORCES IN LAOS.

Subdivision 1. Establishment; membership. (a) The commissioner of veterans affairs must establish a Veterans of Special Guerilla Units and Irregular Forces in Laos Advisory Task Force.

(b) The advisory task force must consist of the commissioner, or a designee, and the following additional 12 members appointed by the commissioner, except as otherwise provided:

(1) a representative of the Minnesota Commanders Task Force designated by the Commanders Task Force;

(2) one member with direct experience in Military Assistance Command Vietnam Special Forces operations during the dates established in Minnesota Statutes, section 197.448, subdivision 1, clause (2);

(3) a United States armed forces veteran who served on active duty in Vietnam during the Vietnam War;

(4) a Hmong American Minnesota resident who served in the United States armed forces;

(5) two veterans of a special guerilla unit or irregular forces in Laos;

(6) one member with expertise in the history of allied irregular and surrogate forces during the dates established in Minnesota Statutes, section 197.448, subdivision 1, clause (2);

(7) one member with direct experience in United States intelligence or special operations in Southeast Asia during the dates established in Minnesota Statutes, section 197.448, subdivision 1, clause (2); and

(8) four legislators, with one member each appointed by the speaker of the house of representatives, the house Democratic-Farmer-Labor leader, the senate majority leader, and the senate minority leader.

Subd. 2. Duties; report. (a) The task force must:

(1) establish criteria for determining which Minnesotans served in the special guerrilla units or with irregular forces in Laos; and

(2) establish criteria and a protocol to determine which Minnesotans who served in the special guerilla units or with irregular forces in Laos are deserving of the benefits of a veteran under Minnesota law and which veterans benefits should be extended to these Minnesotans.

(b) The task force must prepare a report to the legislature that includes the findings, criteria, protocol, and recommendations required under paragraph (a). The commissioner must deliver the report to the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance by February 15, 2026.

Subd. 3. **Administration; terms of membership.** The commissioner shall convene the first meeting of the advisory task force by September 15, 2025, and provide staff support to the advisory task force. Minnesota Statutes, section 15.059, subdivision 6, governs the terms and removal of members of the advisory task force. Members of the task force serve without compensation or per diem.

Subd. 4. **Expiration.** The task force expires February 15, 2026.

Sec. 14. **GOLD STAR AND BLUE STAR FAMILIES; MEMORIAL PLAQUE.**

Subdivision 1. **Purpose.** The state of Minnesota wishes to honor and recognize the service and sacrifices of Gold Star and Blue Star families.

Subd. 2. **Memorial plaque.** The commissioner of administration shall place a memorial plaque in the court of honor on State Capitol grounds to recognize the service and sacrifices of Minnesota's Gold Star and Blue Star families. The process for determining design and location of the Gold Star and Blue Star memorial will follow the Capitol Area Architectural and Planning Board commemorative works rules under Minnesota Rules, part 2400.2703. The Capitol Area Architectural and Planning Board shall select a design from the submitted designs to use as a basis for final production. The Capitol Area Architectural and Planning Board must include the commissioner of veterans affairs on the design review committee established under Minnesota Rules, part 2400.2703. The memorial design must be furnished by the person or group who submit the design at no cost to the state."

Delete the title and insert:

"A bill for an act relating to state government; establishing a budget for the Department of Military Affairs and the Department of Veterans Affairs; modifying various veterans services and benefits provisions; modifying certain state active service provisions; providing for the state armory building commission; providing benefits to veterans of the Secret War in Laos; establishing a task force; requiring the commissioner of administration to place a memorial plaque honoring Gold Star and Blue Star families on State Capitol grounds; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 13.461, subdivision 27; 192.49, subdivisions 1, 2, by adding a subdivision; 193.143; 197.065; 197.236, subdivisions 8, 9; 197.608, subdivision 6; 197.75, subdivision 1; 197.791, subdivision 4; Laws 2023, chapter 38, article 1, section 3, subdivision 2, as amended; proposing coding for new law in Minnesota Statutes, chapter 197."

We request the adoption of this report and repassage of the bill.

Senate Conferees: Aric Putnam, Heather Gustafson

House Conferees: Matt Bliss, Bidal Duran, Jay Xiong, Amanda Hemmingsen-Jaeger

Senator Putnam moved the foregoing recommendations and Conference Committee report on S.F. No. 1959 be now adopted, and that the bill be repassed as amended by the Conference Committee.

The roll was called, and there were yeas 38 and nays 25, as follows:

Those who voted in the affirmative were:

Abeler	Fateh	Klein	Miller	Putnam
Boldon	Frentz	Kunesh	Mitchell	Rest
Carlson	Gustafson	Kupec	Mohamed	Seeberger
Champion	Hauschild	Latz	Murphy	Westlin
Clark	Hawj	Limmer	Nelson	Wiklund
Coleman	Hoffman	Mann	Pappas	Xiong
Cwodzinski	Housley	Marty	Pha	
Dibble	Johnson Stewart	Maye Quade	Port	

Pursuant to Rule 40, Senator Hauschild cast the affirmative vote on behalf of the following Senators: Fateh, Mohamed, and Rest.

Those who voted in the negative were:

Anderson	Drazkowski	Howe	Lieske	Rasmusson
Bahr	Duckworth	Jasinski	Lucero	Utke
Dahms	Farnsworth	Johnson	Mathews	Weber
Dornink	Green	Koran	Pratt	Wesenberg
Draheim	Heintzeman	Kreun	Rarick	Westrom

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

The motion prevailed. So the recommendations and Conference Committee report were adopted.

S.F. No. 1959 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 45 and nays 19, as follows:

Those who voted in the affirmative were:

Abeler	Fateh	Kreun	Miller	Pratt
Boldon	Frentz	Kunesh	Mitchell	Putnam
Carlson	Gustafson	Kupec	Mohamed	Rarick
Champion	Hauschild	Latz	Murphy	Rasmusson
Clark	Hawj	Limmer	Nelson	Rest
Coleman	Hoffman	Mann	Oumou Verbeten	Seeberger
Cwodzinski	Housley	Marty	Pappas	Westlin
Dibble	Johnson Stewart	Maye Quade	Pha	Wiklund
Farnsworth	Klein	McEwen	Port	Xiong

Pursuant to Rule 40, Senator Hauschild cast the affirmative vote on behalf of the following Senators: Fateh, Marty, Mohamed, and Rest.

Those who voted in the negative were:

Anderson	Dornink	Green	Howe	Lieske
Bahr	Draheim	Gruenhagen	Johnson	Lucero
Dahms	Drazkowski	Heintzeman	Koran	Mathews

Utke

Weber

Wesenberg

Westrom

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2130, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2130 is herewith transmitted to the Senate.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Transmitted May 16, 2025

CONFERENCE COMMITTEE REPORT ON H. F. No. 2130

A bill for an act relating to public safety; extending the length of driver's license revocations related to certain offenses; modifying the length of time certain individuals must participate in the ignition interlock program; requiring all ignition interlock participants to complete a treatment or rehabilitation program before reinstatement of full driving privileges; imposing criminal penalties for ignition interlock program participants who operate vehicles not equipped with an interlock device; making criminal vehicular homicide offenders eligible for the ignition interlock program; providing for judicial review of an extension of a person's driver's license revocation for a violation of the ignition interlock program; modifying how license plates are impounded and reissued under the DWI law; expanding the time period that a temporary driver's license issued after a DWI is valid; providing criminal penalties; appropriating money; amending Minnesota Statutes 2024, sections 169A.37, subdivision 1; 169A.52, subdivisions 3, 4, 7; 169A.54, subdivision 1; 169A.60, subdivisions 4, 5, 6; 169A.63, subdivision 13; 171.177, subdivisions 4, 5; 171.187, subdivision 3; 171.19; 171.24, subdivision 2; 171.306, subdivisions 1, 4, 5, 6; proposing coding for new law in Minnesota Statutes, chapter 171; repealing Minnesota Statutes 2024, sections 169A.54, subdivisions 2, 3, 4; 169A.55, subdivisions 4, 5; 171.17, subdivision 4.

May 15, 2025

The Honorable Lisa Demuth
Speaker of the House of Representatives

The Honorable Bobby Joe Champion
President of the Senate

We, the undersigned conferees for H. F. No. 2130 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2130 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2024, section 169A.37, subdivision 1, is amended to read:

Subdivision 1. **Crime described.** It is a crime for a person:

(1) to fail to comply with an impoundment order under section 169A.60 (administrative plate impoundment);

(2) to file a false statement under section 169A.60, subdivision 7, 8, or 14;

(3) to operate a self-propelled motor vehicle on a street or highway when the vehicle is subject to an impoundment order issued under section 169A.60, unless specially coded plates have been issued for the vehicle pursuant to section 169A.60, subdivision 13;

(4) to fail to notify the commissioner of the impoundment order when requesting new plates;

(5) who is subject to a plate impoundment order under section 169A.60, to drive, operate, or be in control of any motor vehicle during the impoundment period, unless the vehicle is employer-owned and is not required to be equipped with an ignition interlock device pursuant to section 171.306, subdivision 4, paragraph (b), or Laws 2013, chapter 127, section 70, or has specially coded plates issued pursuant to section 169A.60, subdivision 13, and the person is validly licensed to drive; ~~or~~

(6) who is the transferee of a motor vehicle and who has signed a sworn statement under section 169A.60, subdivision 14, to allow the previously registered owner to drive, operate, or be in control of the vehicle during the impoundment period; or

(7) to intentionally remove all or a portion of or to otherwise obliterate or damage a permanent sticker affixed on and invalidating a registration plate under section 169A.60, subdivision 4.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2024, section 169A.52, subdivision 3, is amended to read:

Subd. 3. **Test refusal; license revocation.** (a) Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20 (driving while impaired), and that the person refused to submit to a test, the commissioner shall revoke the person's license or permit to drive, or nonresident operating privilege, even if a test was obtained pursuant to this section after the person refused to submit to testing. The commissioner shall revoke the license, permit, or nonresident operating privilege; as provided in section 171.178.

~~(1) for a person with no qualified prior impaired driving incidents within the past ten years, for a period of not less than one year;~~

~~(2) for a person under the age of 21 years and with no qualified prior impaired driving incidents within the past ten years, for a period of not less than one year;~~

~~(3) for a person with one qualified prior impaired driving incident within the past ten years, or two qualified prior impaired driving incidents, for a period of not less than two years;~~

~~(4) for a person with two qualified prior impaired driving incidents within the past ten years, or three qualified prior impaired driving incidents, for a period of not less than three years;~~

~~(5) for a person with three qualified prior impaired driving incidents within the past ten years, for a period of not less than four years; or~~

~~(6) for a person with four or more qualified prior impaired driving incidents, for a period of not less than six years.~~

(b) Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a commercial motor vehicle with the presence of any alcohol in violation of section 169A.20 (driving while impaired), and that the person refused to submit to a test, the commissioner shall disqualify the person from operating a commercial motor vehicle and shall revoke the person's license or permit to drive or nonresident operating privilege according to the federal regulations adopted by reference in section 171.165, subdivision 2.

Sec. 3. Minnesota Statutes 2024, section 169A.52, subdivision 4, is amended to read:

Subd. 4. **Test failure; license revocation.** (a) Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20 (driving while impaired) and that the person submitted to a test and the test results indicate an alcohol concentration of 0.08 or more or the presence of a controlled substance listed in Schedule I or II or its metabolite, other than marijuana or tetrahydrocannabinols, then the commissioner shall revoke the person's license or permit to drive, or nonresident operating privilege; as provided in section 171.178.

~~(1) for a period of 90 days, or, if the test results indicate an alcohol concentration of twice the legal limit or more, not less than one year;~~

~~(2) if the person is under the age of 21 years, for a period of not less than 180 days or, if the test results indicate an alcohol concentration of twice the legal limit or more, not less than one year;~~

~~(3) for a person with one qualified prior impaired driving incident within the past ten years, or two qualified prior impaired driving incidents, for a period of not less than one year, or if the test results indicate an alcohol concentration of twice the legal limit or more, not less than two years;~~

~~(4) for a person with two qualified prior impaired driving incidents within the past ten years, or three qualified prior impaired driving incidents, for a period of not less than three years;~~

~~(5) for a person with three qualified prior impaired driving incidents within the past ten years, for a period of not less than four years; or~~

~~(6) for a person with four or more qualified prior impaired driving incidents, for a period of not less than six years.~~

(b) On certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a commercial motor vehicle with any presence of alcohol and that the person submitted to a test and the test results indicated an alcohol concentration of 0.04 or more, the commissioner shall disqualify the person from operating a commercial motor vehicle under section 171.165 (commercial driver's license disqualification).

(c) If the test is of a person's blood or urine by a laboratory operated by the Bureau of Criminal Apprehension, or authorized by the bureau to conduct the analysis of a blood or urine sample, the laboratory may directly certify to the commissioner the test results, and the peace officer shall certify to the commissioner that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20 and that the person submitted to a test. Upon receipt of both certifications, the commissioner shall undertake the license actions described in paragraphs (a) and (b).

Sec. 4. Minnesota Statutes 2024, section 169A.52, subdivision 7, is amended to read:

Subd. 7. **Test refusal; driving privilege lost.** (a) On behalf of the commissioner, a peace officer requiring a test or directing the administration of a chemical test shall serve immediate notice of intention to revoke and of revocation on a person who refuses to permit a test or on a person who submits to a test the results of which indicate an alcohol concentration of 0.08 or more.

(b) On behalf of the commissioner, a peace officer requiring a test or directing the administration of a chemical test of a person driving, operating, or in physical control of a commercial motor vehicle shall serve immediate notice of intention to disqualify and of disqualification on a person who refuses to permit a test, or on a person who submits to a test the results of which indicate an alcohol concentration of 0.04 or more.

(c) The officer shall:

(1) invalidate the person's driver's license or permit card;

(2) issue the person a temporary license effective for only ~~seven~~ 14 days; and

(3) send the notification of this action to the commissioner along with the certificate required by subdivision 3 or 4.

Sec. 5. Minnesota Statutes 2024, section 169A.54, subdivision 1, is amended to read:

Subdivision 1. **Revocation periods for DWI convictions.** Except as provided in subdivision 7, the commissioner shall revoke the driver's license of a person convicted of violating section 169A.20 (driving while impaired) or an ordinance in conformity with it; as ~~follows:~~ provided in section 171.178.

~~(1) not less than 30 days for an offense under section 169A.20, subdivision 1 (driving while impaired crime);~~

~~(2) not less than 90 days for an offense under section 169A.20, subdivision 2 (refusal to submit to chemical test crime);~~

~~(3) not less than one year for:~~

~~(i) an offense occurring within ten years of a qualified prior impaired driving incident;~~

~~(ii) an offense occurring after two qualified prior impaired driving incidents; or~~

~~(iii) an offense occurring when a person has an alcohol concentration of twice the legal limit or more as measured at the time or within two hours of the time of the offense and the person has no qualified prior impaired driving incident within ten years;~~

~~(4) not less than two years for an offense occurring under clause (3), item (i) or (ii), and where the test results indicate an alcohol concentration of twice the legal limit or more, and until the court has certified that treatment or rehabilitation has been successfully completed where prescribed in accordance with section 169A.70 (chemical use assessments);~~

~~(5) not less than three years for an offense occurring within ten years of the first of two qualified prior impaired driving incidents or occurring after three qualified prior impaired driving incidents and with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established according to standards established by the commissioner; and~~

~~(6) not less than four years for an offense occurring within ten years of the first of three qualified prior impaired driving incidents and with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established according to standards established by the commissioner; or~~

~~(7) not less than six years for an offense occurring after four or more qualified prior impaired driving incidents and with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established according to standards established by the commissioner.~~

Sec. 6. Minnesota Statutes 2024, section 169A.60, subdivision 4, is amended to read:

Subd. 4. **Peace officer as agent for notice of impoundment.** On behalf of the commissioner, a peace officer issuing a notice of intent to revoke and of revocation for a plate impoundment violation shall also serve a notice of intent to impound and an order of impoundment. On behalf of the commissioner, a peace officer who is arresting a person for or charging a person with a plate impoundment violation described in subdivision 1, paragraph (d), clause (5), shall also serve a notice of intent to impound and an order of impoundment. If the vehicle involved in the plate impoundment violation is accessible to the officer at the time the impoundment order is issued, the officer shall seize the registration plates subject to the impoundment order. The officer shall destroy all plates seized or impounded under this section. Alternatively, the officer may invalidate the plates by affixing a permanent sticker on them. The officer shall send to the commissioner copies of the notice of intent to impound and the order of impoundment and a notice that registration plates impounded and seized under this section have been destroyed or have been affixed with the permanent sticker.

Sec. 7. Minnesota Statutes 2024, section 169A.60, subdivision 5, is amended to read:

Subd. 5. **Temporary permit.** If the motor vehicle is registered to the violator, the officer shall issue a temporary vehicle permit that is valid for ~~seven~~ 14 days when the officer issues the notices under subdivision 4. If the motor vehicle is registered in the name of another, the officer shall issue a temporary vehicle permit that is valid for 45 days when the notices are issued under subdivision 3. The permit must be in a form determined by the registrar and whenever practicable must be posted on the left side of the inside rear window of the vehicle. A permit is valid only for the vehicle for which it is issued.

Sec. 8. Minnesota Statutes 2024, section 169A.60, subdivision 6, is amended to read:

Subd. 6. **Surrender of plates.** Within ~~seven~~ 14 days after issuance of the impoundment notice, a person who receives a notice of impoundment and impoundment order shall surrender all registration plates subject to the impoundment order that were not seized by a peace officer under subdivision 4. Registration plates required to be surrendered under this subdivision must be surrendered to a Minnesota police department, sheriff, or the State Patrol, along with a copy of the impoundment order. A law enforcement agency receiving registration plates under this subdivision shall destroy the plates and notify the commissioner that they have been destroyed. The notification to the commissioner shall also include a copy of the impoundment order.

Sec. 9. Minnesota Statutes 2024, section 169A.63, subdivision 13, is amended to read:

Subd. 13. **Exception.** (a) A forfeiture proceeding is stayed and the vehicle must be returned if the driver becomes a program participant in the ignition interlock program under section 171.306, in any motor vehicle eligible to be equipped with the ignition interlock device, at any time before the seized motor vehicle is forfeited and any of the following apply:

(1) the ~~driver committed~~ motor vehicle has been seized for a designated offense other than a violation of section 169A.20 under the circumstances described in section 169A.24; or

(2) the driver is accepted into a treatment court dedicated to changing the behavior of alcohol- and other drug-dependent offenders arrested for driving while impaired.

(b) Notwithstanding paragraph (a), the vehicle whose forfeiture was stayed in paragraph (a) may be seized and the forfeiture action may proceed under this section if the program participant described in paragraph (a):

(1) subsequently operates a motor vehicle:

(i) to commit a violation of section 169A.20 (driving while impaired);

(ii) in a manner that results in a license revocation under section 169A.52 (license revocation for test failure or refusal) or 171.177 (revocation; search warrant) or a license disqualification under section 171.165 (commercial driver's license disqualification) resulting from a violation of section 169A.52 or 171.177;

(iii) after tampering with, circumventing, or bypassing an ignition interlock device; or

(iv) without an ignition interlock device at any time when the driver's license requires such device;

(2) either voluntarily or involuntarily ceases to participate in the program for more than 30 days, or fails to successfully complete it as required by the Department of Public Safety due to:

(i) two or more occasions of the participant's driving privileges being withdrawn for violating the terms of the program, unless the withdrawal is determined to be caused by an error of the department or the interlock provider; or

(ii) violating the terms of the contract with the provider as determined by the provider; or

(3) was the driver, forfeiture was stayed after the driver entered a treatment court, and the driver ceases to be a participant in the treatment court for any reason.

(c) Paragraph (b) applies only if the described conduct occurs before the participant has been restored to full driving privileges or within three years of the original designated offense or designated license revocation, whichever occurs latest.

(d) The requirement in subdivision 2, paragraph (b), that device manufacturers provide a discounted rate to indigent program participants applies also to device installation under this subdivision.

(e) An impound or law enforcement storage lot operator must allow an ignition interlock manufacturer sufficient access to the lot to install an ignition interlock device under this subdivision.

(f) Notwithstanding paragraph (a), an entity in possession of the vehicle is not required to release it until the reasonable costs of the towing, seizure, and storage of the vehicle have been paid by the vehicle owner.

(g) At any time prior to the vehicle being forfeited, the appropriate agency may require that the owner or driver of the vehicle surrender the title of the seized vehicle.

(h) If an event described in paragraph (b) occurs in a jurisdiction other than the one in which the original forfeitable event occurred, and the vehicle is subsequently forfeited, the proceeds shall be divided equally, after payment of seizure, towing, storage, forfeiture, and sale expenses and satisfaction of valid liens against the vehicle, among the appropriate agencies and prosecuting authorities in each jurisdiction.

(i) Upon successful completion of the program, the stayed forfeiture proceeding is terminated or dismissed and any vehicle, security, or bond held by an agency must be returned to the owner of the vehicle.

(j) A claimant of a vehicle for which a forfeiture action was stayed under paragraph (a) but which later proceeds under paragraph (b), may file a demand for judicial forfeiture as provided in subdivision 8, in which case the forfeiture proceedings must be conducted as provided in subdivision 9.

Sec. 10. Minnesota Statutes 2024, section 171.09, subdivision 1, is amended to read:

Subdivision 1. **Authority; violations.** (a) The commissioner, when good cause appears, may impose restrictions suitable to the licensee's driving ability or other restrictions applicable to the

licensee as the commissioner may determine to be appropriate to assure the safe operation of a motor vehicle by the licensee.

(b) Pursuant to Code of Federal Regulations, title 49, section 383.95, if an applicant for a commercial driver's license either does not successfully complete the air brake component of the knowledge test, or does not successfully complete the skills test in a vehicle equipped with air brakes as such tests are prescribed in Code of Federal Regulations, title 49, part 384, the department shall indicate on the class C, class B, or class A commercial driver's license, if issued, that the individual is restricted from operating a commercial motor vehicle equipped with air brakes.

(c) The commissioner shall restrict the operating privileges of a holder of a class A, class B, or class C commercial driver's license in accordance with Code of Federal Regulations, title 49, sections 383.73 and 383.95.

(d) The commissioner may restrict the operating privileges of a holder of a class A, class B, or class C commercial driver's license to the extent that the restrictions are authorized by section 221.0314, subdivision 3 or 3a, or rules adopted under those subdivisions or section 221.031.

(e) Upon receiving satisfactory evidence of any violation of the restrictions on the license, the commissioner may suspend or revoke the license. A license suspension under this section is subject to section 171.18, subdivisions 2 and 3.

(f) A person who drives, operates, or is in physical control of a motor vehicle while in violation of the restrictions imposed in a restricted driver's license issued to that person under this section is guilty of a crime as follows:

(1) if the restriction relates to the possession or consumption of alcohol or controlled substances, the person is guilty of a gross misdemeanor; or

(2) if the restriction relates to another matter, the person is guilty of a misdemeanor.

(g) It is a gross misdemeanor for a person who holds a restricted license issued under section 171.306 to drive, operate, or be in physical control of any motor vehicle that is not equipped with a functioning ignition interlock device certified by the commissioner.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 11. Minnesota Statutes 2024, section 171.177, subdivision 4, is amended to read:

Subd. 4. **Test refusal; license revocation.** (a) Upon certification under subdivision 3 that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20, and that the person refused to comply with the execution of the search warrant, the commissioner shall revoke the person's license or permit to drive or nonresident operating privilege. The commissioner shall revoke the license, permit, or nonresident operating privilege: as provided in section 171.178.

~~(1) for a person with no qualified prior impaired driving incidents within the past ten years, for a period of not less than one year;~~

~~(2) for a person under the age of 21 years and with no qualified prior impaired driving incidents within the past ten years, for a period of not less than one year;~~

~~(3) for a person with one qualified prior impaired driving incident within the past ten years or two qualified prior impaired driving incidents, for a period of not less than two years;~~

~~(4) for a person with two qualified prior impaired driving incidents within the past ten years or three qualified prior impaired driving incidents, for a period of not less than three years;~~

~~(5) for a person with three qualified prior impaired driving incidents within the past ten years, for a period of not less than four years; or~~

~~(6) for a person with four or more qualified prior impaired driving incidents, for a period of not less than six years.~~

(b) When a person who had been driving, operating, or in physical control of a commercial motor vehicle refuses to comply with the search warrant and permit testing, the commissioner shall disqualify the person from operating a commercial motor vehicle and shall revoke the person's license or permit to drive or nonresident operating privilege according to the federal regulations adopted by reference in section 171.165, subdivision 2.

Sec. 12. Minnesota Statutes 2024, section 171.177, subdivision 5, is amended to read:

Subd. 5. **Test failure; license revocation.** (a) Upon certification under subdivision 3 pursuant to a search warrant, that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20, and that the person submitted to a test and the test results indicate an alcohol concentration of 0.08 or more or the presence of a controlled substance listed in Schedule I or II or its metabolite, other than marijuana or tetrahydrocannabinols, the commissioner shall revoke the person's license or permit to drive or nonresident operating privilege; as provided in section 171.178.

~~(1) for a period of 90 days or, if the test results indicate an alcohol concentration of twice the legal limit or more, not less than one year;~~

~~(2) if the person is under the age of 21 years, for a period of not less than 180 days or, if the test results indicate an alcohol concentration of twice the legal limit or more, not less than one year;~~

~~(3) for a person with one qualified prior impaired driving incident within the past ten years or two qualified prior impaired driving incidents, for a period of not less than one year or, if the test results indicate an alcohol concentration of twice the legal limit or more, not less than two years;~~

~~(4) for a person with two qualified prior impaired driving incidents within the past ten years or three qualified prior impaired driving incidents, for a period of not less than three years;~~

~~(5) for a person with three qualified prior impaired driving incidents within the past ten years, for a period of not less than four years; or~~

~~(6) for a person with four or more qualified prior impaired driving incidents, for a period of not less than six years.~~

(b) On certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a commercial motor vehicle with any presence of alcohol and that the person submitted to a test and the test results indicated an alcohol concentration of 0.04 or more, the commissioner shall disqualify the person from operating a commercial motor vehicle under section 171.165.

(c) If the test is of a person's blood or urine by a laboratory operated by the Bureau of Criminal Apprehension or authorized by the bureau to conduct the analysis of a blood or urine sample, the laboratory may directly certify to the commissioner the test results, and the peace officer shall certify to the commissioner that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20, and that the person submitted to a test. Upon receipt of both certifications, the commissioner shall undertake the license actions described in paragraphs (a) and (b).

Sec. 13. [171.178] REVOCATION, DENIAL, AND REINSTATEMENT; DRIVING WHILE IMPAIRED; CRIMINAL VEHICULAR HOMICIDE AND OPERATION.

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

(b) "Ignition interlock device" has the meaning given in section 171.306, subdivision 1.

(c) "Qualified prior impaired driving incident" has the meaning given in section 169A.03, subdivision 22.

Subd. 2. Qualified prior impaired driving incident; determination. Section 169A.09 applies for determining the number of qualified prior impaired driving incidents under this section.

Subd. 3. Test refusal; period of license revocation. A revocation by the commissioner as required under section 169A.52, subdivision 3, or 171.177, subdivision 4, must be for the following periods:

(1) if the person has no qualified prior impaired driving incidents within the past 20 years, not less than one year; or

(2) if the person has one qualified prior impaired driving incident within the past 20 years, or two or more qualified prior impaired driving incidents, until the commissioner determines that the person used an ignition interlock device in compliance with section 171.306 for the period of time described in subdivision 8.

Subd. 4. Test failure; period of license revocation. A revocation by the commissioner as required under section 169A.52, subdivision 4, or 171.177, subdivision 5, must be for the following periods:

(1) if the person has no qualified prior impaired driving incidents within the past 20 years:

(i) not less than 90 days;

(ii) not less than 180 days if the person is under 21 years of age and the test results indicate an alcohol concentration of less than twice the legal limit; or

(iii) not less than one year if the test results indicate an alcohol concentration of twice the legal limit or more; or

(2) if the person has one qualified prior impaired driving incident within the past 20 years, or two or more qualified prior impaired driving incidents, until the commissioner determines that the person used an ignition interlock device in compliance with section 171.306 for the period of time described in subdivision 8.

Subd. 5. Driving while impaired conviction or adjudication; period of license revocation.

(a) Notwithstanding the periods specified in subdivisions 3 and 4 and except as provided in section 169A.54, subdivision 7, a revocation by the commissioner as required under section 169A.54, subdivision 1, or 171.17, subdivision 1, paragraph (a), clause (2) or (9), for conviction of an offense in another state that would be grounds for revocation in this state under section 169A.54, subdivision 1, must be for the following periods:

(1) if the person has no qualified prior impaired driving incidents within the past 20 years:

(i) not less than 30 days if the person is convicted of an offense under section 169A.20, subdivision 1 (driving while impaired);

(ii) not less than 90 days if the person is convicted of an offense under section 169A.20, subdivision 2 (refusal to submit to chemical test);

(iii) not less than 180 days if the person is under 21 years of age and the test results indicate an alcohol concentration of less than twice the legal limit; or

(iv) not less than one year if the test results indicate an alcohol concentration of twice the legal limit or more; or

(2) if the person has one qualified prior impaired driving incident within the past 20 years, or two or more qualified prior impaired driving incidents, until the commissioner determines that the person used an ignition interlock device in compliance with section 171.306 for the period of time described in subdivision 8.

(b) Whenever department records show that the violation involved personal injury or death to any person, at least 90 additional days must be added to the base periods provided in paragraph (a), clause (1), items (i) to (iv).

Subd. 6. Criminal vehicular operation or homicide conviction; period of license revocation.

Notwithstanding the periods specified in subdivisions 3 to 5, a revocation by the commissioner under section 171.17, subdivision 1, paragraph (a), clause (1), after the commissioner receives a record of a conviction for a violation of section:

(1) 609.2112, subdivision 1, paragraph (a), clause (2), (3), (4), (5), or (6);

(2) 609.2113, subdivision 1, clause (2), (3), (4), (5), or (6);

(3) 609.2113, subdivision 2, clause (2), (3), (4), (5), or (6);

(4) 609.2113, subdivision 3, clause (2), (3), (4), (5), or (6); or

(5) 609.2114, subdivision 1, paragraph (a), clause (2), (3), (4), (5), or (6); or subdivision 2, clause (2), (3), (4), (5), or (6),

must be until the commissioner determines that the person used an ignition interlock device in compliance with section 171.306 for the period of time described in subdivision 8.

Subd. 7. **Driving while impaired; license cancellation and denial.** (a) The commissioner must designate a person with two or more qualified prior impaired driving incidents as inimical to public safety pursuant to section 171.04, subdivision 1, clause (10), if the person is convicted of a violation of section:

(1) 169A.20, subdivision 1;

(2) 169A.20, subdivision 2;

(3) 609.2112, subdivision 1, paragraph (a), clause (2), (3), (4), (5), or (6);

(4) 609.2113, subdivision 1, clause (2), (3), (4), (5), or (6);

(5) 609.2113, subdivision 2, clause (2), (3), (4), (5), or (6);

(6) 609.2113, subdivision 3, clause (2), (3), (4), (5), or (6);

(7) 609.2114, subdivision 1, paragraph (a), clause (2), (3), (4), (5), or (6); or

(8) 609.2114, subdivision 2, clause (2), (3), (4), (5), or (6).

(b) The commissioner must cancel the person's driver's license pursuant to section 171.14 and must not issue the person a driver's license until the person complies with the provisions of this section and establishes rehabilitation according to standards established by the commissioner.

Subd. 8. **Ignition interlock periods; treatment; alcohol-related violations.** (a) Until the commissioner reinstates a person's full driving privileges, the following persons must not operate a motor vehicle, off-road recreational vehicle, or a motorboat unless the person participates in the ignition interlock device program:

(1) a person whose license or permit to drive, or nonresident operating privilege, is revoked as described in subdivision 3, 4, or 5, at a time when the person has one qualified prior impaired driving incident within the past 20 years, or two or more qualified prior impaired driving incidents; and

(2) a person whose license or permit to drive, or nonresident operating privilege, is revoked as described in subdivision 6, at a time when the person has one qualified prior impaired driving incident.

(b) The commissioner must not reinstate full driving privileges for a person described in paragraph (a) until the person completes a licensed substance use disorder treatment or rehabilitation program and participates in the ignition interlock device program in compliance with section 171.306 for a period of not less than:

(1) two years if the commissioner revokes the person's license or permit to drive, or nonresident operating privilege as described in:

(i) subdivision 3, 4, or 5 when the person has one qualified prior impaired driving incident within the past 20 years; or

(ii) subdivision 6 when the violation resulted in bodily harm or substantial bodily harm to another and the person has no qualified prior impaired driving incidents;

(2) five years if the commissioner revokes the person's license or permit to drive, or nonresident operating privilege as described in subdivision 6 when the violation resulted in bodily harm or substantial bodily harm to another and the person has one qualified prior impaired driving incident;

(3) six years if the commissioner revokes the person's license or permit to drive, or nonresident operating privilege as described in:

(i) subdivision 3, 4, or 5 when the person has two qualified prior impaired driving incidents;

(ii) subdivision 6 when the violation resulted in great bodily harm to another and the person has no qualified prior impaired driving incidents; or

(iii) subdivision 6 when the violation resulted in death to another and the person has no qualified prior impaired driving incidents;

(4) eight years if the commissioner revokes the person's license or permit to drive, or nonresident operating privileges described in subdivision 6 when the violation resulted in:

(i) great bodily harm to another and the person has one qualified prior impaired driving incident;
or

(ii) bodily harm or substantial bodily harm to another and the person has two qualified prior impaired driving incidents;

(5) ten years if the commissioner revokes the person's license or permit to drive, or nonresident operating privileges described in:

(i) subdivision 6 when the violation resulted in great bodily harm to another and the person has two or more qualified prior impaired driving incidents;

(ii) subdivision 3, 4, or 5 when the person has three or more qualified prior impaired driving incidents; or

(iii) subdivision 6 when the violation resulted in bodily harm or substantial bodily harm to another and the person has three or more qualified prior impaired driving incidents;

(6) 15 years if the commissioner revokes the person's license or permit to drive, or nonresident operating privileges as described in subdivision 6 when the violation resulted in death to another and the person has one qualified prior impaired driving incident; or

(7) for the remainder of the person's life if the commissioner revokes the person's license or permit to drive, or nonresident operating privileges as described in subdivision 6 when the violation resulted in death to another and the person has two or more qualified prior impaired driving incidents.

(c) The commissioner must establish standards allowing a person to submit proof that the person completed a licensed substance use disorder treatment or rehabilitation program. A person seeking reinstatement of full driving privileges must submit proof of completion in the form and manner established by the commissioner.

(d) Nothing in this section prohibits the commissioner from extending the period of time that a person must use an ignition interlock device pursuant to section 171.306, subdivision 5.

(e) If the commissioner learns that a person who is a participant in the ignition interlock device program and who completed a licensed substance use disorder treatment or rehabilitation program subsequently (1) registers a positive breath alcohol concentration of 0.02 or higher on an ignition interlock device, or (2) is convicted of, or adjudicated delinquent for, an offense involving the use of alcohol that did not involve driving, operating, or being in physical control of any motor vehicle, the commissioner must extend the time period that the person must use an ignition interlock device until the participant demonstrates abstinence for a period equal to the applicable period under paragraph (b). A person whose time period is extended under this paragraph must be given credit for one-half of the amount of time that the person participated in the ignition interlock device program before the violation.

(f) If a participant in the ignition interlock device program commits an act that results in a license revocation as described in subdivision 3, 4, 5, or 6, the commissioner must terminate the person from the ignition interlock device program. The person may reenter the program but is not entitled to credit for time spent in the program before termination. If the person reenters the program, the commissioner must not reinstate the person's full driving privileges until the person participates in the ignition interlock device program in compliance with section 171.306 for a period of not less than the longer of:

(1) the applicable period under paragraph (b) that applies to the new act; or

(2) the full period under paragraph (b) that was previously required to be completed, including any extensions imposed pursuant to section 171.306, subdivision 5.

Sec. 14. Minnesota Statutes 2024, section 171.187, subdivision 3, is amended to read:

Subd. 3. **Credit.** If a person whose driver's license was suspended under subdivision 1 is later convicted of the underlying offense that resulted in the suspension and the commissioner revokes the person's license, the commissioner shall credit the time accrued under the suspension period toward the revocation period imposed under section ~~171.17, subdivision 4~~ 171.178, subdivision 6, or for violations of section:

(1) 609.20₂;

(2) 609.205₂, or;

(3) 609.2112, subdivision 1, paragraph (a), clause (1), (7), or (8);

(4) 609.2113, subdivision 1, clause (1), (7), or (8); subdivision 2, clause (1), (7), or (8); or subdivision 3, clause (1), (7), or (8); or

(5) 609.2114, subdivision 1, paragraph (a), clause (1), (7), or (8), or subdivision 2, clause (1), (7), or (8).

Sec. 15. Minnesota Statutes 2024, section 171.19, is amended to read:

171.19 PETITION FOR COURT HEARING ON LICENSE REINSTATEMENT.

Any person whose driver's license has been refused, revoked, suspended, canceled, or disqualified by the commissioner, except where the license is revoked or disqualified under section 169A.52, 171.177, or 171.186, or whose driver's license revocation, suspension, or cancellation period has been extended by the commissioner based on a violation of the ignition interlock program guidelines, may file a petition for a hearing in the matter in the district court in the county wherein such person shall reside and, in the case of a nonresident, in the district court in any county, and such court is hereby vested with jurisdiction, and it shall be its duty, to set the matter for hearing upon 15 days' written notice to the commissioner, and thereupon to take testimony and examine into the facts of the case to determine whether the petitioner is entitled to a license or is subject to revocation, suspension, cancellation, disqualification, or refusal of license, or whether the commissioner's extension determination is valid or should be modified, and shall render judgment accordingly. The petition for hearing must either be filed within 180 days of the effective date of the order of revocation, suspension, cancellation, disqualification, or refusal to license, or of the date on the commissioner's notice of extension, or be filed before expiration of the withdrawal period, whichever occurs first. The petition shall be heard by the court without a jury and may be heard in or out of term. The commissioner may appear in person, or by agents or representatives, and may present evidence upon the hearing by affidavit personally, by agents, or by representatives. The petitioner may present evidence by affidavit, except that the petitioner must be present in person at such hearing for the purpose of cross-examination. In the event the department shall be sustained in these proceedings, the petitioner shall have no further right to make further petition to any court for the purpose of obtaining a driver's license until after the expiration of one year after the date of such hearing.

Sec. 16. Minnesota Statutes 2024, section 171.24, subdivision 2, is amended to read:

Subd. 2. **Driving after revocation; ~~misdemeanor~~ penalties.** (a) A person is guilty of a misdemeanor if:

(1) the person's driver's license or driving privilege has been revoked;

(2) the person has been given notice of or reasonably should know of the revocation; and

(3) the person disobeys the order by operating in this state any motor vehicle, the operation of which requires a driver's license, while the person's license or privilege is revoked.

(b) A person who violates paragraph (a) is guilty of a gross misdemeanor if the person is prohibited from operating a motor vehicle unless the person participates in the ignition interlock device program.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 17. Minnesota Statutes 2024, section 171.306, subdivision 1, is amended to read:

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

(b) "Ignition interlock device" or "device" means equipment that is designed to measure breath alcohol concentration and to prevent a motor vehicle's ignition from being started by a person whose breath alcohol concentration measures 0.02 or higher on the equipment.

(c) "Location tracking capabilities" means the ability of an electronic or wireless device to identify and transmit its geographic location through the operation of the device.

(d) "Program participant" means a person who has qualified to take part in the ignition interlock program under this section, and whose driver's license has been:

(1) revoked, canceled, or denied under section 169A.52; 169A.54; 171.04, subdivision 1, clause (10); 171.17, subdivision 1, paragraph (a), clause (9), for conviction of an offense in another state that would be grounds for revocation in this state under section 169A.54, subdivision 1; or 171.177; or

(2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), or suspended under section 171.187, for a violation of section 609.2112, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4); 609.2113, subdivision 1, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4); subdivision 2, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4); or subdivision 3, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4); or 609.2114, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4); or subdivision 2, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4), resulting in bodily harm, substantial bodily harm, or great bodily harm-, or death.

(e) "Qualified prior impaired driving incident" has the meaning given in section 169A.03, subdivision 22.

Sec. 18. Minnesota Statutes 2024, section 171.306, subdivision 2, is amended to read:

Subd. 2. **Performance standards; certification; manufacturer and provider requirements.**

(a) The commissioner shall establish performance standards and a process for certifying devices used in the ignition interlock program, except that the commissioner may not establish standards that, directly or indirectly, require devices to use or enable location tracking capabilities without a court order.

(b) The manufacturer of a device must apply annually for certification of the device by submitting the form prescribed by the commissioner. The commissioner shall require manufacturers of certified devices to:

(1) provide device installation, servicing, and monitoring to indigent program participants at a discounted rate, according to the standards established by the commissioner;

(2) include in an ignition interlock device contract a provision that a program participant who voluntarily terminates participation in the program or voluntarily withdraws from the program is only liable for servicing and monitoring costs incurred during the time the device is installed on the motor vehicle, regardless of whether the term of the contract has expired; and

(3) include in an ignition interlock device contract a provision that requires manufacturers of certified devices to pay any towing or repair costs caused by device failure or malfunction, or by damage caused during device installation, servicing, or monitoring.

(c) The manufacturer of a certified device must include with an ignition interlock device contract a separate notice to the program participant regarding any location tracking capabilities of the device.

Sec. 19. Minnesota Statutes 2024, section 171.306, subdivision 4, is amended to read:

Subd. 4. **Issuance of restricted license.** (a) The commissioner shall issue a class D driver's license, subject to the applicable limitations and restrictions of this section, to a program participant who meets the requirements of this section and the program guidelines. Notwithstanding any law to the contrary, the commissioner must not require a program participant to pay the reinstatement fee and surcharge described in section 171.29, subdivision 2, before issuing a restricted license under this section. A program participant is not eligible for full reinstatement of driving privileges until the person pays the full reinstatement fee and surcharge. The commissioner shall not issue a license unless the program participant has provided satisfactory proof that:

(1) a certified ignition interlock device has been installed on the participant's motor vehicle at an installation service center designated by the device's manufacturer; and

(2) the participant has insurance coverage on the vehicle equipped with the ignition interlock device. If the participant has previously been convicted of violating section 169.791, 169.793, or 169.797 or the participant's license has previously been suspended, revoked, or canceled under section 169.792 or 169.797, the commissioner shall require the participant to present an insurance identification card that is certified by the insurance company to be noncancelable for a period not to exceed 12 months.

(b) A license issued under authority of this section must contain a restriction prohibiting the program participant from driving, operating, or being in physical control of any motor vehicle not equipped with a functioning ignition interlock device certified by the commissioner. A participant may drive an employer-owned vehicle not equipped with an interlock device while in the normal course and scope of employment duties pursuant to the program guidelines established by the commissioner and with the employer's written consent.

(c) A program participant ~~whose~~ may apply for conditional reinstatement of the driver's license, subject to the ignition interlock restriction, if the program participant's driver's license has been ~~was:~~

(1) revoked, canceled, or denied under section:

(i) 169A.52, subdivision 3, paragraph (a), ~~clause (1), (2), or (3);~~ or subdivision 4, paragraph (a); ~~clause (1), (2), or (3);~~

(ii) 169A.54, subdivision 1, ~~clause (1), (2), (3), or (4); or~~

(iii) 171.17, subdivision 1, paragraph (a), clause (9), for conviction of an offense in another state that would be grounds for revocation in this state under section 169A.54, subdivision 1; or

(iv) 171.177, subdivision 4, paragraph (a), ~~clause (1), (2), or (3)~~, or subdivision 5, paragraph (a), ~~clause (1), (2), or (3)~~; or

(2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), for a violation of section:

(i) 609.2112, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4);

(ii) 609.2113, subdivision 1, clause (2), item (i) or (iv), (3), or (4); subdivision 2, clause (2), item (i) or (iv), (3), or (4); or subdivision 3, clause (2), item (i) or (iv), (3), or (4); or

(iii) 609.2114, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4); or subdivision 2, clause (2), item (i) or (iv), (3), or (4); or

(3) suspended under section 171.187, for a violation of section:

(i) 609.2112, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4);

(ii) 609.2113, subdivision 1, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4); subdivision 2, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4); or subdivision 3, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4); or

(iii) 609.2114, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4); or subdivision 2, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4), resulting in bodily harm, substantial bodily harm, or great bodily harm, where the participant has fewer than two qualified prior impaired driving incidents within the past ten years or fewer than three qualified prior impaired driving incidents ever; may apply for conditional reinstatement of the driver's license, subject to the ignition interlock restriction.

(d) A program participant whose driver's license has been: (1) revoked, canceled, or denied under section 169A.52, subdivision 3, paragraph (a), clause (4), (5), or (6), or subdivision 4, paragraph (a), clause (4), (5), or (6); 169A.54, subdivision 1, clause (5), (6), or (7); or 171.177, subdivision 4, paragraph (a), clause (4), (5), or (6), or subdivision 5, paragraph (a), clause (4), (5), or (6); or (2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), or suspended under section 171.187, for a violation of section 609.2113, subdivision 1, clause (2), item (i) or (iii), (3), or (4); subdivision 2, clause (2), item (i) or (iii), (3), or (4); or subdivision 3, clause (2), item (i) or (iii), (3), or (4); or 609.2114, subdivision 2, clause (2), item (i) or (iii), (3), or (4), resulting in bodily harm, substantial bodily harm, or great bodily harm, where the participant has two or more qualified prior impaired driving incidents within the past ten years or three or more qualified prior impaired driving incidents ever; may apply for conditional reinstatement of the driver's license, subject to the ignition interlock restriction, if the program participant is enrolled in a licensed substance use disorder treatment or rehabilitation program as recommended in a chemical use assessment. As a prerequisite to eligibility for eventual reinstatement of full driving privileges, a participant who either had one qualified prior impaired driving incident within the past 20 years, or two or more qualified prior impaired driving incidents when the person's driver's license was revoked, canceled, or denied under the conditions described in paragraph (c), clause (1), or whose driver's license was revoked or suspended under the conditions described in paragraph (c), clause (2) or (3), and whose chemical use assessment recommended treatment or rehabilitation shall complete a licensed substance use

disorder treatment or rehabilitation program. If the program participant's ignition interlock device subsequently registers a positive breath alcohol concentration of 0.02 or higher, the commissioner shall extend the time period that the participant must participate in the program until the participant has reached the required abstinence period described in section ~~169A.55, subdivision 4~~ 171.178, subdivision 8.

(e) Notwithstanding any statute or rule to the contrary, the commissioner has authority to determine when a program participant is eligible for restoration of full driving privileges, except that the commissioner shall not reinstate full driving privileges until the program participant has met all applicable prerequisites for reinstatement under ~~section~~ sections 169A.55 and 171.178 and until the program participant's device has registered no positive breath alcohol concentrations of 0.02 or higher during the preceding 90 days.

Sec. 20. Minnesota Statutes 2024, section 171.306, subdivision 5, is amended to read:

Subd. 5. **Penalties; program violations.** (a) If a program participant tampers with, circumvents, or bypasses a device; drives, operates, or exercises physical control over a motor vehicle not equipped with a device certified by the commissioner; violates a condition of a license conditionally reinstated under subdivision 4 and section 171.30; or violates the program guidelines of subdivision 3, the commissioner shall extend the person's revocation period and the period of time that a person must use an ignition interlock device under section ~~169A.52, 169A.54, or 171.177~~ 171.178 by:

- (1) 180 days for a first violation;
- (2) one year for a second violation; or
- (3) 545 days for a third and each subsequent violation.

(b) Notwithstanding paragraph (a), the commissioner may terminate participation in the program by any person when, in the commissioner's judgment, termination is necessary to the interests of public safety and welfare. In the event of termination, the commissioner shall not reduce the applicable revocation period under section ~~169A.52, 169A.54, or 171.177~~ 171.178 by the amount of time during which the person possessed a limited or restricted driver's license issued under the authority of subdivision 4.

Sec. 21. Minnesota Statutes 2024, section 171.306, subdivision 6, is amended to read:

Subd. 6. **Penalties; tampering.** (a) A person who lends, rents, or leases a motor vehicle that is not equipped with a functioning ignition interlock device certified by the commissioner to a person with a license issued under this section knowing that the person is subject to the ignition interlock restriction is guilty of a misdemeanor.

(b) A person who tampers with, circumvents, or bypasses the ignition interlock device, or assists another to tamper with, circumvent, or bypass the device, is guilty of a misdemeanor except when the action was taken for emergency purposes or for mechanical repair, and the person limited to the use of an ignition interlock device does not operate the motor vehicle while the device is disengaged.

(c) A person with a license issued under this section who operates a motor vehicle that is not equipped with a functioning ignition interlock device certified by the commissioner is subject to the penalty described in section 171.09, subdivision 1, paragraph (g).

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 22. Minnesota Statutes 2024, section 171.306, is amended by adding a subdivision to read:

Subd. 10. **Termination from program; reentry.** (a) If a program participant's license is withdrawn for an act or condition that does not involve the use of alcohol during the participant's time on the ignition interlock device program, the person is prohibited from driving, operating, or being in physical control of a motor vehicle. The person can continue to receive credit for time in the ignition interlock device program if the person ensures that the ignition interlock device is serviced and calibrated and the person continues to meet all program requirements. If the person voluntarily withdraws from the ignition interlock device program, the commissioner shall credit the person with the time spent in the program if the person reenters the program.

(b) If a program participant commits an act involving the use of alcohol that results in revocation of the person's license, the commissioner must terminate the person from the ignition interlock device program. The person may reenter the program as described in section 171.178, subdivision 8, paragraph (f).

Sec. 23. **DRIVER'S LICENSE REVOCATION AND IGNITION INTERLOCK REQUIREMENTS; APPROPRIATION.**

\$382,000 in fiscal year 2026 and \$382,000 in fiscal year 2027 are appropriated from the driver and vehicle services operating account under Minnesota Statutes, section 299A.705, to the commissioner of public safety for staffing and other expenses related to an increase in the length of time individuals are participants in the ignition interlock program. If this appropriation is enacted more than once during the 2025 regular legislative session, the appropriation must be given effect only once.

Sec. 24. **REPEALER.**

Minnesota Statutes 2024, sections 169A.54, subdivisions 2, 3, and 4; 169A.55, subdivisions 4 and 5; and 171.17, subdivision 4, are repealed."

Delete the title and insert:

"A bill for an act relating to public safety; extending the length of driver's license revocations related to certain offenses; modifying the length of time certain individuals must participate in the ignition interlock program; requiring all ignition interlock participants to complete a treatment or rehabilitation program before reinstatement of full driving privileges; imposing criminal penalties for ignition interlock program participants who operate vehicles not equipped with an interlock device; making criminal vehicular homicide offenders eligible for the ignition interlock program; providing for judicial review of an extension of a person's driver's license revocation for a violation of the ignition interlock program; modifying how license plates are impounded and reissued under the DWI law; expanding the time period that a temporary driver's license issued after a DWI is valid;

providing criminal penalties; appropriating money; amending Minnesota Statutes 2024, sections 169A.37, subdivision 1; 169A.52, subdivisions 3, 4, 7; 169A.54, subdivision 1; 169A.60, subdivisions 4, 5, 6; 169A.63, subdivision 13; 171.09, subdivision 1; 171.177, subdivisions 4, 5; 171.187, subdivision 3; 171.19; 171.24, subdivision 2; 171.306, subdivisions 1, 2, 4, 5, 6, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 171; repealing Minnesota Statutes 2024, sections 169A.54, subdivisions 2, 3, 4; 169A.55, subdivisions 4, 5; 171.17, subdivision 4."

We request the adoption of this report and repassage of the bill.

House Conferees: Larry Kraft, Kelly Moller, Jeff Witte, Andrew Myers

Senate Conferees: Ron Latz, Heather Gustafson, Warren Limmer

Senator Latz moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2130 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2130 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Hauschild cast the affirmative vote on behalf of the following Senators: Fateh, Mohamed, and Rest.

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Duckworth and Jasinski.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

RECESS

Senator Murphy moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a recess, the President called the Senate to order.

APPOINTMENTS

Senator Murphy from the Subcommittee on Conference Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 1740: Senators Cwodzinski, Kunes, Maye Quade, Gustafson, and Coleman.

Senator Murphy moved that the foregoing appointments be approved. The motion prevailed.

RECESS

Senator Murphy moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a recess, the President called the Senate to order.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees, Second Reading of Senate Bills, and Second Reading of House Bills.

REPORTS OF COMMITTEES

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

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

H.F. No. 1143: A bill for an act relating to state government; modifying certain appropriations; modifying expiration of certain aid accounts; appropriating money; amending Minnesota Statutes 2024, section 124D.995, subdivision 6.

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. 2884: A bill for an act relating to retirement; Minnesota State Retirement System, making administrative changes, increasing the formula multiplier and the postretirement adjustment for the general state employees retirement plan, and increasing the postretirement adjustment for the legislators and unclassified retirement plans; Public Employees Retirement Association, making

administrative and conforming changes, increasing the cap on the postretirement adjustment for the general employees retirement plan, expanding the privatization requirements and revising the method for calculating withdrawal liability; implementing the recommendations of the MSRS correctional plan eligibility work group, the amortization work group, and the State Auditor's fire relief association working group; increasing the employer contribution maximum for the higher education supplemental retirement plan; increasing the maximum lump-sum benefit level for defined benefit firefighter relief associations; Minnesota Secure Choice Retirement Program, making administrative and policy changes, authorizing the commissioner of employment and economic development to disclose information to the executive director, and adding penalties for noncompliance; modifying the pension fund executive directors' authority to correct errors and modifying the annual reporting requirement; repealing the investment business recipient disclosure reporting requirement for firefighter relief associations; establishing a work group on pension plans for probation officers and 911 telecommunicators; making technical changes, clarifications, and corrections to the statutes governing the Legislative Commission on Pensions and Retirement, the statewide volunteer firefighter plan, IRAP to TRA transfers, fire state aid and police and firefighter retirement supplemental state aid, and the public employees defined contribution plan; modifying practices for reporting and repealing certain reporting requirements for the State Board of Investment; eliminating obsolete provisions; amending Minnesota Statutes 2024, sections 3.85, subdivisions 2, 3, 10; 11A.07, subdivisions 4, 4b; 124E.12, subdivisions 4, 6; 181.101; 187.03, subdivisions 5, 7, 7a, by adding a subdivision; 187.05, subdivisions 4, 6, by adding a subdivision; 187.07, subdivisions 1, 2, 3, 6; 187.08, subdivisions 3, 7; 187.11; 268.19, subdivision 1; 352.01, by adding a subdivision; 352.029, subdivision 3; 352.03, subdivision 5; 352.115, subdivision 3; 352.22, subdivisions 2b, 3; 352.90; 352.93, subdivision 1; 352.955, subdivision 1; 353.01, subdivisions 2a, 2b, 2d; 353.028, subdivisions 2, 3; 353.27, subdivision 3a; 353.34, subdivision 5; 353D.01, subdivision 2; 353D.02, subdivisions 1, 2, 3, 4, 5, 6, 7; 353E.06, subdivision 1; 353F.01; 353F.02, subdivisions 3, 4b, 5a, 6, by adding subdivisions; 353F.025; 353F.03; 353F.04; 353F.05; 353F.051, subdivisions 1, 2; 353F.052; 353F.057; 353F.06; 353F.07; 353F.08; 353F.09; 353G.08, subdivision 1a; 353G.11, subdivisions 2, 2a, by adding a subdivision; 353G.17, subdivisions 4, 5; 353G.19, subdivisions 1, 2, 3, 4, 5; 354B.215, subdivisions 3, 4; 356.215, subdivisions 1, 4, 8, 11, 17; 356.24, subdivision 1; 356.415, subdivisions 1, 1b; 356.633, subdivisions 1, 2, by adding a subdivision; 356.636, subdivisions 2, 3; 423A.022, subdivisions 2, 3; 424A.014, subdivisions 2, 5; 424A.015, subdivision 4; 424A.016, subdivisions 2, 6; 424A.02, subdivision 3; 424A.05, subdivision 3; 424A.06, subdivision 2; 424A.08; 424A.092, subdivisions 2, 3, 4; 424A.093, subdivision 5; 424B.22, subdivisions 1, 2, 3, by adding a subdivision; 477B.02, subdivisions 3, 8; 477B.03, subdivisions 5, 7; 477B.04, subdivisions 3, 4; proposing coding for new law in Minnesota Statutes, chapters 187; 352; 356; repealing Minnesota Statutes 2024, sections 11A.27; 352.91, subdivisions 1, 2, 2a, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 4a, 4b, 4c, 6; 353F.02, subdivision 4a; 356.635, subdivision 9; 356A.06, subdivision 5; 424A.015, subdivision 5.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

MINNESOTA STATE RETIREMENT SYSTEM

Section 1. Minnesota Statutes 2024, section 352.115, subdivision 3, is amended to read:

Subd. 3. **Retirement annuity formula.** (a) This paragraph, in conjunction with section 352.116, subdivision 1, applies to a person who became a covered employee or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless paragraph (b), in conjunction with section 352.116, subdivision 1a, produces a higher annuity amount, in which case paragraph (b) applies.

(1) If the employee does not have allowable service after June 30, 2025, the employee's retirement annuity is equal to the employee's average salary, ~~as defined in section 352.01, subdivision 14a,~~ multiplied by 1.2 percent per year of allowable service for the first ten years and 1.7 percent for each later year of allowable service and pro rata for completed months less than a full year ~~determines the amount of the retirement annuity to which the employee is entitled.~~

(2) If the employee has allowable service after June 30, 2025, the employee's retirement annuity is equal to the employee's average salary multiplied by 1.2 percent per year of allowable service for the first ten years and 1.7 percent for each later year of allowable service through June 30, 2025, and 1.9 percent for each year of allowable service after June 30, 2025, and pro rata for completed months less than a full year.

(b) This paragraph applies to a person who has become at least 55 years old and first became a covered employee after June 30, 1989, and to any other covered employee who has become at least 55 years old and whose annuity amount, when calculated under this paragraph and in conjunction with section 352.116, subdivision 1a, is higher than it is when calculated under paragraph (a), in conjunction with section 352.116, subdivision 1.

(1) If the employee does not have allowable service after June 30, 2025, the employee's retirement annuity is equal to the employee's average salary, ~~as defined in section 352.01, subdivision 14a,~~ multiplied by 1.7 percent for each year of allowable service and pro rata for completed months less than a full year ~~determines the amount of the retirement annuity to which the employee is entitled.~~

(2) If the employee has allowable service after June 30, 2025, the employee's retirement annuity is equal to the employee's average salary multiplied by 1.7 percent for each year of allowable service through June 30, 2025, and 1.9 percent for each year of allowable service after June 30, 2025, and pro rata for completed months less than a full year.

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

Sec. 2. Minnesota Statutes 2024, section 352.22, subdivision 2b, is amended to read:

Subd. 2b. **Refund repayment.** Any person who has received a refund from the state employees retirement plan, ~~or the correctional state employees retirement plan~~ and who is a member of any of the retirement plans specified in section 356.311, paragraph (b), may repay the refund with interest to the ~~state employees retirement plan~~ from which the refund was paid. If a refund is repaid to the plan and more than one refund has been received from the plan, all refunds must be repaid. Repayment must be made as provided in section 352.23, and under terms and conditions consistent with that section as agreed upon with the director.

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

Sec. 3. Minnesota Statutes 2024, section 352.22, subdivision 3, is amended to read:

Subd. 3. **Deferred annuity.** (a) ~~After separation from state service, an employee who has at least three years of allowable service if employed before July 1, 2010, or who has at least five years of allowable service if employed after June 30, 2010, when termination occurs may elect to leave the employee's accumulated contributions in the retirement fund and thereby be entitled to a deferred retirement annuity- if the employee:~~

(1) is a member of the state employees retirement plan and satisfies the allowable service requirement under section 352.115, subdivision 1, applicable to the employee; or

(2) is a member of the correctional state employees retirement plan and satisfies the allowable service requirement under section 352.925 applicable to the employee.

(b) The annuity must be computed under the law in effect when the employee separates from state service terminated, on the basis of the allowable service credited to the person before the termination of separation from state service.

~~(b)~~ (c) An employee on layoff or on leave of absence without pay, except a leave of absence for health reasons, and who does not return to state service must have an annuity, deferred annuity, or other benefit to which the employee may become entitled computed under the law in effect on the employee's last working day.

~~(c)~~ (d) No application for a deferred annuity may be made more than 60 days before the time the former employee reaches the required age for entitlement to the payment of the annuity. The deferred annuity begins to accrue no earlier than 60 days before the date the application is filed in the office of the system, but not (1) before the date on which the employee reaches the required age for entitlement to the annuity nor (2) before the day following the termination of state service in a position which is not covered by the retirement system.

~~(d)~~ (e) Application for the accumulated contributions left on deposit with the fund may be made at any time following the date of the termination of service.

~~(e)~~ (f) Deferred annuities must be augmented as provided in subdivision 3a.

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

Sec. 4. Minnesota Statutes 2024, section 356.415, subdivision 1, is amended to read:

Subdivision 1. **Annual postretirement adjustments; Minnesota State Retirement System general state employees retirement plan, legislators retirement plan, and unclassified state employees retirement program.** (a) Recipients of a retirement annuity, disability benefit, or survivor benefit from the general state employees retirement plan, the legislators retirement plan, or the unclassified state employees retirement program are entitled to an annual postretirement adjustment, effective as of each January 1, as follows:

~~(1) effective January 1, 2019, through December 31, 2023, a postretirement increase of one percent must be applied each year to the amount of the monthly annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 12 full months as of the June 30 of the calendar year immediately before the adjustment;~~

~~(2) effective January 1, 2019, through December 31, 2023, for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least one full month, but less than 12 full months as of the June 30 of the calendar year immediately before the adjustment, a postretirement increase of 1/12 of one percent for each month that the person has been receiving an annuity or benefit must be applied to the amount of the monthly annuity or benefit of the annuitant or benefit recipient;~~

~~(3)~~ (1) effective January 1, ~~2024~~ 2026, and thereafter, a postretirement increase of ~~1.5~~ 1.75 percent must be applied each year to the amount of the monthly annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 12 full months as of the June 30 of the calendar year immediately before the adjustment; and

~~(4)~~ (2) effective January 1, ~~2024~~ 2026, and thereafter, for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least one full month, but less than 12 full months as of the June 30 of the calendar year immediately before the adjustment, an annual postretirement increase of 1/12 of ~~1.5~~ 1.75 percent for each month that the person has been receiving an annuity or benefit must be applied to the amount of the monthly annuity or benefit of the annuitant or benefit recipient.

(b) An increase in annuity or benefit payments under this subdivision must be made automatically unless written notice is filed by the annuitant or benefit recipient with the executive director of the ~~covered~~ Minnesota State Retirement plan System requesting that the increase not be made.

EFFECTIVE DATE. This section is effective for postretirement adjustments beginning on or after January 1, 2026.

ARTICLE 2

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Section 1. Minnesota Statutes 2024, section 353.01, subdivision 2a, is amended to read:

Subd. 2a. **Included employees; mandatory membership.** (a) Any public employees employee whose salary from one governmental subdivision exceeds is expected to exceed \$425 in any month and who are is not specifically excluded under subdivision 2b or have has not been provided an option to participate under subdivision 2d, whether individually or by action of the governmental subdivision, must participate beginning on the employee's first day of employment as members a member of the association with retirement coverage by the general employees retirement plan under this chapter, the public employees police and fire plan under this chapter, or the local government correctional employees retirement plan under chapter 353E, whichever applies. For any employee whose salary is not expected to exceed \$425 in any month, membership commences as a condition of employment on the first day of employment or on the first day that the employee's salary exceeds \$425 and the other eligibility criteria are met, whichever is later. Public employees include but are not limited to:

(1) persons whose salary meets the threshold in this paragraph from employment in one or more positions within one governmental subdivision;

(2) elected county sheriffs;

(3) persons who are appointed, employed, or contracted to perform governmental functions that by law or local ordinance are required of a public officer, including, but not limited to:

(i) town and city clerk or treasurer;

(ii) county auditor, treasurer, or recorder;

(iii) city manager as defined in section 353.028 who does not exercise the option provided under subdivision 2d; or

(iv) emergency management director, as provided under section 12.25;

(4) physicians under section 353D.01, subdivision 2, who do not elect public employees defined contribution plan coverage under section 353D.02, subdivision 2;

(5) full-time employees of the Dakota County Agricultural Society;

(6) employees of the Red Wing Port Authority who were first employed by the Red Wing Port Authority before May 1, 2011, and who are not excluded employees under subdivision 2b;

(7) employees of the Seaway Port Authority of Duluth who are not excluded employees under subdivision 2b;

(8) employees of the Stevens County Housing and Redevelopment Authority who were first employed by the Stevens County Housing and Redevelopment Authority before May 1, 2014, and who are not excluded employees under subdivision 2b;

(9) employees of the Minnesota River Area Agency on Aging who were first employed by a Regional Development Commission before January 1, 2016, and who are not excluded employees under subdivision 2b; and

(10) employees of the Public Employees Retirement Association.

(b) A public employee or elected official who was a member of the association on June 30, 2002, based on employment that qualified for membership coverage by the public employees retirement plan or the public employees police and fire plan under this chapter, or the local government correctional employees retirement plan under chapter 353E as of June 30, 2002, retains that membership for the duration of the person's employment in that position or incumbency in elected office. Except as provided in subdivision 28, the person shall participate as a member until the employee or elected official terminates public employment under subdivision 11a or terminates membership under subdivision 11b.

(c) If the salary of an included public employee is less than \$425 in any subsequent month, the member retains membership eligibility.

(d) For the purpose of participation in the general employees retirement plan, public employees include employees who were members of the former Minneapolis Employees Retirement Fund on June 29, 2010.

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

Sec. 2. Minnesota Statutes 2024, section 353.01, subdivision 2b, is amended to read:

Subd. 2b. **Excluded employees.** (a) The following public employees are not eligible to participate as members of the association with retirement coverage by the general employees retirement plan, the local government correctional employees retirement plan under chapter 353E, or the public employees police and fire plan:

(1) persons whose salary from one governmental subdivision never exceeds or is never expected to exceed \$425 in a month;

(2) public officers who are elected to a governing body, city mayors, or persons who are appointed to fill a vacancy in an elected office of a governing body, whose term of office commences on or after July 1, 2002, for the service to be rendered in that elected position;

(3) election judges and persons employed solely to administer elections;

(4) patient and inmate personnel who perform services for a governmental subdivision;

(5) except as otherwise specified in subdivision 12a, employees who are employed solely in a temporary position as defined under subdivision 12a, and employees who resign from a nontemporary position and accept a temporary position within 30 days of that resignation in the same governmental subdivision;

(6) employees who are employed by reason of work emergency caused by fire, flood, storm, or similar disaster, but if the person becomes a probationary or provisional employee within the same pay period, other than on a temporary basis, the person is a "public employee" retroactively to the beginning of the pay period;

(7) employees who by virtue of their employment in one governmental subdivision are required by law to be a member of and to contribute to any of the plans or funds administered by the Minnesota State Retirement System, the Teachers Retirement Association, or the St. Paul Teachers Retirement Fund Association, but this exclusion must not be construed to prevent a person from being a member of and contributing to the Public Employees Retirement Association and also belonging to and contributing to another public pension plan or fund for other service occurring during the same period of time, and a person who meets the definition of "public employee" in subdivision 2 by virtue of other service occurring during the same period of time becomes a member of the association unless contributions are made to another public retirement plan on the salary based on the other service or to the Teachers Retirement Association by a teacher as defined in section 354.05, subdivision 2;

(8) persons who are members of a religious order and are excluded from coverage under the federal Old Age, Survivors, Disability, and Health Insurance Program for the performance of service as specified in United States Code, title 42, section 410(a)(8)(A), as amended, if no irrevocable election of coverage has been made under section 3121(r) of the Internal Revenue Code of 1954, as amended;

(9) persons who are:

(i) employed by a governmental subdivision who have not reached the age of 23 and who are enrolled on a full-time basis to attend or are attending classes on a full-time basis at an accredited school, college, or university in an undergraduate, graduate, or professional-technical program, or at a public or charter high school;

(ii) employed as resident physicians, medical interns, pharmacist residents, or pharmacist interns and are serving in a degree or residency program in a public hospital or in a public clinic; or

(iii) students who are serving for a period not to exceed five years in an internship or a residency program that is sponsored by a governmental subdivision, including an accredited educational institution;

(10) persons who hold a part-time adult supplementary technical college license who render part-time teaching service in a technical college;

(11) for the first three years of employment, foreign citizens who are employed by a governmental subdivision, except that the following foreign citizens must be considered included employees under subdivision 2a:

(i) H-1B, H-1B1, and E-3 status holders;

(ii) employees of Hennepin County or Hennepin Healthcare System, Inc.;

(iii) employees legally authorized to work in the United States for three years or more; and

(iv) employees otherwise required to participate under federal law;

(12) public hospital employees who elected not to participate as members of the association before 1972 and who did not elect to participate from July 1, 1988, to October 1, 1988;

(13) ~~except as provided in section 353.86,~~ volunteer ambulance service personnel, as defined in subdivision 35, but persons who serve as volunteer ambulance service personnel may still qualify as public employees under subdivision 2 and may be members of the Public Employees Retirement Association and participants in the general employees retirement plan or the public employees police and fire plan, whichever applies, on the basis of compensation received from public employment service other than service as volunteer ambulance service personnel;

(14) except as provided in section 353.87, volunteer firefighters, as defined in subdivision 36, engaging in activities undertaken as part of volunteer firefighter duties, but a person who is a volunteer firefighter may still qualify as a public employee under subdivision 2 and may be a member of the Public Employees Retirement Association and a participant in the general employees retirement plan or the public employees police and fire plan, whichever applies, on the basis of compensation received from public employment activities other than those as a volunteer firefighter;

(15) employees in the building and construction trades, as follows:

(i) pipefitters and associated trades personnel employed by Independent School District No. 625, St. Paul, with coverage under a collective bargaining agreement by the pipefitters local 455 pension plan who were either first employed after May 1, 1997, or, if first employed before May 2, 1997, elected to be excluded under Laws 1997, chapter 241, article 2, section 12;

(ii) electrical workers, plumbers, carpenters, and associated trades personnel employed by Independent School District No. 625, St. Paul, or the city of St. Paul, with coverage under a collective bargaining agreement by the electrical workers local 110 pension plan, the plumbers local 34 pension plan, or the carpenters local 322 pension plan who were either first employed after May 1, 2000, or, if first employed before May 2, 2000, elected to be excluded under Laws 2000, chapter 461, article 7, section 5;

(iii) bricklayers, allied craftworkers, cement masons, glaziers, glassworkers, painters, allied tradesworkers, and plasterers employed by the city of St. Paul or Independent School District No. 625, St. Paul, with coverage under a collective bargaining agreement by the bricklayers and allied craftworkers local 1 pension plan, the cement masons local 633 pension plan, the glaziers and glassworkers local 1324 pension plan, the painters and allied trades local 61 pension plan, or the plasterers local 265 pension plan who were either first employed after May 1, 2001, or if first employed before May 2, 2001, elected to be excluded under Laws 2001, First Special Session chapter 10, article 10, section 6;

(iv) plumbers employed by the Metropolitan Airports Commission, with coverage under a collective bargaining agreement by the plumbers local 34 pension plan, who were either first employed after May 1, 2001, or if first employed before May 2, 2001, elected to be excluded under Laws 2001, First Special Session chapter 10, article 10, section 6;

(v) electrical workers or pipefitters employed by the Minneapolis Park and Recreation Board, with coverage under a collective bargaining agreement by the electrical workers local 292 pension plan or the pipefitters local 539 pension plan, who were first employed before May 2, 2015, and elected to be excluded under Laws 2015, chapter 68, article 11, section 5;

(vi) laborers and associated trades personnel employed by the city of St. Paul or Independent School District No. 625, St. Paul, who are designated as temporary employees with coverage under a collective bargaining agreement by a multiemployer plan as defined in section 356.27, subdivision 1, who were either first employed on or after June 1, 2018, or if first employed before June 1, 2018, elected to be excluded under Laws 2018, chapter 211, article 16, section 13; and

(vii) employees who are trades employees as defined in section 356.27, subdivision 1, first hired on or after July 1, 2020, by the city of St. Paul or Independent School District No. 625, St. Paul, except for any trades employee for whom contributions are made under section 356.24, subdivision 1, clause (8), (9), or (10), by either employer to a multiemployer plan as defined in section 356.27, subdivision 1;

(16) employees who are hired after June 30, 2002, solely to fill seasonal positions under subdivision 12b which are limited in duration by the employer to a period of six months or less in each year of employment with the governmental subdivision;

(17) persons who are provided supported employment or work-study positions by a governmental subdivision and who participate in an employment or industries program maintained for the benefit of these persons where the governmental subdivision limits the position's duration to up to five years, including persons participating in a federal or state subsidized on-the-job training, work experience, senior citizen, youth, or unemployment relief program where the training or work experience is not provided as a part of, or for, future permanent public employment;

(18) independent contractors and the employees of independent contractors;

(19) reemployed annuitants of the association during the course of that reemployment;

(20) persons appointed to serve on a board or commission of a governmental subdivision or an instrumentality thereof;

(21) persons employed as full-time fixed-route bus drivers by the St. Cloud Metropolitan Transit Commission who are members of the International Brotherhood of Teamsters Local 638 and who are, by virtue of that employment, members of the International Brotherhood of Teamsters Central States pension plan; and

(22) persons employed by the Duluth Transit Authority or any subdivision thereof who are members of the Teamsters General Local Union 346 and who are, by virtue of that employment, members of the Central States Southeast and Southwest Areas Pension Fund.

(b) Any person performing the duties of a public officer in a position defined in subdivision 2a, paragraph (a), clause (3), is not an independent contractor and is not an employee of an independent contractor.

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

Sec. 3. Minnesota Statutes 2024, section 353.01, subdivision 2d, is amended to read:

Subd. 2d. **Optional membership.** (a) Membership in the association is optional by action of the individual employee for the following public employees who meet the conditions set forth in subdivision 2a:

(1) members of the coordinated plan who are also employees of labor organizations as defined in section 353.017, subdivision 1, for their employment by the labor organization only, if they elect to have membership under section 353.017, subdivision 2;

(2) persons who are elected or ~~persons who are~~ appointed to elected positions, other than local governing body elected positions, and who elect to participate within 30 days of taking office by filing completing and signing a written election for membership election on a form prescribed by the executive director of the association and filing the membership election with the association within 60 days of taking office;

(3) members of the association who are appointed by the governor to be a state department head and who elect not to be covered by the general state employees retirement plan of the Minnesota State Retirement System under section 352.021;

(4) city managers as defined in section 353.028, subdivision 1, who do not elect to be excluded from membership in the association under section 353.028, subdivision 2; and

(5) employees of the Port Authority of the city of St. Paul on January 1, 2003, who were at least age 45 on that date, and who elected to participate by ~~filing a written~~ completing and signing a membership election for membership.

(b) Membership in the association is optional by action of the governmental subdivision for the employees of the following governmental subdivisions under the conditions specified:

(1) the Minnesota Association of Townships if the board of that association, at its option, certifies to the executive director that its employees who meet the conditions set forth in subdivision 2a are to be included for purposes of retirement coverage, in which case the status of the association as a participating employer is permanent;

(2) a county historical society if the county in which the historical society is located, at its option, certifies to the executive director that the employees of the historical society who meet the conditions set forth in subdivision 2a are to be considered county employees for purposes of retirement coverage under this chapter. The status as a county employee must be accorded to all similarly situated county historical society employees and, once established, must continue as long as a person is an employee of the county historical society; and

(3) Hennepin Healthcare System, Inc., a public corporation, with respect to employees other than paramedics, emergency medical technicians, and protection officers, if the corporate board establishes alternative retirement plans for certain classes of employees of the corporation and certifies to the association the applicable employees to be excluded from future retirement coverage.

(c) For employees who are covered by paragraph (a), clause (1), (2), or (3), or covered by paragraph (b), clause (1) or (2), if the necessary membership election is not made, the employee is excluded from retirement coverage under this chapter. For employees who are covered by paragraph (a), clause (4), if the necessary election of exclusion is not made, the employee must become a member and have retirement coverage under the applicable provisions of this chapter. For employees specified in paragraph (b), clause (3), membership continues until the exclusion option is exercised for the designated class of employee.

(d) The option to become a member, once exercised under this subdivision, may not be withdrawn until the termination of public service as defined under subdivision 11a.

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

Sec. 4. Minnesota Statutes 2024, section 353.028, subdivision 2, is amended to read:

Subd. 2. **Election.** (a) A city manager first employed by a city may make a onetime, irrevocable election to be excluded from membership in the general employees retirement plan of the association. The election of exclusion must be made within 30 days following the commencement of employment, must be made in writing on a form prescribed by the executive director, ~~and~~ must be approved by a resolution adopted by the governing body of the city, and must be filed with the association within 60 days of commencing employment. The election of exclusion is not effective until it is filed with the executive director. Membership of a city manager in the general employees retirement plan ceases on the date the written election of exclusion is received by the executive director. Employee and employer contributions made during the first ~~30~~ 60 days of employment on behalf of a person exercising the option to be excluded from membership under this paragraph must be refunded or credited in accordance with section 353.27, subdivision 7.

(b) A city manager who has previously been an employee in any position covered by any retirement plan administered by the association to which the city contributed or by any supplemental

pension or deferred compensation plan under section 356.24 sponsored by the city is not eligible to make the election under paragraph (a).

(c) Any election under paragraph (a) must include a statement that the individual will not seek authorization to purchase service credit for any period of excluded service.

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

Sec. 5. Minnesota Statutes 2024, section 353.028, subdivision 3, is amended to read:

Subd. 3. **Deferred compensation; city contribution.** (a) If an election of exclusion under subdivision 2 is made, and if the city manager and the governing body of the city additionally agree in writing that the additional compensation is to be deferred and is to be contributed on behalf of the city manager to a deferred compensation program that meets the requirements of section 457 of the Internal Revenue Code of 1986, as amended, and section 356.24, the governing body may compensate the city manager, in addition to the salary allowed under any limitation imposed on salaries by law or charter, in an amount equal to the employer contribution that would be required by section 353.27, subdivision 3, if the city manager were a member of the general employees retirement plan.

(b) Alternatively, if an election of exclusion under subdivision 2 is made, the city manager and the governing body of the city may agree in writing that the equivalent employer contribution to the contribution under section 353.27, subdivision 3, be contributed by the city to the defined contribution plan of the Public Employees Retirement Association under chapter 353D. ~~Any~~ An election and agreement under this paragraph must be entered into within 30 days following the commencement of employment.

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

Sec. 6. Minnesota Statutes 2024, section 353.27, subdivision 3a, is amended to read:

Subd. 3a. **Additional employer contribution.** (a) An additional employer contribution to the general employees retirement fund of the Public Employees Retirement Association must be made equal to the following applicable percentage of the total salary amount for "basic members" and for "coordinated members":

	Basic Program	Coordinated Program
Effective before January 1, 2006	2.68	.43
Effective January 1, 2006	2.68	.5
Effective January 1, 2009	2.68	.75
Effective January 1, 2010	2.68	1

These contributions must be made from funds available to the employing subdivision by the means and in the manner provided in section 353.28.

~~(b) The coordinated program contribution rates set forth in paragraph (a) effective for January 1, 2010, must not be implemented if, following receipt of the July 1, 2009, annual actuarial valuation report under section 356.215, respectively, the actuarially required contributions are equal to or less than the total rates under this section in effect as of January 1, 2008.~~

~~(e)~~ (b) This subdivision is repealed once the actuarial value of the assets of the general employees retirement plan of the Public Employees Retirement Association equal or exceed 98 percent of the actuarial accrued liability of the plan as determined by the actuary retained under sections 356.214 and 356.215. The repeal is effective on the first day of the first full pay period occurring after March 31 of the calendar year following the issuance of the actuarial valuation upon which the repeal is based.

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

Sec. 7. Minnesota Statutes 2024, section 353.34, subdivision 5, is amended to read:

Subd. 5. **Right to a refund generally unlimited.** The right to a refund provided in this chapter; ~~and laws amendatory thereof~~, is not restricted as to time ~~unless specifically provided and the statute of limitation does not apply thereto~~.

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

Sec. 8. Minnesota Statutes 2024, section 353E.06, subdivision 1, is amended to read:

Subdivision 1. **Duty disability qualification requirements.** A member who is determined to qualify for a duty disability as defined in section 353E.001, subdivision 1, is entitled to a disability benefit. The disability benefit must be based on covered service under this chapter only and is an amount equal to 47.5 percent of the average salary defined in section 353E.04, subdivision 2, plus ~~an additional 1.9 percent~~, for each year of covered service under this chapter in excess of 25 years:

(1) 1.9 percent for each year of allowable service beginning before July 1, 2025; and

(2) 2.2 percent for each year of allowable service beginning after June 30, 2025.

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

Sec. 9. Minnesota Statutes 2024, section 356.415, subdivision 1b, is amended to read:

Subd. 1b. **Annual postretirement adjustments; ~~PERA~~ Public Employees Retirement Association; general employees retirement plan.** (a) Annuities, disability benefits, and survivor benefits being paid from the general employees retirement plan of the Public Employees Retirement Association shall be increased effective each January 1 by the percentage of increase determined under this subdivision. The increase to the annuity or benefit shall be determined by multiplying the monthly amount of the annuity or benefit by the percentage of increase specified in paragraph (b), after taking into account any reduction to the percentage of increase required under paragraph ~~(e)~~ (d).

(b) The percentage of increase shall be one percent unless the federal Social Security Administration has announced a cost-of-living adjustment pursuant to United States Code, title 42, section 415(i), in the last quarter of the preceding calendar year that is greater than ~~two one~~ percent. If the cost-of-living adjustment announced by the federal Social Security Administration is greater than ~~two one~~ percent, the percentage of increase ~~shall be 50 percent of~~ must be the same as the cost-of-living adjustment announced by the federal Social Security Administration, but in no event

may the percentage of increase exceed ~~1.5 percent~~ the applicable maximum percentage in effect on January 1 under paragraph (c).

(c) The applicable maximum percentage in effect on January 1 is 1.75 percent, unless either of the following is true, in which case the applicable maximum percentage is 1.5 percent:

(1) the market value of assets equals or is less than 85 percent of the actuarial accrued liabilities as reported by the plan's actuary in the most recent two consecutive annual actuarial valuations; or

(2) the market value of assets equals or is less than 80 percent of the actuarial accrued liabilities as reported by the plan's actuary in the most recent annual actuarial valuation.

~~(e)~~ (d) (1) If the recipient of an annuity, disability benefit, or survivor's benefit has been receiving the annuity or benefit for at least 12 full months as of the June 30 of the calendar year immediately before the effective date of the increase, there is no reduction in the percentage of increase.

(2) If the recipient of an annuity, disability benefit, or survivor's benefit has been receiving the annuity or benefit for at least one month, but less than 12 full months, as of the June 30 of the calendar year immediately preceding the effective date of the increase, the percentage of increase is multiplied by a fraction, the numerator of which is the number of months the annuity or benefit was received as of June 30 of the preceding calendar year and the denominator of which is 12.

~~(d)~~ (e) An increase in annuity or benefit payments under this ~~section~~ subdivision must be made automatically unless written notice is filed by the recipient with the executive director of the Public Employees Retirement Association requesting that the increase not be made.

EFFECTIVE DATE. This section is effective for postretirement adjustments beginning on or after January 1, 2026.

ARTICLE 3

PUBLIC EMPLOYEES DEFINED CONTRIBUTION PLAN

Section 1. Minnesota Statutes 2024, section 353D.01, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** (a) Eligibility to participate in the plan is available to:

(1) any elected or appointed local government official of a governmental subdivision who elects to participate in the plan under section 353D.02, subdivision 1, and who, for the service rendered to a governmental subdivision, is not a member of the association within the meaning of section 353.01, subdivision 7;

(2) physicians who, if they did not elect to participate in the plan under section 353D.02, subdivision 2, would meet the definition of member under section 353.01, subdivision 7;

(3) basic and advanced life-support emergency medical service personnel who are employed by any public ambulance service that elects to participate under section 353D.02, subdivision 3;

(4) members of a municipal rescue squad associated with the city of Litchfield in Meeker County, or of a county rescue squad associated with Kandiyohi County, if an independent nonprofit rescue

squad corporation, incorporated under chapter 317A, performing emergency management services, and if not affiliated with a fire department or ambulance service and if its members are not eligible for membership in that fire department's or ambulance service's relief association or comparable pension plan;

(5) members of the municipal rescue squad associated with the city of Eden Valley in Stearns and Meeker Counties who are not eligible for membership in the police and fire retirement plan or a firefighter relief association affiliated with the city and who elect to participate in the plan under section 353D.02, subdivision 4, paragraph (b);

~~(5)~~ (6) employees of the Port Authority of the city of St. Paul who elect to participate in the plan under section 353D.02, subdivision 5, and who are not members of the association under section 353.01, subdivision 7;

~~(6)~~ (7) city managers who elected to be excluded from the general employees retirement plan of the association under section 353.028 and who elected to participate in the public employees defined contribution plan under section 353.028, subdivision 3, paragraph (b);

~~(7)~~ (8) volunteer or emergency on-call firefighters serving in a municipal fire department or an independent nonprofit firefighting corporation who are not covered by the police and fire retirement plan and who are not covered by a firefighters relief association and who elect to participate in the public employees defined contribution plan;

~~(8)~~ (9) any elected county sheriff who is a former member of the police and fire plan, is receiving a retirement annuity as provided under section 353.651, ~~who~~ and does not have previous employment with the county for which the sheriff was elected; and

~~(9)~~ (10) persons appointed to serve on a board or commission of a governmental subdivision or an instrumentality thereof.

(b) Individuals otherwise eligible to participate in the plan under this subdivision who are currently covered by a public or private pension plan because of their employment or provision of services are not eligible to participate in the ~~public employees defined contribution~~ plan.

(c) A former participant is a person who has terminated eligible employment or service and has not withdrawn the value of the person's individual account.

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

Sec. 2. Minnesota Statutes 2024, section 353D.02, subdivision 1, is amended to read:

Subdivision 1. **Local government officials.** Eligible elected or appointed local government officials may elect to participate in the defined contribution plan within the first 30 days of ~~being elected or appointed to taking public office by filing~~ completing and signing a membership application election on a form prescribed by the executive director of the association authorizing contributions to be deducted from the official's salary. Participation begins on the first day of the pay period for which the contributions were deducted or, if pay period coverage dates are not provided, the date on which the membership application election or contributions are received in the office of the association, whichever is received first, provided further that the membership application election

is received by the association within 60 days of ~~the receipt of the contributions~~ taking office. An election to participate in the plan is irrevocable.

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

Sec. 3. Minnesota Statutes 2024, section 353D.02, subdivision 2, is amended to read:

Subd. 2. **Eligible physicians.** Eligible physicians may elect to participate in the defined contribution plan within the first 30 days of commencing employment with a government subdivision under section 353.01, subdivision 6, by ~~filing~~ completing and signing a membership application election on a form prescribed by the executive director of the association authorizing contributions to be deducted from the physician's salary and filing the membership election with the association within 60 days of commencing employment. Participation begins on the first day of the pay period for which the contributions were deducted. An election to participate in the defined contribution plan is irrevocable.

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

Sec. 4. Minnesota Statutes 2024, section 353D.02, subdivision 3, is amended to read:

Subd. 3. **Eligible ambulance service personnel.** Each public ambulance service with eligible personnel may elect to participate in the plan. If a service elects to participate, its eligible personnel may elect to participate or decline to participate. An individual's membership election must be made within 30 days of the service's election to participate or within 30 days of the date on which the individual began employment with the service or began to provide service for it, whichever date is later. The membership election must be received by the association within 60 days of the service's election to participate or within 60 days of the date on which the individual first began employment, whichever is later. An election by a service or an individual is irrevocable.

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

Sec. 5. Minnesota Statutes 2024, section 353D.02, subdivision 4, is amended to read:

Subd. 4. **Eligible rescue squad personnel members.** (a) The municipality or county, as applicable, associated with a rescue squad under section 353D.01, subdivision 2, paragraph (a), clause (4), may elect to participate in the plan. If the municipality or county, as applicable, elects to participate, the eligible personnel may elect to participate or decline to participate. An eligible individual's membership election must be made within 30 days of the service's municipality's or county's election to participate or within 30 days of the date on which the individual first began employment with the rescue squad, whichever is later. Elections under this subdivision by a government unit or individual are irrevocable. The membership election must be received by the association within 60 days of the municipality's or county's election to participate or within 60 days of the date on which the individual first began employment, whichever is later. The municipality or county, as applicable, must specify by resolution eligibility requirements for rescue squad personnel which must be satisfied if the individual is to be authorized to make the membership election under this subdivision.

(b) An eligible member under section 353D.01, subdivision 2, paragraph (a), clause (5), may elect to participate or decline to participate in the plan within 30 days of the date on which the member first begins service with the rescue squad.

(c) Elections under this subdivision by a government unit or individual are irrevocable.

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

Sec. 6. Minnesota Statutes 2024, section 353D.02, subdivision 5, is amended to read:

Subd. 5. **St. Paul Port Authority personnel.** Employees of the Port Authority of the city of St. Paul who do not elect to participate in the general employees retirement plan may elect within the first 30 days of commencing employment to participate in the plan by file~~ing~~ completing and signing a membership ~~application~~ election on a form prescribed by the executive director of the association authorizing contributions to be deducted from the employee's salary. Participation begins on the first day of the pay period for which the contributions were deducted or, if pay period coverage dates are not provided, the date on which the membership ~~application~~ election or the contributions are received in the office of the association, whichever is received first, ~~if provided the membership application election is received by the association within 60 days of the receipt of the contributions~~ commencing employment. An election to participate in the plan is irrevocable.

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

Sec. 7. Minnesota Statutes 2024, section 353D.02, subdivision 6, is amended to read:

Subd. 6. **City managers.** Any city ~~managers~~ manager who elected to be excluded within 30 days of commencing employment from the general employees retirement plan of the Public Employees Retirement Association under section 353.028, subdivision 2, and who ~~elected to participate in the plan~~ entered into an agreement under section 353.028, subdivision 3, paragraph (b), with the governing body of the city that employs the city manager to have the city make contributions to the defined contribution plan under chapter 353D, must file ~~that~~ an election with the ~~executive director~~ association within the first ~~30~~ 60 days of commencing employment to participate in the defined contribution plan. The city manager must complete and sign a membership election on a form prescribed by the executive director of the association. Participation begins on the first day of the pay period next following the date of the coverage election. An election to participate by a city manager is irrevocable.

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

Sec. 8. Minnesota Statutes 2024, section 353D.02, subdivision 7, is amended to read:

Subd. 7. **Certain volunteer firefighters.** Volunteer or on-call firefighters who are serving as members of a municipal fire department or an independent nonprofit firefighting corporation and who are not covered for that firefighting service by the public employees police and fire retirement plan under sections 353.63 to 353.68, by a firefighters relief association under chapter 424A, or by the statewide volunteer firefighter retirement plan under chapter 353G may elect to participate in the plan within the first 30 days of commencing service by completing and signing a membership election on a form prescribed by the executive director of the association. The membership election must be filed with the association within 60 days of commencing service. An eligible firefighter's

election is irrevocable. No employer contribution is payable by the fire department or the firefighting corporation unless the municipal governing body or the firefighting corporation governing body, whichever applies, ratifies the membership election.

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

ARTICLE 4

PERA PRIVATIZATION

Section 1. Minnesota Statutes 2024, section 353F.01, is amended to read:

353F.01 PURPOSE AND INTENT.

The purpose of this chapter is to ensure, to the extent possible, that persons employed ~~at public medical facilities who~~ by governmental subdivisions that are privatized and consequently are excluded from retirement coverage by the Public Employees Retirement Association will be entitled to receive future retirement benefits under the general employees retirement plan of the Public Employees Retirement Association commensurate with the prior contributions made by them or made on their behalf upon the privatization of the ~~medical facility~~ governmental subdivision.

Sec. 2. Minnesota Statutes 2024, section 353F.02, is amended by adding a subdivision to read:

Subd. 2a. **Association.** "Association" means the Public Employees Retirement Association established under chapter 353.

Sec. 3. Minnesota Statutes 2024, section 353F.02, subdivision 3, is amended to read:

Subd. 3. **Effective date of privatization.** "Effective date of privatization" means the date that ~~the operation of a medical facility is assumed by another~~ a governmental subdivision becomes a privatized employer or the date that a ~~medical facility~~ governmental subdivision is purchased by ~~another employer~~ in a privatization and active membership in the ~~Public Employees Retirement~~ association consequently terminates.

Sec. 4. Minnesota Statutes 2024, section 353F.02, is amended by adding a subdivision to read:

Subd. 3b. **Funding ratio.** "Funding ratio" means the actuarial value of assets of the general employees retirement fund, divided by the present value of accrued benefits for the fund, expressed as a percentage.

Sec. 5. Minnesota Statutes 2024, section 353F.02, is amended by adding a subdivision to read:

Subd. 3c. **General employees retirement fund.** "General employees retirement fund" means the general employees retirement fund as defined under section 353.27, subdivision 1.

Sec. 6. Minnesota Statutes 2024, section 353F.02, is amended by adding a subdivision to read:

Subd. 3d. **General employees retirement plan.** "General employees retirement plan" or "general plan" means the general employees retirement plan of the association established under chapter 353.

Sec. 7. Minnesota Statutes 2024, section 353F.02, is amended by adding a subdivision to read:

Subd. 3e. **Governmental subdivision.** "Governmental subdivision" has the meaning given in section 353.01, subdivision 6.

Sec. 8. Minnesota Statutes 2024, section 353F.02, subdivision 4b, is amended to read:

Subd. 4b. **Privatization.** "Privatization" means a medical facility that privatizes when the facility the process of privatizing, through which a governmental subdivision ceases to be a governmental subdivision for any reason other than that the medical facility governmental subdivision closes or permanently ceases to operate.

Sec. 9. Minnesota Statutes 2024, section 353F.02, is amended by adding a subdivision to read:

Subd. 4c. **Privatize or privatizing.** "Privatize" or "privatizing" means to engage in a transaction, including a sale to, acquisition by, or merger with an entity or a sale to or acquisition by one or more individuals, or a series of such transactions that result in a governmental subdivision ceasing to be a governmental subdivision on or after the effective date of privatization. Privatize or privatizing does not mean ceasing to be a governmental subdivision because the subdivision closed or permanently ceased to operate.

Sec. 10. Minnesota Statutes 2024, section 353F.02, subdivision 5a, is amended to read:

Subd. 5a. **Privatized former public employer.** "Privatized former public employer" means a medical facility that was included in the definition of an entity that was a governmental subdivision under section 353.01, subdivision 6, on the day before the effective date of privatization that is privatized and whose employees are certified for participation under this chapter privatized employees.

Sec. 11. Minnesota Statutes 2024, section 353F.02, subdivision 6, is amended to read:

Subd. 6. **Privatized former public employee.** (a) "Privatized former public employee" means a person who, before the effective date of the privatization of a governmental subdivision:

(1) was employed by the privatized former public employer on the day before the effective date of privatization; or governmental subdivision; and

(2) terminated employment with the privatized former public employer on the day before the effective date; and

(3) (2) was a participant in member of the general employees retirement plan of the Public Employees Retirement Association at the time of termination of employment with the privatized former public employer for the period of employment with the governmental subdivision.

(b) Privatized former public employee does not mean a person who, on the day before the effective date of privatization, was simultaneously employed with the privatized former public employer and by a governmental subdivision under section 353.01, subdivision 6, and who, after the effective date of privatization, continues to accrue service credit under section 353.01, subdivision 16, through simultaneous employment with a governmental subdivision.

Sec. 12. Minnesota Statutes 2024, section 353F.02, is amended by adding a subdivision to read:

Subd. 6a. **Privatizing active employee.** "Privatizing active employee" means a privatized employee who was employed by the privatizing governmental subdivision on the day before the effective date of the privatization.

Sec. 13. Minnesota Statutes 2024, section 353F.025, is amended to read:

353F.025 CERTIFICATION AND DECERTIFICATION OF MEDICAL FACILITIES AND OTHER PUBLIC EMPLOYING UNITS WITHDRAWAL LIABILITY.

Subdivision 1. **Eligibility determination and calculation of withdrawal liability.** (a) ~~The chief clerkial~~ This section applies to any governmental subdivision that privatizes.

(b) ~~Before the effective date of privatization, an officer of a the governmental subdivision may that is privatizing or that has control or ownership of an entity that is privatizing must submit to the executive director a resolution from the governing body to the executive director of the Public Employees Retirement Association which supports providing coverage under this chapter for employees of that governmental subdivision who are privatized, and which states that the governing body will pay for actuarial calculations, as further specified in paragraph (c), of the governmental subdivision stating the following:~~

(1) that it is the intention of the governmental subdivision to privatize or to engage in a privatization that will result in the controlled or owned entity becoming privatized; and

(2) that the governmental subdivision will reimburse the association for the cost to calculate withdrawal liability under paragraph (d).

~~(b) (c) The governing body must also provide to the executive director a copy of any applicable the purchase or, lease, or other transaction agreement and any other information requested by the executive director to allow the executive director to verify that under the proposed employer change, determine whether the new employer does not qualify as, after the privatization, will be a governmental subdivision under section 353.01, subdivision 6 or a privatized employer, making the employees ineligible for continued coverage as active members of the general employees retirement plan of the Public Employees Retirement Association.~~

~~(c) Following (d) If, within 30 days after receipt of a the resolution and a determination by information under paragraph (b), the executive director determines that the new employer is after the privatization will not be a governmental subdivision, the executive director shall must direct the consulting actuary retained by the association under section 356.214 to determine whether the general employees retirement plan of the Public Employees Retirement Association, if coverage under this chapter is provided, is expected to receive a net gain or a net loss if privatization occurs. A net gain is expected if the actuarial liability of the special benefit coverage provided under this chapter, if extended to the applicable employees under the privatization, is less than the actuarial gain otherwise to accrue to the plan. A net loss is expected if the actuarial accrued liability of the special benefit coverage provided under this chapter, if extended to the applicable employees under the privatization, is more than the actuarial gain otherwise to accrue to the plan. The date of the actuarial calculations used to make this determination must be within one year of the effective date of privatization calculate the withdrawal liability to be incurred by the privatized employer on the effective date of the privatization. Withdrawal liability and present value must be calculated as provided in paragraphs (e) and (f), respectively.~~

(e) Withdrawal liability is equal to the present value of accrued benefits attributable to the privatizing active employees minus the product of:

- (1) the present value of accrued benefits attributable to the privatizing active employees; and
- (2) the general plan's funding ratio.

If the withdrawal liability is a negative number, the withdrawal liability is zero. Withdrawal liability must be calculated using the most recently completed actuarial valuation before the effective date of privatization.

(f) Present value of accrued benefits is determined using the actuarial assumptions under section 356.215, subdivision 8, for the general plan. The present value of accrued benefits does not include projected compensation or projected service.

(g) The governmental subdivision must reimburse the association for the cost of calculating the withdrawal liability.

Subd. 1a. **Payment of withdrawal liability.** No later than six months after the effective date of privatization, the privatized employer must pay the withdrawal liability calculated under subdivision 1 to the general employees retirement fund, unless the privatized employer elects a payment plan. In lieu of a single withdrawal liability payment, the privatized employer may elect to pay the withdrawal liability with interest compounded annually at the applicable rate or rates specified in section 356.59, subdivision 3, in equal annual payments for a term of no longer than ten years. The obligation to pay under this subdivision is binding upon the privatized employer and its successors and assignees.

Subd. 2. **Reporting privatizations.** (a) If the actuarial calculations under subdivision 1, paragraph (e), indicate privatization can be approved because a net gain to the general employees retirement plan of the Public Employees Retirement association is expected, or if paragraph (b) applies, the executive director shall, following acceptance of the actuarial calculations by The association must maintain a record of the consulting actuary's calculation of withdrawal liability under subdivision 1 and any associated report. The calculation and any associated report must be made publicly available and provided to:

(1) the board of trustees, forward notice and supporting documentation, including a copy of the actuary's report and findings, to;

(2) the chair and the executive director of the Legislative Commission on Pensions and Retirement; and

(3) the chairs and the ranking minority members of the legislative committees with jurisdiction over governmental operations in the house of representatives and senate.

(b) If the calculations under subdivision 1, paragraph (e), indicate a net loss, the executive director shall recommend to the board of trustees that the privatization be approved if the chief clerical officer of the applicable governmental subdivision submits a resolution from the governing body specifying that a lump sum payment will be made to the Public Employees Retirement Association equal to the net loss, plus interest. The interest must be computed using the applicable

ultimate investment return assumption under section 356.215, subdivision 8, expressed as a monthly rate, from the date of the actuarial valuation from which the actuarial accrued liability data was used to determine the net loss in the actuarial study under subdivision 1, to the date of payment, with annual compounding. Payment must be made on or after the effective date of privatization.

(e) ~~(b)~~ The Public Employees Retirement association must maintain a list that includes the names of all privatized ~~former public~~ employers in the association's annual comprehensive ~~annual~~ financial report and on the association's website. Beginning July 1, 2027, the association must also include in the list the amount of the withdrawal liability determined as of the effective date of privatization and the remaining amount, if any, of withdrawal liability due to be paid for each privatized employer.

Sec. 14. Minnesota Statutes 2024, section 353F.03, is amended to read:

353F.03 VESTING RULE FOR CERTAIN EMPLOYEES.

Notwithstanding any provision of chapter 353 to the contrary, a privatized ~~former public~~ employee is eligible to receive a retirement annuity under section 353.29 of the edition of Minnesota Statutes published in the year before the year in which the privatization occurred, without regard to the requirement specified in section 353.01, subdivision 47.

Sec. 15. Minnesota Statutes 2024, section 353F.04, is amended to read:

353F.04 AUGMENTATION INTEREST RATES FOR PRIVATIZED ~~FORMER PUBLIC~~ EMPLOYEES.

Subdivision 1. **Enhanced augmentation rates.** (a) The deferred annuity of a privatized ~~former public~~ employee is subject to augmentation under section 353.34, subdivision 3, except that the rate of augmentation is as specified in this section.

(b) This paragraph applies if the effective date of privatization was on or before January 1, 2007, and also applies to Hutchinson Area Health Care with a privatization effective date of January 1, 2008. For a privatized ~~former public~~ employee, the augmentation rate is 5.5 percent compounded annually until January 1 following the year in which the person privatized employee attains age 55. After that date, the augmentation rate is 7.5 percent compounded annually.

(c) If paragraph (b) is not applicable, and if the effective date of the privatization is after January 1, 2007, and before January 1, 2011, then the augmentation rate is four percent compounded annually until January 1, following the year in which the person privatized employee attains age 55. After that date, the augmentation rate is six percent compounded annually.

(d) If the effective date of the privatization is after December 31, 2010, the augmentation rate depends on the result of computations specified in section 353F.025, subdivision 1. If those computations indicate no loss or a net gain to the ~~fund of the general employees retirement plan of the Public Employees Retirement Association fund~~, the augmentation rate is two percent compounded annually. If the computations under that subdivision indicate a net loss to the fund if a two percent augmentation rate is used, but a net gain or no loss if a one percent rate is used, then the augmentation rate is one percent compounded annually.

(e) Notwithstanding paragraphs (b) to (d), after June 30, 2020, and before January 1, 2024, the augmentation rate for all privatized ~~former public~~ employees under paragraphs (b) to (d) is two percent compounded annually. After December 31, 2023, no additional augmentation is applied to the deferred annuities of privatized ~~former public employee's deferred annuity~~ employees.

Subd. 2. **Exceptions.** The augmentation rates specified in subdivision 1 do not apply to a privatized ~~former public~~ employee:

(1) beginning the first of the month in which the privatized ~~former public~~ employee becomes covered again by a retirement plan enumerated in section 356.30, subdivision 3, if the employee accrues at least six months of credited service in any single plan enumerated in section 356.30, subdivision 3, except clause (6);

(2) beginning the first of the month in which the privatized ~~former public~~ employee becomes covered again by the general employees retirement plan of the ~~Public Employees Retirement Association~~;

(3) beginning the first of the month after a privatized ~~former public~~ employee terminates service with the privatized ~~former public~~ employer;

(4) if the privatized ~~former public~~ employee begins receipt of a retirement annuity while employed by the privatized ~~former public~~ employer; or

(5) if the effective date of privatization occurs after June 30, 2020.

Sec. 16. Minnesota Statutes 2024, section 353F.05, is amended to read:

353F.05 AUTHORIZATION FOR ADDITIONAL ALLOWABLE SERVICE FOR EARLY RETIREMENT PURPOSES.

(a) For the purpose of determining eligibility for early retirement benefits provided under section 353.30, subdivision 1a, of the edition of Minnesota Statutes published in the year before the year in which the privatization occurred, and notwithstanding any provision of chapter 353; to the contrary, the years of allowable service for a privatized ~~former public~~ employee who transfers employment on the effective date of privatization and does not apply for a refund of contributions under section 353.34, subdivision 1, of the edition of Minnesota Statutes published in the year before the year in which the privatization occurred, or any similar provision, includes service with the privatized ~~former public~~ employer following the effective date. The privatized ~~former public~~ employer shall provide any reports that the executive director of the ~~Public Employees Retirement Association~~ may reasonably request to permit calculation of benefits.

(b) To be eligible for early retirement benefits under this section, the individual privatized employee must separate from service with the privatized ~~former public~~ employer. The privatized ~~former public~~ employee, or an individual authorized to act on behalf of that employee, may apply for an annuity following application procedures under section 353.29, subdivision 4.

Sec. 17. Minnesota Statutes 2024, section 353F.051, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** A privatized ~~former public~~ employee who is totally and permanently disabled under section 353.01, subdivision 19, and who had a medically documented preexisting condition of the disability before the termination of coverage, may apply for a disability benefit.

Sec. 18. Minnesota Statutes 2024, section 353F.051, subdivision 2, is amended to read:

Subd. 2. **Calculation of benefits.** A person qualifying under subdivision 1 is entitled to receive a disability benefit calculated under section 353.33, subdivision 3. ~~The disability benefit must be augmented under section 353.71, subdivision 2, from the date of termination to the date the disability benefit begins to accrue.~~

Sec. 19. Minnesota Statutes 2024, section 353F.052, is amended to read:

353F.052 APPLICATION OF SURVIVING SPOUSE, DEPENDENT CHILD PROVISION.

Notwithstanding any provisions of law to the contrary, subdivisions within section 353.32 of the edition of Minnesota Statutes published in the year before the year in which a privatization occurred, applicable to the surviving spouse or dependent children of a former member as defined in section 353.01, subdivision 7a, apply to the survivors of a privatized ~~former public~~ employee.

Sec. 20. Minnesota Statutes 2024, section 353F.057, is amended to read:

353F.057 TERMINATION FROM SERVICE REQUIREMENT.

Upon termination of service from the privatized ~~former public~~ employer after the effective date of privatization, a privatized ~~former public~~ employee must separate from any employment relationship with the privatized ~~former public~~ employer for at least 30 days to qualify to receive a retirement annuity under this chapter.

Sec. 21. Minnesota Statutes 2024, section 353F.06, is amended to read:

353F.06 APPLICATION OF REEMPLOYED ANNUITANT EARNINGS LIMITATIONS.

If a privatized ~~former public~~ employee satisfies the separation from service requirement in section 353F.057 and thereafter resumes employment with the privatized ~~former public~~ employer or a governmental subdivision under section 353.01, subdivision 6, the reemployed annuitant earnings limitations of section 353.37 apply.

Sec. 22. Minnesota Statutes 2024, section 353F.07, is amended to read:

353F.07 EFFECT ON REFUND.

Notwithstanding any provision of chapter 353 to the contrary, privatized ~~former public~~ employees may receive a refund of employee accumulated contributions plus interest as provided in section 353.34, subdivision 2, at any time after the transfer of employment to the privatized ~~former public~~ employer. If a privatized ~~former public~~ employee has received a refund from a pension plan listed in section 356.30, subdivision 3, the person privatized employee may not repay that refund unless the person privatized employee again becomes a member of one of those listed plans and complies with section 356.30, subdivision 2.

Sec. 23. Minnesota Statutes 2024, section 353F.08, is amended to read:

353F.08 COUNSELING SERVICES.

The privatized ~~former public~~ employer and the executive director ~~of the Public Employees Retirement Association~~ shall provide privatized ~~former public~~ employees with counseling on their benefits available under the general employees retirement plan ~~of the Public Employees Retirement Association~~ during a mutually agreed-upon period ~~mutually agreed-upon~~ before or after the effective date of privatization.

Sec. 24. Minnesota Statutes 2024, section 353F.09, is amended to read:

353F.09 APPLICATION TO SALES OF PRIVATIZED ~~FORMER PUBLIC~~ EMPLOYERS.

A ~~medical facility or other employing unit~~ privatized employer shall cease to be a privatized ~~former public~~ employer and its employees shall cease to be considered privatized ~~former public~~ employees under this chapter upon the sale of the operations of the ~~medical facility or employing unit~~ to another employer or the sale of the ~~medical facility or employing unit~~ to another employer. The privatized ~~former public~~ employees ~~shall be~~ are entitled to benefits accrued under this chapter to the date of the sale, but ~~shall~~ must not accrue additional benefits after the date of the sale.

Sec. 25. **REPEALER.**

Minnesota Statutes 2024, section 353F.02, subdivision 4a, is repealed.

Sec. 26. **EFFECTIVE DATE.**

Sections 1 to 25 are effective July 1, 2027.

ARTICLE 5

MSRS CORRECTIONAL PLAN ELIGIBILITY WORK GROUP

Section 1. Minnesota Statutes 2024, section 352.01, is amended by adding a subdivision to read:

Subd. 28. **Executive director.** "Executive director" or "director" means the executive director of the system appointed under section 352.03, subdivision 5.

Sec. 2. Minnesota Statutes 2024, section 352.029, subdivision 3, is amended to read:

Subd. 3. **Contributions.** The employee and employer contributions required by section 352.04, or by section 352.92 for employees covered by section ~~352.94~~ 352.905, are the obligation of the employee who is a member under section 352.01, subdivision 2a, paragraph (a), or who chooses coverage under this section. However, the employing labor organization may pay the employer contributions. Contributions made by the employee must be made by salary deduction. The employing labor organization shall pay all contributions to the system as required by section 352.04, or by section 352.92 for employees covered by section ~~352.94~~ 352.905.

Sec. 3. Minnesota Statutes 2024, section 352.03, subdivision 5, is amended to read:

Subd. 5. **Executive director, deputy director, and assistant director.** (a) The board shall appoint an executive director, ~~in this chapter called the director,~~ on the basis of education, experience in the retirement field, ability to manage and lead system staff, and ability to assist the board in setting a vision for the system. The executive director must have had at least five years' experience in either an executive level management position or in a position with responsibility for the governance, management, or administration of a retirement plan.

(b) The executive director, deputy director, and assistant director must be in the unclassified service but appointees may be selected from civil service lists if desired. Notwithstanding any law to the contrary, the board must set the salary of the executive director. The board must review the performance of the executive director on an annual basis and may grant salary adjustments as a result of the review. The salary of the deputy director and assistant director must be set in accordance with section 43A.18, subdivision 3.

Sec. 4. Minnesota Statutes 2024, section 352.90, is amended to read:

352.90 POLICY.

It is the policy of the legislature to provide special retirement benefits for and special contributions by certain correctional employees who may ~~be required~~ need to retire at an early age because they lose the mental or physical capacity required to maintain the safety, security, discipline, and custody of ~~inmates incarcerated persons~~ at state correctional facilities; ~~of or patients and clients in the state-operated forensic services program, which is comprised of the Minnesota Security Hospital, the forensic nursing home, the forensic transition service, and the competency restoration program; of patients in or the Minnesota Sex Offender Program; or of patients in the Minnesota Specialty Health System-Cambridge.~~

Sec. 5. [352.901] DEFINITIONS APPLICABLE TO THE CORRECTIONAL PLAN.

Subdivision 1. **Terms.** Unless the language or context clearly indicates a different meaning is intended, the terms defined in this section have the meanings given. The definitions in this section apply only to the correctional employees retirement plan and supplement the definitions in section 352.01.

Subd. 2. **Chief executive officer.** "Chief executive officer" means the Direct Care and Treatment chief executive officer appointed under section 246C.08 or a person the chief executive officer has delegated responsibilities to under sections 352.90 to 352.955, including the duty to certify direct contact under section 352.905, subdivision 2.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of corrections appointed under section 241.01, subdivision 1, or a person the commissioner has delegated responsibilities to under sections 352.90 to 352.955, including the duty to certify direct contact under section 352.905, subdivision 2.

Subd. 4. **Custody.** "Custody" means an employee's exercise of legal and physical control over an incarcerated person, patient, or client who is detained, confined, or otherwise restricted from freedom of movement.

Subd. 5. **Direct Care and Treatment.** "Direct Care and Treatment" means the agency established under section 246C.02.

Subd. 6. **Direct contact.** "Direct contact" means interactions between an employee and one or more patients, clients, or incarcerated persons where the employee is physically present and engaged with patients, clients, or incarcerated persons as part of the employee's normal duties, as defined in section 352.01, subdivision 17d, which must include regular involvement in rehabilitation, treatment, custody, or supervision of patients, clients, or incarcerated persons, while maintaining safety, security, and order.

Subd. 7. **Direct contact requirement.** "Direct contact requirement" means the requirement that the employee spend at least 75 percent of the employee's working time in direct contact.

Subd. 8. **Eligible facility.** "Eligible facility" means:

- (1) Minnesota Correctional Facility-Faribault;
- (2) Minnesota Correctional Facility-Lino Lakes;
- (3) Minnesota Correctional Facility-Moose Lake;
- (4) Minnesota Correctional Facility-Oak Park Heights;
- (5) Minnesota Correctional Facility-Red Wing;
- (6) Minnesota Correctional Facility-Rush City;
- (7) Minnesota Correctional Facility-Shakopee;
- (8) Minnesota Correctional Facility-St. Cloud;
- (9) Minnesota Correctional Facility-Stillwater;
- (10) Minnesota Correctional Facility-Togo; or
- (11) Minnesota Correctional Facility-Willow River.

Subd. 9. **Eligible program.** "Eligible program" means:

- (1) the forensic services program; or
- (2) the Minnesota Sex Offender Program.

Subd. 10. **Employee organization.** "Employee organization" has the meaning given in section 179A.03, subdivision 6.

Subd. 11. **Rehabilitation.** "Rehabilitation" means the process of providing treatment, education, or other interventions designed to improve the mental, physical, or behavioral condition of a patient, client, or incarcerated person with the goal of facilitating the reintegration into society or improving the quality of life of the patient, client, or incarcerated person.

Subd. 12. **Supervision.** "Supervision" means the oversight and management of patients, clients, or incarcerated persons by an employee at an eligible facility or eligible program to ensure compliance with rules, regulations, and treatment plans; monitor behavior; enforce discipline; and provide guidance or direction.

Subd. 13. **Treatment.** "Treatment" means the broad range of services, including medical, psychological, or therapeutic interventions, aimed at addressing the health, mental health, or behavioral needs and overall condition of patients, clients, or incarcerated persons by or under the supervision of employees at an eligible facility or eligible program.

Subd. 14. **Working time.** "Working time" means time spent performing the normal duties of an employee's employment position, not including time spent in training or on a leave of absence for vacation, illness, or other reasons as authorized in the human resources policies applicable to the employee.

Sec. 6. **[352.905] COVERED CORRECTIONAL SERVICE.**

Subdivision 1. **Direct contact not required.** (a) For all periods of service that an employee is performing covered correctional service as defined in this subdivision, the employee is a member of the correctional employees retirement plan, whether or not the employee has any direct contact.

(b) "Covered correctional service" under this subdivision means service performed by a state employee employed at an eligible facility or in an eligible program in one of the following employment positions:

- (1) corrections officer 1;
- (2) corrections officer 2;
- (3) corrections officer 3;
- (4) corrections lieutenant;
- (5) corrections captain;
- (6) security counselor;
- (7) security counselor lead; or
- (8) corrections canine officer.

Subd. 2. **Direct contact required.** (a) For all periods of service that an employee is performing covered correctional service as defined in this subdivision, the employee is a member of the correctional employees retirement plan, but only if the employee satisfies the direct contact requirement and the employee's employer has certified to the executive director, in the manner prescribed by the executive director, that the employee satisfies the direct contact requirement.

(b) "Covered correctional service" under this subdivision means service performed by a state employee employed at an eligible facility or in an eligible program in one of the employment positions specified in subdivisions 3 to 6.

Subd. 3. **Employment positions A to C.** Employment positions with a title that begins with the letters "A" to "C":

- (1) automotive mechanic;
- (2) baker;
- (3) behavior analyst 1;
- (4) behavior analyst 2;
- (5) behavior analyst 3;
- (6) building maintenance coordinator;
- (7) building maintenance lead worker;
- (8) building maintenance supervisor 2;
- (9) building utilities mechanic;
- (10) carpenter;
- (11) carpenter lead;
- (12) central services administrative specialist intermediate;
- (13) central services administrative specialist principal;
- (14) central services administrative specialist senior;
- (15) certified occupational therapy assistant 1;
- (16) certified occupational therapy assistant 2;
- (17) chaplain;
- (18) client advocate;
- (19) clinical program therapist 1;
- (20) clinical program therapist 2;
- (21) clinical program therapist 3;
- (22) clinical program therapist 4;
- (23) cook;
- (24) cook coordinator;
- (25) corrections chief cook;

- (26) corrections discipline unit supervisor;
- (27) corrections food services supervisor;
- (28) corrections industries production supervisor;
- (29) corrections inmate program coordinator;
- (30) corrections manufacturing specialist-tool and die;
- (31) corrections manufacturing specialist-engraving and drafting;
- (32) corrections manufacturing specialist-graphics;
- (33) corrections manufacturing specialist-light assembly;
- (34) corrections manufacturing specialist-light manufacturing;
- (35) corrections manufacturing specialist-mechanical;
- (36) corrections manufacturing specialist-sales and service;
- (37) corrections manufacturing specialist-transportation and warehouse;
- (38) corrections manufacturing specialist-wood;
- (39) corrections security caseworker;
- (40) corrections security caseworker career;
- (41) corrections teaching assistant;
- (42) corrections transitions program coordinator;
- (43) culinary supervisor; and
- (44) customer services specialist principal.

Subd. 4. **Employment positions D to M.** Employment positions with a title that begins with the letters "D" to "M":

- (1) delivery van driver;
- (2) dental assistant;
- (3) dental hygienist;
- (4) dentist;
- (5) electrical/electronics specialist;
- (6) electrician;

- (7) electrician lead;
- (8) electrician master of record;
- (9) electrician supervisor;
- (10) food service supervisor;
- (11) food service worker;
- (12) general maintenance worker;
- (13) general maintenance worker lead;
- (14) general repair worker;
- (15) groundskeeper senior;
- (16) group supervisor;
- (17) group supervisor assistant;
- (18) human services support specialist;
- (19) institution maintenance lead worker;
- (20) laborer trades and equipment;
- (21) library technician;
- (22) library/information resource services specialist;
- (23) library/information resource services specialist supervisor;
- (24) licensed alcohol/drug counselor;
- (25) licensed practical nurse;
- (26) machinery repair worker;
- (27) maintenance machinist;
- (28) management analyst 3;
- (29) mason;
- (30) medical assistant, certified; and
- (31) music therapist.

Subd. 5. **Employment positions O to R.** Employment positions with a title that begins with the letters "O" to "R":

- (1) occupational therapist;
- (2) occupational therapist senior;
- (3) painter;
- (4) painter lead;
- (5) physical therapist;
- (6) plant maintenance engineer;
- (7) plant maintenance engineer lead;
- (8) plumber;
- (9) plumber chief;
- (10) plumber master in charge;
- (11) plumber supervisor;
- (12) psychiatric advanced practice registered nurse;
- (13) psychologist 1;
- (14) psychologist 2;
- (15) psychologist 3;
- (16) recreation program assistant;
- (17) recreation therapist;
- (18) recreation therapist coordinator;
- (19) recreation therapist senior;
- (20) refrigeration mechanic;
- (21) registered nurse;
- (22) registered nurse advanced practice;
- (23) registered nurse principal;
- (24) registered nurse senior;
- (25) rehabilitation counselor senior; and
- (26) residential program lead.

Subd. 6. **Employment positions S to W.** Employment positions with a title that begins with the letters "S" to "W":

- (1) security supervisor;
- (2) sentencing to service crew leader, institution community work crews;
- (3) skills development specialist;
- (4) social work specialist;
- (5) social work specialist senior-human services;
- (6) social worker senior;
- (7) special education program assistant;
- (8) special teacher: doctoral;
- (9) special teacher: master of arts/master of science/five-year+teachers license;
- (10) special teacher: five-year career technical credential;
- (11) special teacher: five-year career technical credential+10 credits;
- (12) special teacher: five-year career technical credential+20 credits;
- (13) special teacher: five-year career technical credential+30 credits;
- (14) special teacher: five-year career technical credential+40 credits;
- (15) special teacher: five-year career technical credential+50 credits;
- (16) special teacher: bachelor of arts/bachelor of science+teachers license;
- (17) special teacher: bachelor of arts/bachelor of science+teachers license+10 credits;
- (18) special teacher: bachelor of arts/bachelor of science+teachers license+20 credits;
- (19) special teacher: bachelor of arts/bachelor of science+teachers license+30 credits;
- (20) special teacher: bachelor of arts/bachelor of science+teachers license+40 credits;
- (21) special teacher: career technical credential;
- (22) special teacher: master of arts/master of science+teachers license+10 graduate credits;
- (23) special teacher: master of arts/master of science+teachers license+20 graduate credits;
- (24) special teacher: master of arts/master of science+teachers license+30 graduate credits;
- (25) special teacher: no degree/teachers license;

- (26) speech pathology clinician;
- (27) sports medicine specialist;
- (28) work therapy assistant;
- (29) work therapy program coordinator; and
- (30) work therapy technician.

Subd. 7. **Former employees of Minnesota Specialty Health System-Cambridge.** A Department of Human Services or Direct Care and Treatment employee who was employed at the Minnesota Specialty Health System-Cambridge immediately preceding the 2014 conversion to community-based homes and was in covered correctional service at the time of the transition will continue to be covered by the correctional employees retirement plan while employed in the direct care and treatment of patients by and without a break in service with the Department of Human Services or Direct Care and Treatment.

Sec. 7. **[352.907] PLAN COVERAGE CHANGES.**

Subdivision 1. **Correctional plan membership committee.** (a) A correctional plan membership committee is established to make determinations regarding changes to employment positions and to coverage of employees.

(b) The members of the correctional plan membership committee are:

- (1) the commissioner or the commissioner's designee;
- (2) the chief executive officer or the chief executive officer's designee;
- (3) the executive director or the executive director's designee;
- (4) the commissioner of management and budget or the commissioner's designee;

(5) one representative from each employee organization that represents one or more employees of the Department of Corrections or Direct Care and Treatment and who are covered by the correctional employees retirement plan;

(6) the human resources director or the director's designee from the Department of Corrections;
and

(7) the human resources director or the director's designee from Direct Care and Treatment.

(c) A member of the correctional plan membership committee under paragraph (b), clause (5), need not attend a meeting of the committee if none of the employees represented by the employee organization will be impacted by any action to be taken by the committee at the meeting.

(d) If the executive director has received one or more requests for changes to the title of an employment position, the addition or removal of an employment position from the lists in section 352.905, or the commencement or cessation of coverage of an employee by the correctional employees

retirement plan, the executive director must convene the correctional plan membership committee at least as frequently as once every calendar quarter. If the executive director has not received any requests during a calendar quarter, the executive director is not required to convene a meeting.

(e) The human resources directors of the Department of Corrections and Direct Care and Treatment must retain each request to the correctional plan membership committee and the related documentation and final determination for an employee or employment position in their respective department or agency.

Subd. 2. **Change in the title of an employment position.** (a) No later than 60 days before the effective date of a change in the title of an employment position listed in section 352.905, the Department of Corrections or Direct Care and Treatment, as applicable, must submit a request to the commissioner of management and budget to review the title change and determine whether the responsibilities of the employment position have changed. The commissioner of management and budget must provide a response to the Department of Corrections or Direct Care and Treatment, as applicable, by the effective date of the change.

(b) If the commissioner of management and budget determines that the responsibilities of the employment position have not changed or the responsibilities of the employment position have changed but the changes do not affect the eligibility of the employment position for coverage by the correctional employees retirement plan, the department or agency, as applicable, must:

(1) submit the title change to the executive director of the Legislative Commission on Pensions and Retirement before the start of the next legislative session and request legislation to replace the title in section 352.905 with the new title; and

(2) notify each employee in the employment position no later than 30 days after the effective date of the title change that the title change will not affect the continued coverage of the employee by the correctional employees retirement plan and that the department or agency, as applicable, has submitted a request to the legislature to change the title in section 352.905.

(c) If the commissioner of management and budget determines that the responsibilities of the employment position have changed and the changes result in the employment position no longer being qualified for coverage by the correctional employees retirement plan, the employer must:

(1) submit a request to the correctional plan membership committee for confirmation that the employment position must be removed from the lists of employment positions in section 352.905; and

(2) notify each employee in the employment position no later than 30 days after the effective date of the title change that a determination was made by the commissioner of management and budget that, because the responsibilities of the employment position have changed, the employment position and all employees in the employment position are no longer eligible for coverage by the correctional employees retirement plan subject to confirmation by the correctional plan membership committee.

Subd. 3. **Transfers to new eligible facility or eligible program.** (a) If the Department of Corrections or Direct Care and Treatment adds a facility to the list of eligible facilities under section 352.901, subdivision 8, or a program to the list of eligible programs under section 352.901,

subdivision 9, and the department or agency, as applicable, responsible for the new facility or program transfers a state employee who was rendering covered correctional service under section 352.905 to the new facility or program, the state employee must continue to be covered by the correctional employees retirement plan if the employee is employed in the same employment position at the new facility or in the new program.

(b) The employee continues to be covered by the correctional employees retirement plan unless the department or agency, as applicable, completes the process under subdivision 5 and the correctional plan membership committee has determined that the employee no longer qualifies for coverage.

Subd. 4. **Procedures for making employment position changes.** (a) The correctional plan membership committee must consider requests to add or remove an employment position listed in section 352.905, subdivisions 3 to 6, or to confirm a determination under subdivision 2 by the commissioner of management and budget that, because the responsibilities of the employment position have changed, the employment position and all employees in the employment position are no longer eligible for coverage by the correctional employees retirement plan.

(b) An employee, employee organization, or employer may submit a request to the correctional plan membership committee to add an employment position to section 352.905, subdivisions 3 to 6. The correctional plan membership committee may determine that an employment position must be added if the committee determines that at least one employee in the employment position satisfies the direct contact requirement.

(c) The correctional plan membership committee may, at the request of an employer, determine under this subdivision or confirm a determination under subdivision 2, clause (2), that an employment position must be removed from the lists in section 352.905, subdivisions 3 to 6, if the committee determines that no employee in the employment classification satisfies the direct contact requirement.

(d) The correctional plan membership committee must include an effective date in any determination to add or remove an employment position from the lists in section 352.905, subdivisions 3 to 6. The effective date may be retroactive for a determination to add an employment position.

(e) If the correctional plan membership committee determines that an employment position must be added to or removed from the lists of employment positions in section 352.905, subdivisions 3 to 6, the department or agency affected by the determination must submit the employment position change to the executive director of the Legislative Commission on Pensions and Retirement before the start of the next legislative session and request legislation to make the change.

(f) After making a determination that an employment position must be added to or removed from the lists of employment positions in section 352.905, subdivisions 3 to 6, the correctional plan membership committee must designate a member of the committee to communicate the committee's determination to all affected employees no later than ten days after the date of the meeting at which the determination was made and inform the employees of the right to appeal the determination under subdivision 6.

Subd. 5. **Procedures for adding or ceasing coverage for employees.** (a) The correctional plan membership committee must consider requests to provide coverage by the correctional employees

retirement plan to an employee in an employment position listed in section 352.905, subdivisions 3 to 6, or to cease coverage of an employee.

(b) An employee, an employee's employee organization, or an employee's manager may submit a request to the correctional plan membership committee to provide coverage to an employee in an employment position listed in section 352.905, subdivisions 3 to 6. The request may include a description of the extent of the physical hazard that the employee is routinely subjected to in the course of employment, the extent of intervention routinely expected of the employee in the event of a facility incident, and the extent the employee is routinely involved in the rehabilitation, treatment, custody, or supervision of patients, clients, or incarcerated persons. The request must include:

(1) a signed and dated position description for the employee's position; and

(2) a statement signed by the employer's human resources director or the director's designee and the commissioner or the chief executive officer, as applicable, that the employee satisfies the direct contact requirement.

(c) An employer may submit a request to the correctional plan membership committee to cease coverage of an employee. The request must include:

(1) a signed and dated position description for the employee's position; and

(2) a statement signed by the employee's employer that the employee no longer satisfies the direct contact requirement.

(d) The correctional plan membership committee must include an effective date in any determination that an employee must begin to receive coverage by the correctional employees retirement plan or that coverage must cease. The effective date may be retroactive to the date as of which the coverage requirements were first satisfied or were no longer met.

(e) After making a determination of coverage or no coverage for an employee, the correctional plan membership committee must designate a member of the committee to communicate the committee's determination to the affected employee no later than ten days after the date of the meeting at which the determination was made and inform the employee of the right to appeal the determination under subdivision 6.

Subd. 6. Right to appeal. (a) No later than 30 days after receiving a determination under subdivision 4 or 5, the affected employee may appeal a determination of the correctional plan membership committee by filing an appeal with the human resources manager of the department or agency, as applicable, in which the employee is employed. The appeal must include:

(1) the reasons for the appeal and rationale for a determination that the employee be covered by the correctional employees retirement plan; and

(2) new or additional information, if any, not previously submitted or considered by the correctional plan membership committee, including a new or revised position description and samples of work product.

(b) The appeal must be decided by the commissioner of corrections if the employee is an employee of the Department of Corrections or by the chief executive officer of Direct Care and Treatment if the employee is an employee of Direct Care and Treatment. The decision of the commissioner or chief executive officer, as applicable, is final.

(c) A determination not timely appealed under paragraph (a) is not entitled to further administrative or judicial review. A determination under subdivision 4 or 5 or an appeal decided under paragraph (b) may not be appealed under section 356.96.

Sec. 8. **[352.908] CORRECTION OF PLAN COVERAGE ERRORS.**

Section 356.637 applies if an employee is erroneously covered by:

(1) the correctional employees retirement plan when the employee should have been covered by one of the other plans specified in section 356.637; or

(2) a plan specified in section 356.637, other than the correctional employees retirement plan, when the employee should have been covered by the correctional employees retirement plan.

Sec. 9. Minnesota Statutes 2024, section 352.93, subdivision 1, is amended to read:

Subdivision 1. **Basis of annuity; when to apply.** After separation from state service, an employee covered under section ~~352.94~~ 352.905 who has reached age 55 years and is vested under section 352.925, is entitled upon application to a retirement annuity under this section, based only on covered correctional employees' service. Application may be made no earlier than 60 days before the date the employee is eligible to retire by reason of both age and service requirements.

Sec. 10. Minnesota Statutes 2024, section 352.955, subdivision 1, is amended to read:

Subdivision 1. **Election to transfer prior MSRS-general service credit.** (a) An eligible employee described in paragraph (b) may elect to transfer service credit in the general state employees retirement plan of the Minnesota State Retirement System to the correctional state employees retirement plan for eligible prior correctional employment.

(b) An eligible employee is a person who is covered by legislation implementing the recommendations under section 352.91, subdivision 4a the correctional plan membership committee determines is entitled to coverage by the correctional employees retirement plan under section 352.907.

(c) Eligible prior correctional employment is employment covered by the general state employees retirement plan of the Minnesota State Retirement System, is continuous service, and is certified by the commissioner of corrections and the Direct Care and Treatment executive board, whichever applies, and by the commissioner of management and budget to the executive director of the Minnesota State Retirement System as service that would qualify for correctional state employees retirement plan coverage under section ~~352.94~~ 352.905, if the service had been rendered after the date of coverage transfer.

(d) The election to transfer past service credit under this section must be made in writing by the applicable person on a form prescribed by the executive director of the Minnesota State Retirement

System and must be filed with the executive director of the Minnesota State Retirement System on or before the one year anniversary of the coverage transfer or the date of the eligible employee's termination of state employment, whichever is earlier.

Sec. 11. **REPEALER.**

Minnesota Statutes 2024, section 352.91, subdivisions 1, 2, 2a, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 4a, 4b, 4c, and 6, are repealed.

Sec. 12. **EFFECTIVE DATE.**

Sections 1 to 11 are effective January 1, 2026.

ARTICLE 6

HIGHER EDUCATION SUPPLEMENTAL RETIREMENT PLAN

Section 1. Minnesota Statutes 2024, section 356.24, subdivision 1, is amended to read:

Subdivision 1. **Restriction; exceptions.** It is unlawful for a school district or other governmental subdivision or state agency to levy taxes for or to contribute public funds to a supplemental pension or deferred compensation plan that is established, maintained, and operated in addition to a primary pension program for the benefit of the governmental subdivision employees other than:

(1) to a supplemental pension plan that was established, maintained, and operated before May 6, 1971;

(2) to a plan that provides solely for group health, hospital, disability, or death benefits;

(3) to the individual retirement account plan established by chapter 354B;

(4) to a plan that provides solely for severance pay under section 465.72 to a retiring or terminating employee;

(5) to a deferred compensation plan defined in subdivision 3;

(6) for personnel employed by the Board of Trustees of the Minnesota State Colleges and Universities and not covered by clause (5), to the supplemental retirement plan under chapter 354C, if the supplemental plan coverage is provided for in a personnel policy or in the collective bargaining agreement of the public employer with the exclusive representative of the covered employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of ~~\$2,700~~ \$4,300 a year for each employee;

(7) to a supplemental plan or to a governmental trust to save for postretirement health care expenses qualified for tax-preferred treatment under the Internal Revenue Code, if the supplemental plan coverage is provided for in a personnel policy or in the collective bargaining agreement of a public employer with the exclusive representative of the covered employees in an appropriate unit;

(8) to the laborers national industrial pension fund or to a laborers local pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement

that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of \$10,000 per year per employee;

(9) to the plumbers and pipefitters national pension fund or to a plumbers and pipefitters local pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of \$5,000 per year per employee;

(10) to the international union of operating engineers pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of \$10,000 per year per employee;

(11) to the International Association of Machinists national pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of \$5,000 per year per employee;

(12) for employees of United Hospital District, Blue Earth, to the state of Minnesota deferred compensation program, if the employee makes a contribution, in an amount that does not exceed the total percentage of covered salary under section 353.27, subdivisions 3 and 3a;

(13) to the alternative retirement plans established by the Hennepin County Medical Center under section 383B.914, subdivision 5;

(14) to the International Brotherhood of Teamsters Central States pension plan for fixed-route bus drivers employed by the St. Cloud Metropolitan Transit Commission who are members of the International Brotherhood of Teamsters Local 638 by virtue of that employment; or

(15) to a supplemental plan organized and operated under the Internal Revenue Code, as amended, that is wholly and solely funded by the employee's accumulated sick leave, accumulated vacation leave, and accumulated severance pay.

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

ARTICLE 7

STATE AUDITOR'S FIRE RELIEF ASSOCIATION WORKING GROUP

Section 1. Minnesota Statutes 2024, section 424A.014, subdivision 2, is amended to read:

Subd. 2. **Financial statement.** (a) The board of trustees of each firefighters relief association that is not required to and does not choose to file a financial report and audit under subdivision 1 must prepare a detailed statement of the financial affairs for the preceding fiscal year of the relief association's special and general funds in the style and form prescribed by the state auditor. The detailed statement must show:

(1) the sources and amounts of all money received;

- (2) all disbursements, accounts payable, and accounts receivable;
- (3) the amount of money remaining in the treasury;
- (4) total assets, including a listing of all investments;
- (5) the accrued liabilities; and

(6) all other items necessary to show accurately the revenues and expenditures and financial position of the relief association.

(b) The detailed financial statement of the special and general funds required under paragraph (a) must be certified by a certified public accountant or by the state auditor in accordance with agreed-upon procedures and forms prescribed by the state auditor. The accountant must have at least five years of public accounting, auditing, or similar experience and must not be an active, inactive, or retired member of the relief association or the fire department.

(c) The detailed financial statement required under paragraph (a) must be countersigned by:

(1) the municipal clerk or clerk-treasurer of the municipality;

(2) where applicable, the municipal clerk or clerk-treasurer of the largest municipality in population that contracts with the independent nonprofit firefighting corporation if the relief association is a subsidiary of an independent nonprofit firefighting corporation, and by the secretary of the independent nonprofit firefighting corporation; or

(3) the chief financial official of the county in which the firefighters relief association is located or primarily located if the relief association is associated with a fire department that is not located in or associated with an organized municipality.

(d) The firefighters relief association board must submit a copy of the detailed financial statement required under paragraph (a) that has been certified by the governing body of the municipality to the state auditor on or before ~~March 31~~ June 30 after the close of the fiscal year.

(e) A certified public accountant or auditor who performs the agreed-upon procedures under paragraph (b) is subject to the reporting requirement of section 6.67.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 2. Minnesota Statutes 2024, section 424A.015, subdivision 4, is amended to read:

Subd. 4. ~~Transfer to individual retirement account~~ **Right to elect a direct rollover.** ~~A relief association that is a qualified pension plan under section 401(a) of the Internal Revenue Code, as amended, and that provides a single payment service pension, at the written request of the applicable retiring member or, following the death of the active member, at the written request of the deceased member's surviving spouse, may directly transfer on an institution-to-institution basis the eligible member's lump-sum pension or the survivor benefit attributable to the member, whichever applies, to the requesting person's individual retirement account under section 408(a) of the Internal Revenue Code, as amended.~~ A relief association must permit a member, a surviving spouse, or another distributee as defined in section 356.633, subdivision 1, paragraph (b), to elect a direct rollover of

any distribution that is an eligible rollover distribution as defined in section 356.633, subdivision 1, paragraph (d), subject to the terms and conditions of section 356.633.

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

Sec. 3. Minnesota Statutes 2024, section 424A.016, subdivision 2, is amended to read:

Subd. 2. **Defined contribution service pension eligibility.** (a) A relief association, when its articles of incorporation or bylaws so provide, may pay as soon as practicable out of the assets of its special fund a defined contribution service pension to each of its members who:

(1) separates from active service with the fire department;

(2) ~~reaches age 50~~ submits a valid written application for the distribution;

(3) completes at least five years of active service as an active member of the fire department to which the relief association is associated;

(4) completes at least five years of active membership with the relief association before separation from active service; and

(5) complies with any additional conditions as to age, service, and membership that are prescribed by the bylaws of the relief association.

(b) In the case of a member who has completed at least five years of active service as an active member of the fire department to which the relief association is associated on the date that the relief association is established and incorporated, the requirement that the member complete at least five years of active membership with the relief association before separation from active service may be waived by the board of trustees of the relief association if the member completes at least five years of inactive membership with the relief association before the date of the payment of the service pension. During the period of inactive membership, the member is not entitled to receive any disability benefit coverage, is not entitled to receive additional individual account allocation of fire state aid or municipal contribution toward a service pension, and is considered to have the status of a person entitled to a deferred service pension.

(c) The service pension earned by a firefighter under this chapter and the articles of incorporation and bylaws of the relief association may be paid whether or not the municipality or independent nonprofit firefighting corporation to which the relief association is associated qualifies for the receipt of fire state aid under chapter 477B.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 4. Minnesota Statutes 2024, section 424A.016, subdivision 6, is amended to read:

Subd. 6. **Deferred service pensions.** (a) A "deferred member" means a member of a relief association who has separated from active service and membership and has completed the minimum service and membership requirements in subdivision 2. The requirement that a member separate from active service and membership is waived for ~~persons~~ any person who ~~have~~ has discontinued ~~their~~ volunteer firefighter and paid on-call firefighter duties and ~~who are~~ is employed on a part-time or full-time basis under section 424A.015, subdivision 1.

(b) A deferred member is entitled to receive a deferred service pension when as soon as practicable after the member reaches at least age 50, or at least the minimum age specified in the bylaws governing the relief association if that age is greater than age 50, and makes submits a valid written application for the distribution and complies with any conditions as to age prescribed by the relief association's bylaws.

(c) A defined contribution relief association must credit interest or additional investment performance on the deferred lump-sum service pension during the period of deferral for all deferred members on or after January 1, 2021. A defined contribution relief association may specify in its bylaws the method by which it will credit interest or additional investment performance to the accounts of deferred members. Such method shall be limited to one of the three methods provided in this paragraph. In the event the bylaws do not specify a method, the interest or additional investment performance must be credited using the method defined in clause (3). The permissible methods are:

(1) at the investment performance rate actually earned on that portion of the assets if the deferred benefit amount is invested by the relief association in a separate account established and maintained by the relief association;

(2) at the investment performance rate actually earned on that portion of the assets if the deferred benefit amount is invested in a separate investment vehicle held by the relief association; or

(3) at the investment return on the assets of the special fund of the defined contribution relief association in proportion to the share of the assets of the special fund to the credit of each individual deferred member account.

(d) Notwithstanding the requirements of section 424A.015, subdivision 6, bylaw amendments made in accordance with paragraph (c) on or before January 1, 2022, shall apply to members already in deferred status as of January 1, 2021.

(e) Unless the bylaws provide differently, interest or additional investment performance must be allocated to each deferred member account beginning on the date that the member separates from active service and membership and ending on the last date that the deferred member account is valued before the final distribution of the deferred service pension.

(f) Notwithstanding the requirements of section 424A.015, subdivision 6, a relief association that amends its bylaws to lower the required minimum retirement age may specify in the bylaws amendment that the lower minimum retirement age applies to members who separated from active service and membership prior to the effective date of the bylaws amendment.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 5. Minnesota Statutes 2024, section 424A.05, subdivision 3, is amended to read:

Subd. 3. **Authorized disbursements from special fund.** (a) Disbursements from the special fund may not be made for any purpose other than one of the following:

(1) for the payment or direct rollover under section 356.633 of service pensions to ~~retired~~ members of the relief association if authorized and paid under law and the bylaws governing the relief association;

(2) for the purchase of an annuity for the applicable person under section 424A.015, subdivision 3, ~~for the transfer of service pension or benefit amounts to the applicable person's individual retirement account under section 424A.015, subdivision 4, or to the applicable person's account in the Minnesota deferred compensation plan under section 424A.015, subdivision 5;~~

(3) for the payment or direct rollover under section 356.633 of temporary or permanent disability benefits to disabled members of the relief association if authorized and paid under law and specified in amount in the bylaws governing the relief association;

(4) for the payment or direct rollover under section 356.633 of survivor benefits or for the payment of a death benefit to the estate of the deceased active or deferred firefighter, if authorized and paid under law and specified in amount in the bylaws governing the relief association;

(5) for the payment of the fees, dues and assessments to the Minnesota State Fire Department Association and to the Minnesota State Fire Chiefs Association in order to entitle relief association members to membership in and the benefits of these associations or organizations;

(6) for the payment of insurance premiums to the state Volunteer Firefighters Benefit Association, or an insurance company licensed by the state of Minnesota offering casualty insurance, in order to entitle relief association members to membership in and the benefits of the association or organization;

(7) for the payment of administrative expenses of the relief association as authorized under subdivision 3b; and

(8) for the payment or direct rollover under section 356.633 of a service pension to the former spouse of a member or former member of a relief association, if the former spouse is an alternate payee designated in a qualified domestic relations order under subdivision 5.

(b) Checks or authorizations for electronic fund transfers for disbursements authorized by this section must be signed by the relief association treasurer and at least one other elected trustee who has been designated by the board of trustees to sign the checks or authorizations. A relief association may make disbursements authorized by this subdivision by electronic fund transfers only if the specific method of payment and internal control policies and procedures regarding the method are approved by the board of trustees.

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

Sec. 6. Minnesota Statutes 2024, section 424A.06, subdivision 2, is amended to read:

Subd. 2. **General fund assets and revenues.** (a) The general fund, if established, must be credited with the following:

(1) all money received from dues ~~other than dues payable as contributions under the bylaws of the relief association to the special fund;~~

(2) all money received from fines;

(3) all money received from initiation fees;

(4) all money received as entertainment revenues; and

(5) any money or property donated, given, granted or devised by any person, either for the support of the general fund of the relief association or for unspecified purposes.

(b) The treasurer of the relief association is the custodian of the assets of the general fund and must be the recipient on behalf of the general fund of all revenues payable to the general fund. The treasurer shall maintain adequate records documenting any transaction involving the assets or the revenues of the general fund. These records must be open for inspection by any member of the relief association at reasonable times and places.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 7. Minnesota Statutes 2024, section 424A.092, subdivision 2, is amended to read:

Subd. 2. **Determination of accrued liability.** (a) ~~Beginning with the calculation performed in 2021 for the 2022 calendar year,~~ Each firefighters relief association which pays a lump-sum service pension shall determine the accrued liability of the special fund of the firefighters relief association relative to each active member of the relief association, calculated using the applicable appendix to the standards for actuarial work established by the Legislative Commission on Pensions and Retirement under section 3.85, subdivision 10.

~~(b) For calendar years before 2022, each firefighters relief association shall determine the accrued liability of the special fund of the firefighters relief association relative to each active member of the relief association, calculated individually using the following table:~~

Cumulative Year	Accrued Liability
1	\$ 60
2	124
3	190
4	260
5	334
6	410
7	492
8	576
9	666
10	760
11	858
12	962
13	1070
14	1184
15	1304
16	1428
17	1560
18	1698

19	1844
20	2000
21 and thereafter	100 additional per year

~~As set forth in the table the accrued liability for each member of the relief association corresponds to the cumulative years of active service to the credit of the member. The accrued liability of the special fund for each active member is determined by multiplying the accrued liability from the chart by the ratio of the lump-sum service pension amount currently provided for in the bylaws of the relief association to a service pension of \$100 per year of service.~~

~~(e)~~ (b) If a member has fractional service as of December 31, the figure for service credit to be used for the determination of accrued liability pursuant to this section shall be rounded to the nearest full year of service credit. The total accrued liability of the special fund as of December 31 shall be the sum of the accrued liability attributable to each active member of the relief association.

~~(d)~~ (c) To the extent that the state auditor considers it to be necessary or practical, the state auditor may specify and issue procedures, forms, or mathematical tables for use in performing the calculations of the accrued liability for deferred members pursuant to this subdivision.

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

Sec. 8. Minnesota Statutes 2024, section 424A.092, subdivision 3, is amended to read:

Subd. 3. Financial requirements of relief association; minimum obligation of municipality.

(a) During the month of July, the officers of the relief association shall determine the overall funding balance of the special fund for the current calendar year, the financial requirements of the special fund for the following calendar year and the minimum obligation of the municipality with respect to the special fund for the following calendar year in accordance with the requirements of this subdivision.

(b) The overall funding balance of the special fund for the current calendar year must be determined in the following manner:

(1) The total accrued liability of the special fund for all active and deferred members of the relief association as of December 31 of the current year must be calculated under subdivisions 2 and 2a, if applicable.

(2) The total present assets of the special fund projected to December 31 of the current year, including receipts by and disbursements from the special fund anticipated to occur on or before December 31, must be calculated. To the extent possible, for those assets for which a market value is readily ascertainable, the current market value as of the date of the calculation for those assets must be utilized in making this calculation. For any asset for which no market value is readily ascertainable, the cost value or the book value, whichever is applicable, must be utilized in making this calculation.

(3) The amount of the total present assets of the special fund calculated under clause (2) must be subtracted from the amount of the total accrued liability of the special fund calculated under clause (1). If the amount of total present assets exceeds the amount of the total accrued liability, then the special fund is considered to have a surplus over full funding. If the amount of the total

present assets is less than the amount of the total accrued liability, then the special fund is considered to have a deficit from full funding. If the amount of total present assets is equal to the amount of the total accrued liability, then the special fund is considered to be fully funded.

(c) The financial requirements of the special fund for the following calendar year must be determined in the following manner:

(1) The total accrued liability of the special fund for all active and deferred members of the relief association as of December 31 of the calendar year next following the current calendar year must be calculated under subdivisions 2 and 2a, if applicable.

(2) The increase in the total accrued liability of the special fund for the following calendar year over the total accrued liability of the special fund for the current year must be calculated.

(3) The amount of anticipated future administrative expenses of the special fund must be calculated by multiplying the dollar amount of the administrative expenses of the special fund for the most recent prior calendar year by the factor of 1.035.

(4) If the special fund is fully funded, the financial requirements of the special fund for the following calendar year are the total of the amounts calculated under clauses (2) and (3).

(5) If the special fund has a deficit from full funding, the financial requirements of the special fund for the following calendar year are the financial requirements of the special fund calculated as though the special fund were fully funded under clause (4) plus an amount equal to one-tenth of the original amount of the deficit from full funding of the special fund as determined under clause (2) resulting either from an increase in the amount of the service pension occurring in the last ten years or from a net annual investment loss occurring during the last ten years until each increase in the deficit from full funding is fully retired. The annual amortization contribution under this clause may not exceed the amount of the deficit from full funding.

(6) If the special fund has a surplus over full funding, the financial requirements of the special fund for the following calendar year are the financial requirements of the special fund calculated as though the special fund were fully funded under clause (4) reduced by an amount equal to one-tenth of the amount of the surplus over full funding of the special fund.

(d) The minimum obligation of the municipality with respect to the special fund is the financial requirements of the special fund reduced by the amount of any fire state aid and police and firefighter retirement supplemental state aid payable under chapter 477B and section 423A.022 reasonably anticipated to be received by the municipality for transmittal to the special fund during the following calendar year, and an amount of interest on the assets of the special fund projected to the beginning of the following calendar year calculated at the rate of five percent per annum, ~~and the amount of any contributions to the special fund required by the relief association bylaws from the active members of the relief association reasonably anticipated to be received during the following calendar year.~~ A reasonable amount of anticipated fire state aid is an amount that does not exceed the fire state aid actually received in the prior year multiplied by the factor 1.035.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 9. Minnesota Statutes 2024, section 424A.092, subdivision 4, is amended to read:

Subd. 4. **Certification of financial requirements and minimum municipal obligation; levy.**

(a) The officers of the relief association shall certify the financial requirements of the special fund of the relief association and the minimum obligation of the municipality with respect to the special fund of the relief association as determined under subdivision 3 on or before August 1 of each year. The certification must be made to the entity that is responsible for satisfying the minimum obligation with respect to the special fund of the relief association. If the responsible entity is a joint powers entity, the certification must be made in the manner specified in the joint powers agreement, or if the joint powers agreement is silent on this point, the certification must be made to the chair of the joint powers board.

(b) The financial requirements of the relief association and the minimum municipal obligation must be included in the financial report or financial statement under section 424A.014. The schedule forms related to the determination of the financial requirements must be filed annually with the state auditor by ~~March 31, annually, if the relief association is required to file a financial statement under section 424A.014, subdivision 2, or by June 30, annually, if the relief association is required to file a financial report and audit under section 424A.014, subdivision 1.~~

(c) The municipality shall provide for at least the minimum obligation of the municipality with respect to the special fund of the relief association by tax levy or from any other source of public revenue.

(d) The municipality may levy taxes for the payment of the minimum municipal obligation without any limitation as to rate or amount and irrespective of any limitations imposed by other provisions of law upon the rate or amount of taxation until the balance of the special fund or any fund of the relief association has attained a specified level. In addition, any taxes levied under this section must not cause the amount or rate of any other taxes levied in that year or to be levied in a subsequent year by the municipality which are subject to a limitation as to rate or amount to be reduced.

(e) If the municipality does not include the full amount of the minimum municipal obligations in its levy for any year, the officers of the relief association shall certify that amount to the county auditor, who shall spread a levy in the amount of the certified minimum municipal obligation on the taxable property of the municipality.

(f) If the state auditor determines that a municipal contribution actually made in a plan year was insufficient under section 424A.091, subdivision 3, paragraph (c), clause (5), the state auditor may request a copy of the certifications under this subdivision from the relief association or from the city. The relief association or the city, whichever applies, must provide the certifications within 14 days of the date of the request from the state auditor.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 10. Minnesota Statutes 2024, section 424A.093, subdivision 5, is amended to read:

Subd. 5. **Minimum municipal obligation.** (a) The officers of the relief association shall determine the minimum obligation of the municipality with respect to the special fund of the relief association for the following calendar year on or before August 1 of each year in accordance with the requirements of this subdivision.

(b) The minimum obligation of the municipality with respect to the special fund is an amount equal to the financial requirements of the special fund of the relief association determined under subdivision 4, reduced by the estimated amount of any fire state aid and police and firefighter retirement supplemental state aid payable under chapter 477B and section 423A.022 reasonably anticipated to be received by the municipality for transmittal to the special fund of the relief association during the following year ~~and the amount of any anticipated contributions to the special fund required by the relief association bylaws from the active members of the relief association reasonably anticipated to be received during the following calendar year~~. A reasonable amount of anticipated fire state aid is an amount that does not exceed the fire state aid actually received in the prior year multiplied by the factor 1.035.

(c) The officers of the relief association shall certify the financial requirements of the special fund of the relief association and the minimum obligation of the municipality with respect to the special fund of the relief association as determined under subdivision 4 and this subdivision by August 1 of each year. The certification must be made to the entity that is responsible for satisfying the minimum obligation with respect to the special fund of the relief association. If the responsible entity is a joint powers entity, the certification must be made in the manner specified in the joint powers agreement, or if the joint powers agreement is silent on this point, the certification must be made to the chair of the joint powers board.

(d) The financial requirements of the relief association and the minimum municipal obligation must be included in the financial report or financial statement under section 424A.014.

(e) The municipality shall provide for at least the minimum obligation of the municipality with respect to the special fund of the relief association by tax levy or from any other source of public revenue. The municipality may levy taxes for the payment of the minimum municipal obligation without any limitation as to rate or amount and irrespective of any limitations imposed by other provisions of law or charter upon the rate or amount of taxation until the balance of the special fund or any fund of the relief association has attained a specified level. In addition, any taxes levied under this section must not cause the amount or rate of any other taxes levied in that year or to be levied in a subsequent year by the municipality which are subject to a limitation as to rate or amount to be reduced.

(f) If the municipality does not include the full amount of the minimum municipal obligation in its levy for any year, the officers of the relief association shall certify that amount to the county auditor, who shall spread a levy in the amount of the minimum municipal obligation on the taxable property of the municipality.

(g) If the state auditor determines that a municipal contribution actually made in a plan year was insufficient under section 424A.091, subdivision 3, paragraph (c), clause (5), the state auditor may request from the relief association or from the city a copy of the certifications under this subdivision. The relief association or the city, whichever applies, must provide the certifications within 14 days of the date of the request from the state auditor.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 11. **REPEALER.**

Minnesota Statutes 2024, section 424A.015, subdivision 5, is repealed.

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

ARTICLE 8

FIREFIGHTERS RELIEF ASSOCIATIONS

Section 1. Minnesota Statutes 2024, section 424A.02, subdivision 3, is amended to read:

Subd. 3. **Determining maximum pension benefit.** (a) Except as provided in paragraph (b) and section 424B.22, subdivision 4, a defined benefit relief association may not set in its bylaws a service pension amount above the following maximum amounts:

(1) for a defined benefit relief association in which the governing bylaws provide for a monthly service pension, the maximum monthly service pension amount per month for each year of service credited is the lesser of \$100 or the maximum monthly service pension amount that could be adopted by the relief association as a bylaws amendment that satisfies section 424A.093, subdivision 6, paragraph (d); and

(2) for a defined benefit relief association in which the governing bylaws provide for a lump-sum service pension, the maximum lump-sum service pension amount for each year of service credited is the lesser of ~~\$15,000~~ \$20,000 or the maximum lump-sum service pension amount that could be adopted by the relief association as a bylaws amendment that satisfies section 424A.092, subdivision 6, paragraph (e).

(b) A defined benefit relief association may set in its bylaws a service pension amount that is not greater than the maximum amounts in clause (1) or (2), as applicable, but only if the service pension amount has been ratified by the municipality.

(1) For a defined benefit relief association that pays a monthly service pension, the maximum monthly service pension amount per month for each year of service credited is \$100.

(2) For a defined benefit relief association that pays a lump-sum service pension, the maximum lump-sum service pension amount for each year of service credited is ~~\$15,000~~ \$20,000.

(c) The method of calculating service pensions must be applied uniformly for all years of active service. Credit must be given for all years of active service, unless the bylaws of the relief association provide that service credit is not given for:

(1) years of active service in excess of caps on service credit; or

(2) years of active service earned by a former member who:

(i) has ceased duties as a volunteer firefighter and paid on-call firefighter with the fire department before becoming vested under subdivision 2; and

(ii) has not resumed active service with the fire department and active membership in the relief association for a period as defined in the relief association's bylaws, of not less than five years.

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

Sec. 2. **REPEALER.**

Minnesota Statutes 2024, section 356A.06, subdivision 5, is repealed.

ARTICLE 9**MINNESOTA SECURE CHOICE RETIREMENT PROGRAM**

Section 1. Minnesota Statutes 2024, section 187.03, subdivision 5, is amended to read:

Subd. 5. **Covered employee.** (a) "Covered employee" means a person who is employed by a covered employer and who satisfies any other criteria established by the board.

(b) Covered employee does not include:

(1) a person who, on December 31 of the preceding calendar year, was younger than 18 years of age;

(2) a person covered under the federal Railway Labor Act, as amended, United States Code, title 45, sections 151 et seq.;

(3) a person on whose behalf an employer makes contributions to a Taft-Hartley multiemployer pension trust fund; ~~or~~

(4) a person employed by the government of the United States, another country, the state of Minnesota, another state, or any subdivision thereof; or

(5) a person employed on a temporary or seasonal basis for a limited duration, which the employer determines at the time the person is hired will not extend beyond 180 days.

(c) A person described in paragraph (b), clause (5), may elect to have contributions deducted from the person's paycheck for remittance to the program, but only if the employer would otherwise be considered a covered employer.

Sec. 2. Minnesota Statutes 2024, section 187.03, is amended by adding a subdivision to read:

Subd. 6a. **Enrollment window.** "Enrollment window" means the period established by the board, according to a phase-in schedule approved under Laws 2023, chapter 46, section 10, subdivision 1, paragraph (b), that is applicable to each covered employer and during which the covered employer is first required to provide information to covered employees and enroll covered employees who do not elect to opt out of the program.

Sec. 3. Minnesota Statutes 2024, section 187.03, subdivision 7, is amended to read:

Subd. 7. **Executive director.** "Executive director" means the chief executive and administrative head of the program or, if an executive director has not been appointed, executive director means the interim executive director, if one has been appointed.

Sec. 4. Minnesota Statutes 2024, section 187.03, subdivision 7a, is amended to read:

Subd. 7a. **Home and community-based services employee.** "Home and community-based services employee" means an individual ~~employed by the individual's child or spouse~~ who is not an employee of a provider agency and who is selected by and working under the direction of a participant in a covered program to provide to the participant:

(1) consumer-directed community supports services under sections 256B.092 and 256B.49 and chapter 256S or under the alternative care program authorized under section 256B.0913; or

(2) services under the community first services and supports program authorized under section 256B.85 and Minnesota's federally approved waiver programs.

This definition applies only to this chapter and does not create any other legal rights or obligations under state or federal law.

Sec. 5. Minnesota Statutes 2024, section 187.05, is amended by adding a subdivision to read:

Subd. 1a. **Certification by employers that are not covered employers.** (a) Any entity or person may file a certification with the executive director on a form prescribed by the executive director and provide documentation in support of the certification, as requested by the executive director, stating that the entity or person is not a covered employer. The certification must state that the entity or person is not a covered employer for one or more of the following reasons:

(1) the entity or person has not been engaged for at least 12 months in a business, industry, profession, trade, or other enterprise in Minnesota, whether for profit or not for profit;

(2) the entity or person does not employ five or more employees;

(3) the entity or person sponsors or contributes to or, in the immediately preceding 12 months, sponsored or contributed to a retirement savings plan for its employees; or

(4) the entity is a political subdivision of the state or federal government.

(b) Within 30 days of receiving the certification, the executive director must accept the certification or issue a determination that the entity or person is a covered employer and subject to the requirements of section 187.07.

(c) The entity or person may appeal the executive director's determination by filing an appeal with the board of directors no later than 30 days after receipt of the determination.

Sec. 6. Minnesota Statutes 2024, section 187.05, subdivision 4, is amended to read:

Subd. 4. **Contribution rate.** (a) The board ~~must establish default, minimum, and maximum~~ may change the required employee contribution rates and ~~on the escalation schedule to automatically increase each covered employee's contribution rate annually until the contribution rate is equal to the maximum contribution rate~~ under section 187.07, subdivision 1. The board must provide all covered employers with notice of a change in employee contribution rates or the escalation schedule at least six months in advance of the effective date of the change.

(b) A covered employee must have the right, annually or more frequently as determined by the board, to change the contribution rate, opt out or elect not to contribute, or cease contributions.

Sec. 7. Minnesota Statutes 2024, section 187.05, subdivision 6, is amended to read:

Subd. 6. **Withdrawals and distributions.** The board must establish alternatives permitting covered employees to take a withdrawal of all or a portion of the covered employee's account while employed and one or more distributions following termination of employment. By July 1, 2028, the board must include lifetime income options as distribution alternatives ~~must include lifetime income options.~~

Sec. 8. Minnesota Statutes 2024, section 187.07, subdivision 1, is amended to read:

Subdivision 1. **Requirement to enroll employees.** (a) Each covered employer must enroll its covered employees in the program and withhold payroll deduction contributions from each covered employee's paycheck no later than 30 days after the covered employee's first day of employment, unless the covered employee has elected not to contribute.

(b) Unless the board has approved a different rate or rates under section 187.05, subdivision 4, or a covered employee has elected a different contribution rate or not to contribute, the employee contribution rates and escalation schedule are:

(1) five percent of pay for the covered employee's first year of participation;

(2) six percent of pay for the covered employee's second year of participation;

(3) seven percent of pay for the covered employee's third year of participation; and

(4) eight percent of pay for the covered employee's fourth year of participation and each year thereafter.

(c) Paragraph (a) does not apply to a covered employer until the covered employer's enrollment window has opened. No later than 30 days after the end of the enrollment window, the covered employer must have enrolled all covered employees, except for any covered employee who has elected not to contribute.

(d) The executive director must communicate annually by email or otherwise in writing to each covered employee:

(1) the annual limit on employee contributions to a traditional IRA and a Roth IRA in effect under section 408 and 408A, respectively, of the Internal Revenue Code; and

(2) notice that it is the responsibility of the covered employee to reduce the covered employee's contribution rate from the rate under paragraph (b) as necessary to stay within the limit under section 408 or section 408A of the Internal Revenue Code that is applicable to the covered employee and the type of IRA to which the contributions are being credited.

Sec. 9. Minnesota Statutes 2024, section 187.07, subdivision 2, is amended to read:

Subd. 2. **Remitting contributions.** Notwithstanding section 181.06, a covered employer must timely remit payroll deduction contributions as required by the board withheld from the paycheck of each covered employee to the program as soon as practicable after the deduction is taken and no later than 30 days after the date of each paycheck.

Sec. 10. Minnesota Statutes 2024, section 187.07, subdivision 3, is amended to read:

Subd. 3. **Distribution of information.** (a) Covered employers must provide information prepared by the board to all covered employees regarding the program. The information must be provided to each covered employee at least 30 no later than 14 days prior to the date of the first paycheck from which employee contributions could be deducted for transmittal to the program, if the covered employee does not elect to opt out of the program after the covered employee's first day of employment.

(b) Paragraph (a) does not apply to a covered employer until the covered employer's enrollment window has opened. No later than 14 days before the date of the first paycheck from which employee contributions could be deducted for transmittal to the program, the covered employer must provide the information prepared by the board regarding the program to all covered employees of the covered employer.

Sec. 11. Minnesota Statutes 2024, section 187.07, subdivision 6, is amended to read:

Subd. 6. **Enforcement.** (a) As described under section 187.12, the board may impose:

(1) statutory civil penalties against any covered employer that fails to comply with subdivisions subdivision 1, 2, and or 3; and

(2) statutory civil or criminal penalties against any covered employer that fails to comply with subdivision 2.

(b) At the request of the board, the attorney general shall enforce the penalties imposed by the board against a covered employer. Proceeds of such penalties, after deducting enforcement expenses, must be deposited in the Secure Choice administrative fund and are appropriated to the program.

(c) The board must provide covered employers with written warnings to any covered employer that fails to comply with subdivision 1 or 3 or both subdivisions 1 and 3 for the first year two years of noncompliance before assessing. If the covered employer has not complied with subdivision 1 or 3 during the two-year period after the date on which the covered employer was first required to comply with subdivision 1 or 3, as applicable, the board must assess penalties.

Sec. 12. Minnesota Statutes 2024, section 187.08, subdivision 3, is amended to read:

Subd. 3. **Membership terms.** (a) Board members serve for two-year terms, except for:

(1) the executive directors of the Minnesota State Retirement System and the State Board of Investment, who serve indefinitely; and

(2) the initial term of the member who is an executive or other professional with substantial experience in retirement plan investments under subdivision 1, clause (3), item (iii), and the member who is a human resources executive under subdivision 1, clause (4), is three years.

(b) Board members' terms may be renewed, but no member may serve more than two consecutive terms.

Sec. 13. Minnesota Statutes 2024, section 187.08, subdivision 7, is amended to read:

Subd. 7. **Executive director; staff.** (a) The board must appoint an executive director, determine the duties of the executive director, and set the compensation of the executive director. The board may appoint an interim executive director to serve as executive director during any period that the executive director position is vacant.

(b) The executive director may participate in deliberations but must not vote on any matter before the board. The executive director must not participate in deliberations on any matter before the board that results or is likely to result in direct measurable economic gain to the executive director or the executive director's family.

(c) The executive director must file with the Campaign Finance and Public Disclosure Board an economic interest statement in a manner prescribed by section 10A.09, subdivisions 5 and 6.

~~(b) (d)~~ The board may hire staff as necessary to support the board and the executive director ~~or interim executive director~~ in performing their duties or the board may authorize the executive director ~~or interim executive director~~ to hire staff.

Sec. 14. Minnesota Statutes 2024, section 187.11, is amended to read:

187.11 OTHER STATE AGENCIES TO PROVIDE ASSISTANCE.

(a) The board may enter into intergovernmental agreements with the commissioner of revenue, the commissioner of labor and industry, the commissioner of employment and economic development, and any other state agency that the board deems necessary or appropriate to provide outreach, technical assistance, or compliance services. An agency that enters into an intergovernmental agreement with the board pursuant to this section must collaborate and cooperate with the board to provide the outreach, technical assistance, or compliance services under any such agreement. The board, executive director, and program staff must maintain the privacy of data obtained under any intergovernmental agreement if required under chapter 13.

(b) For purposes of section 268.19, subdivision 1, paragraph (a), clause (20), "assisting with communication with employers and to verify employer compliance with chapter 187" means providing the executive director with at least the following information for employers, to the extent available to the commissioner of employment and economic development:

(1) federal employer identification number;

(2) business name, address, mailing address, email address, and phone number;

(3) number of employees; and

(4) employer industry code.

~~(b) (c)~~ The commissioner of administration must provide office space in the Capitol complex for the executive director and staff of the program.

Sec. 15. **[187.12] PENALTIES FOR NONCOMPLIANCE.**

Subdivision 1. **Failure to enroll covered employees or distribute information.** (a) The board may assess penalties against a covered employer that fails to comply with section 187.07, subdivision

1 or 3 or both subdivisions 1 and 3, beginning with the second anniversary of the date on which the covered employer was first required to comply with section 187.07, subdivision 1 or 3, as applicable.

(b) The board may assess the following penalties for a covered employer's failure to comply with section 187.07, subdivision 1 or 3:

(1) on the second anniversary, a penalty of \$100 per covered employee, not to exceed \$4,000;

(2) on the third anniversary, a penalty of \$200 per covered employee, not to exceed \$6,000;

(3) on the fourth anniversary, a penalty of \$300 per covered employee; and

(4) on each anniversary after the fourth anniversary, a penalty of \$500 per covered employee.

(c) If the covered employer fails to comply with section 187.07, subdivisions 1 and 3, the board must assess two times the penalties in paragraph (b).

(d) The date on which a covered employer is first required to comply with section 187.07, subdivision 1, is the following:

(1) for paragraph (a), on or before the 30th day after the first day of employment of a covered employee hired by the covered employer; and

(2) for paragraph (b), on or before the 30th day after the end of the enrollment window applicable to the covered employer.

(e) The date on which a covered employer is first required to comply with section 187.07, subdivision 3, is the following:

(1) for paragraph (a), for a newly hired covered employee, no later than 14 days after the covered employee's first day of employment; and

(2) for paragraph (b), no later than the 14th day prior to the date of the first paycheck from which employee contributions could be deducted for transmittal to the program.

Subd. 2. **Notice and waiver.** Before assessing a penalty under subdivision 1, the board must provide the covered employer with a written notice informing the covered employer of the amount of the penalty and that the penalty will not be assessed if:

(1) the covered employer cures the violation no later than 30 days after the date of the notice;
or

(2) the board waives the penalty at the request of the covered employer due to extenuating circumstances.

Subd. 3. **Failure to remit contributions.** (a) If the executive director has reason to believe, based on communication from a covered employee or another source, that a covered employer has failed to comply with section 187.07, subdivision 2, by not remitting payroll deduction contributions withheld from the paycheck of one or more covered employees within 30 days after the deduction is withheld, the executive director must make a written demand to the covered employer requiring

the covered employer to immediately remit to the program the withheld contributions plus interest at the annual rate specified in section 356.59, subdivision 2, for the period beginning with the tenth day after the contribution was deducted from the covered employee's paycheck to the date the contribution is remitted to the program.

(b) Any covered employer that willfully and intentionally fails to remit a payroll deduction contribution within ten days after demand from the executive director is guilty of a misdemeanor.

(c) If the executive director issues a written demand to a covered employer under paragraph (a) for a second time, the executive director must assess a penalty of \$250 for each employee contribution withheld but not transmitted to the program.

Subd. 4. **Action; damages.** (a) A covered employee or the attorney general, upon referral from the board, may bring a civil action against a covered employer for a failure to enroll covered employees, distribute information, or remit contributions under section 187.07, subdivisions 1 to 3. A covered employer who is found to have violated section 187.07, subdivisions 1 to 3, is liable to the program for the civil penalties provided for in this section. A covered employer who is found to have violated section 187.07, subdivisions 1 to 3, is liable for compensatory damages and other appropriate relief including but not limited to injunctive relief.

(b) The attorney general, upon referral from the board, may bring a criminal action against a covered employer for the willful and intentional failure to remit contributions under section 187.07, subdivision 2.

(c) An action brought under paragraph (a) or (b) may be filed in the district court of the county in which a violation is alleged to have been committed, where the covered employer resides or has a principal place of business, or any other court of competent jurisdiction.

(d) In an action brought under paragraph (a) or (b), the court must order a covered employer who is found to have committed a violation to pay to the program or covered employee, as appropriate, reasonable costs, disbursements, witness fees, and attorney fees.

Sec. 16. Minnesota Statutes 2024, section 268.19, subdivision 1, is amended to read:

Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from any person under the administration of the Minnesota Unemployment Insurance Law are private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, and may not be disclosed except according to a district court order or section 13.05. A subpoena is not considered a district court order. These data may be disseminated to and used by the following agencies without the consent of the subject of the data:

(1) state and federal agencies specifically authorized access to the data by state or federal law;

(2) any agency of any other state or any federal agency charged with the administration of an unemployment insurance program;

(3) any agency responsible for the maintenance of a system of public employment offices for the purpose of assisting individuals in obtaining employment;

(4) the public authority responsible for child support in Minnesota or any other state in accordance with section 518A.83;

(5) human rights agencies within Minnesota that have enforcement powers;

(6) the Department of Revenue to the extent necessary for its duties under Minnesota laws;

(7) public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;

(8) the Department of Labor and Industry and the Commerce Fraud Bureau in the Department of Commerce for uses consistent with the administration of their duties under Minnesota law;

(9) the Department of Human Services and the Office of Inspector General and its agents within the Department of Human Services, including county fraud investigators, for investigations related to recipient or provider fraud and employees of providers when the provider is suspected of committing public assistance fraud;

(10) the Department of Human Services for the purpose of evaluating medical assistance services and supporting program improvement;

(11) local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, or for any employment or training program administered by those agencies, whether alone, in combination with another welfare agency, or in conjunction with the department or to monitor and evaluate the statewide Minnesota family investment program and other cash assistance programs, the Supplemental Nutrition Assistance Program, and the Supplemental Nutrition Assistance Program Employment and Training program by providing data on recipients and former recipients of Supplemental Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 142E, or medical programs under chapter 256B or 256L or formerly codified under chapter 256D;

(12) local and state welfare agencies for the purpose of identifying employment, wages, and other information to assist in the collection of an overpayment debt in an assistance program;

(13) local, state, and federal law enforcement agencies for the purpose of ascertaining the last known address and employment location of an individual who is the subject of a criminal investigation;

(14) the United States Immigration and Customs Enforcement has access to data on specific individuals and specific employers provided the specific individual or specific employer is the subject of an investigation by that agency;

(15) the Department of Health for the purposes of epidemiologic investigations;

(16) the Department of Corrections for the purposes of case planning and internal research for preprobation, probation, and postprobation employment tracking of offenders sentenced to probation and preconfinement and postconfinement employment tracking of committed offenders;

(17) the state auditor to the extent necessary to conduct audits of job opportunity building zones as required under section 469.3201;

(18) the Office of Higher Education for purposes of supporting program improvement, system evaluation, and research initiatives including the Statewide Longitudinal Education Data System; ~~and~~

(19) the Family and Medical Benefits Division of the Department of Employment and Economic Development to be used as necessary to administer chapter 268B; and

(20) the executive director or interim executive director of the Minnesota Secure Choice Retirement Program established under chapter 187 for the purposes of assisting with communication with employers and to verify employer compliance with chapter 187.

(b) Data on individuals and employers that are collected, maintained, or used by the department in an investigation under section 268.182 are confidential as to data on individuals and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except under statute or district court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

(c) Data gathered by the department in the administration of the Minnesota unemployment insurance program must not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

Sec. 17. **EFFECTIVE DATE.**

Sections 1 to 16 are effective the day following final enactment.

ARTICLE 10

PUBLIC PENSION PLANS: AMORTIZATION OF LIABILITIES; CORRECTION OF ERRORS

Section 1. Minnesota Statutes 2024, section 353G.08, subdivision 1a, is amended to read:

Subd. 1a. **Annual funding requirements; monthly division.** (a) Annually, the executive director shall determine the funding requirements of each ~~monthly benefit fire department~~ account in the ~~statewide volunteer firefighter~~ monthly division of the defined benefit plan on or before August 1.

(b) The executive director must determine the funding requirements of a ~~monthly benefit fire department~~ account under this subdivision from:

(1) the most recent actuarial valuation normal cost, administrative expense, including the cost of a regular actuarial valuation, and amortization results for the account determined by the approved actuary retained by the retirement association under sections 356.215 and 356.216; and

(2) the standards for actuarial work, utilizing a six percent investment return actuarial assumption ~~and~~ other actuarial assumptions approved under section 356.215, subdivision 18, and the amortization periods specified in section 356.215, subdivision 11.

~~(i) with that portion of any unfunded actuarial accrued liability attributable to a benefit increase to be amortized over a period of 20 years from the date of the benefit change;~~

~~(ii) with that portion of any unfunded actuarial accrued liability attributable to an assumption change or an actuarial method change to be amortized over a period of 20 years from the date of the assumption or method change;~~

~~(iii) with that portion of any unfunded actuarial accrued liability attributable to an investment loss to be amortized over a period of ten years from the date of investment loss; and~~

~~(iv) with the balance of any net unfunded actuarial accrued liability to be amortized over a period of five years from the date of the actuarial valuation.~~

(c) The required contributions of the entity or entities associated with the fire department whose active firefighters are covered by the monthly division are the annual financial requirements of the ~~monthly benefit fire department account of the plan~~ under paragraph (b) reduced by the amount of any fire state aid payable under chapter 477B, or any police and firefighter retirement supplemental state aid payable under section 423A.022, that is reasonably anticipated to be received by the plan attributable to the entity or entities during the following calendar year. The required contribution must be allocated between the entities if more than one entity is involved. A reasonable amount of anticipated fire state aid is an amount that does not exceed the fire state aid actually received in the prior year multiplied by the factor 1.035.

(d) The required contribution calculated in paragraph (c) must be paid to the plan on or before December 31 of the year for which it was calculated. If the contribution is not received by the plan by December 31, it is payable with interest at an annual compound rate of six percent from the date due until the date payment is received by the plan. If the entity does not pay the full amount of the required contribution, the executive director shall collect the unpaid amount under section 353.28, subdivision 6.

EFFECTIVE DATE. This section is effective the day following final enactment, except the amendment to paragraph (b), clause (2), is effective beginning with actuarial valuations on or after July 1, 2025.

Sec. 2. Minnesota Statutes 2024, section 356.215, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of sections 3.85 and 356.20 to 356.23, each of the terms in the following paragraphs has the meaning given.

(b) "Actuarial valuation" means a set of calculations prepared by an actuary retained under section 356.214 if so required under section 3.85, or otherwise, by an approved actuary, to determine the normal cost and the accrued actuarial liabilities of a benefit plan, according to the entry age actuarial cost method and based upon stated assumptions including, but not limited to rates of interest, mortality, salary increase, disability, withdrawal, and retirement and to determine the payment necessary to amortize over a stated period any unfunded accrued actuarial liability disclosed as a result of the actuarial valuation of the benefit plan.

(c) "Approved actuary" means:

(1) a person who is regularly engaged in the business of providing actuarial services and who is a fellow in the Society of Actuaries; or

(2) a firm that retains a person described in clause (1) on its staff.

(d) "Entry age actuarial cost method" means an actuarial cost method under which the actuarial present value of the projected benefits of each individual currently covered by the benefit plan and included in the actuarial valuation is allocated on a level basis over the service of the individual, if the benefit plan is governed by section 424A.093, or over the earnings of the individual, if the benefit plan is governed by any other law, between the entry age and the assumed exit age, with the portion of the actuarial present value which is allocated to the valuation year to be the normal cost and the portion of the actuarial present value not provided for at the valuation date by the actuarial present value of future normal costs to be the actuarial accrued liability, with aggregation in the calculation process to be the sum of the calculated result for each covered individual and with recognition given to any different benefit formulas which may apply to various periods of service.

(e) "Experience study" means a report providing experience data and an actuarial analysis of the adequacy of the actuarial assumptions on which actuarial valuations are based.

(f) "Actuarial value of assets" means the market value of all assets as of the preceding June 30, reduced by:

(1) 20 percent of the difference between the actual net change in the market value of total assets between the June 30 that occurred three years earlier and the June 30 that occurred four years earlier and the computed increase in the market value of total assets over that fiscal year period if the assets had earned a rate of return on assets equal to the annual percentage investment return assumption used in the actuarial valuation for the July 1 that occurred four years earlier;

(2) 40 percent of the difference between the actual net change in the market value of total assets between the June 30 that occurred two years earlier and the June 30 that occurred three years earlier and the computed increase in the market value of total assets over that fiscal year period if the assets had earned a rate of return on assets equal to the annual percentage investment return assumption used in the actuarial valuation for the July 1 that occurred three years earlier;

(3) 60 percent of the difference between the actual net change in the market value of total assets between the June 30 that occurred one year earlier and the June 30 that occurred two years earlier and the computed increase in the market value of total assets over that fiscal year period if the assets had earned a rate of return on assets equal to the annual percentage investment return assumption used in the actuarial valuation for the July 1 that occurred two years earlier; and

(4) 80 percent of the difference between the actual net change in the market value of total assets between the most recent June 30 and the June 30 that occurred one year earlier and the computed increase in the market value of total assets over that fiscal year period if the assets had earned a rate of return on assets equal to the annual percentage investment return assumption used in the actuarial valuation for the July 1 that occurred one year earlier.

(g) "Unfunded actuarial accrued liability" means the total current and expected future benefit obligations, reduced by the sum of the actuarial value of assets and the present value of future normal costs.

~~(h) "Pension benefit obligation" means the actuarial present value of credited projected benefits, determined as the actuarial present value of benefits estimated to be payable in the future as a result~~

~~of employee service attributing an equal benefit amount, including the effect of projected salary increases and any step rate benefit accrual rate differences, to each year of credited and expected future employee service.~~

(h) "Standards for actuarial work" means the document required under section 3.85, subdivision 10, to be adopted by the Legislative Commission on Pensions and Retirement as so adopted and amended from time to time.

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

Sec. 3. Minnesota Statutes 2024, section 356.215, subdivision 4, is amended to read:

Subd. 4. **Actuarial valuation; contents.** (a) The actuarial valuation must be made in conformity with the requirements of the definition contained in subdivision 1 and the ~~most recent~~ standards for actuarial work ~~adopted by the Legislative Commission on Pensions and Retirement.~~

(b) The actuarial valuation must measure all aspects of the benefit plan of the fund in accordance with changes in benefit plans, if any, and salaries reasonably anticipated to be in force during the ensuing fiscal year. The actuarial valuation must be prepared in accordance with the entry age actuarial cost method. The actuarial valuation required under this section must include the information required in subdivisions 5 to 15.

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

Sec. 4. Minnesota Statutes 2024, section 356.215, subdivision 8, is amended to read:

Subd. 8. **Actuarial assumptions.** (a) The actuarial valuation must use the applicable following investment return assumption:

plan	investment return assumption
general state employees retirement plan	7%
correctional state employees retirement plan	7
State Patrol retirement plan	7
legislators retirement plan, and for the constitutional officers calculation of total plan liabilities	0
judges retirement plan	7
general public employees retirement plan	7
public employees police and fire retirement plan	7
local government correctional service retirement plan	7
teachers retirement plan	7
St. Paul teachers retirement plan	7
Bloomington Fire Department Relief Association	6
local monthly benefit volunteer firefighter relief associations	5
monthly benefit retirement plans in the statewide volunteer firefighter retirement plan	6

(b) The actuarial valuation for each of the covered retirement plans listed in section 356.415, subdivision 2, and the St. Paul Teachers Retirement Fund Association must take into account the postretirement adjustment rate or rates applicable to the plan as specified in section 354A.29, subdivision 7, or 356.415, whichever applies.

(c) The actuarial valuation must use the applicable salary increase and payroll growth assumptions found in the appendix to the standards for actuarial work ~~adopted by the Legislative Commission on Pensions and Retirement pursuant to section 3.85, subdivision 10.~~ The appendix must be updated whenever new assumptions have been approved or deemed approved under subdivision 18.

(d) The assumptions set forth in the appendix to the standards for actuarial work continue to apply, unless a different salary assumption or a different payroll increase assumption:

(1) has been proposed by the governing board of the applicable retirement plan;

(2) is accompanied by the concurring recommendation of the actuary retained under section 356.214, subdivision 1, if applicable, or by the approved actuary preparing the most recent actuarial valuation report if section 356.214 does not apply; and

(3) has been approved or deemed approved under subdivision 18.

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

Sec. 5. Minnesota Statutes 2024, section 356.215, subdivision 11, is amended to read:

Subd. 11. Amortization contributions. ~~(a) In addition to the exhibit indicating the level normal cost, The actuarial valuation of the retirement each pension plan listed in subdivision 8, paragraph (a), other than the legislators retirement plan, the Bloomington Fire Department Relief Association, and the local monthly benefit volunteer firefighter relief associations, must contain an exhibit for financial reporting purposes indicating the additional annual contribution sufficient to amortize on a level percent of payroll basis the unfunded actuarial accrued liability and must contain an exhibit indicating the additional contribution sufficient to amortize the unfunded actuarial accrued liability. For the retirement plans listed in subdivision 8, paragraph (a), but excluding the legislators retirement plan, the Bloomington Fire Department Relief Association, and the local monthly benefit volunteer firefighter relief associations, the additional contribution must be calculated on a level percentage of covered payroll basis by the established date for full funding in effect when the valuation is prepared, assuming annual payroll growth at the applicable percentage rate set forth in the appendix described in subdivision 8, paragraph (c). For the legislators retirement plan, the additional annual contribution must be calculated on a level annual dollar amount basis, resulting from any of the following changes, over the period specified for that change, except that the pension plan's unfunded actuarial accrued liability as of July 1, 2024, must be amortized over a period that ends June 30, 2048:~~

(1) experience gain or loss: 15 years;

(2) assumption or method change: 20 years;

(3) benefit change for active members: 15 years;

(4) long-term benefit change for inactive members: 15 years;

(5) short-term benefit change for inactive members: the number of years during which the benefit change will be in effect; and

(6) an annual contribution that is more or less than the actuarially determined contribution: 15 years.

(b) The amortization periods specified in paragraph (a) apply:

(1) unless the standards for actuarial work state otherwise;

(2) except that, for the legislators retirement plan, the additional annual contribution sufficient to amortize the unfunded actuarial accrued liability must be calculated on a level dollar basis with an amortization period of one year; and

(3) except that, for the State Patrol retirement plan, the public employees police and fire retirement plan, and the Teachers Retirement Association, the unfunded actuarial accrued liability resulting from benefit increases enacted in 2025 must be amortized over a period that ends June 30, 2048.

~~(b) This paragraph applies only if the calculation under this paragraph for a retirement plan results in an established date for full funding that is earlier than the established date for full funding applicable to the retirement plan under paragraph (c). For any retirement plan, if there has been a change in any or all of the actuarial assumptions used for calculating the actuarial accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the actuarial accrued liability of all or a portion of the fund, or a combination of the three, and the change or changes, by itself or by themselves and without inclusion of any other items of increase or decrease, produce a net increase in the unfunded actuarial accrued liability in the fund, the established date for full funding must be determined using the following procedure:~~

~~(i) the unfunded actuarial accrued liability of the fund must be determined in accordance with the plan provisions governing annuities and retirement benefits and the actuarial assumptions in effect before an applicable change;~~

~~(ii) the level annual dollar contribution or level percentage, whichever is applicable, needed to amortize the unfunded actuarial accrued liability amount determined under item (i) by the established date for full funding in effect before the change must be calculated using the investment return assumption specified in subdivision 8 in effect before the change;~~

~~(iii) the unfunded actuarial accrued liability of the fund must be determined in accordance with any new plan provisions governing annuities and benefits payable from the fund and any new actuarial assumptions and the remaining plan provisions governing annuities and benefits payable from the fund and actuarial assumptions in effect before the change;~~

~~(iv) the level annual dollar contribution or level percentage, whichever is applicable, needed to amortize the difference between the unfunded actuarial accrued liability amount calculated under item (i) and the unfunded actuarial accrued liability amount calculated under item (iii) over a period of 30 years from the end of the plan year in which the applicable change is effective must be~~

calculated using the applicable investment return assumption specified in subdivision 8 in effect after any applicable change;

~~(v) the level annual dollar or level percentage amortization contribution under item (iv) must be added to the level annual dollar amortization contribution or level percentage calculated under item (ii);~~

~~(vi) the period in which the unfunded actuarial accrued liability amount determined in item (iii) is amortized by the total level annual dollar or level percentage amortization contribution computed under item (v) must be calculated using the investment return assumption specified in subdivision 8 in effect after any applicable change, rounded to the nearest integral number of years, but not to exceed 30 years from the end of the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and not to be less than the period of years beginning in the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and ending by the date for full funding in effect before the change; and~~

~~(vii) the period determined under item (vi) must be added to the date as of which the actuarial valuation was prepared and the date obtained is the new established date for full funding.~~

~~(c) The established date for full funding is the date provided for each of the following plans:~~

~~(i) for the general employees retirement plan of the Public Employees Retirement Association, the established date for full funding is June 30, 2048;~~

~~(ii) for the Teachers Retirement Association, the established date for full funding is June 30, 2048;~~

~~(iii) for the correctional state employees retirement plan and the State Patrol retirement plan of the Minnesota State Retirement System, the established date for full funding is June 30, 2048;~~

~~(iv) for the judges retirement plan, the established date for full funding is June 30, 2048;~~

~~(v) for the local government correctional service retirement plan and the public employees police and fire retirement plan, the established date for full funding is June 30, 2048;~~

~~(vi) for the St. Paul Teachers Retirement Fund Association, the established date for full funding is June 30, 2048; and~~

~~(vii) for the general state employees retirement plan of the Minnesota State Retirement System, the established date for full funding is June 30, 2048.~~

~~(d) For the retirement plans for which the annual actuarial valuation indicates an excess of valuation assets over the actuarial accrued liability, the valuation assets in excess of the actuarial accrued liability must be recognized as a reduction in the current contribution requirements by an amount equal to the amortization of the excess expressed as a level percentage of pay over a 30-year period beginning anew with each annual actuarial valuation of the plan.~~

EFFECTIVE DATE. This section is effective beginning with the July 1, 2025, actuarial valuations.

Sec. 6. Minnesota Statutes 2024, section 356.215, subdivision 17, is amended to read:

Subd. 17. **Actuarial services by approved actuaries.** (a) The actuarial valuation or quadrennial experience study must be made and any actuarial consulting services for a retirement fund or plan must be provided by an approved actuary. The actuarial valuation or quadrennial experience study must include a signed written declaration that it has been prepared according to sections 356.20 to 356.23 and according to the ~~most recent~~ standards for actuarial work ~~adopted by the Legislative Commission on Pensions and Retirement.~~

(b) Actuarial valuations or experience studies prepared by an approved actuary retained by a retirement fund or plan must be submitted to the Legislative Commission on Pensions and Retirement within ten days of the submission of the document to the retirement fund or plan.

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

Sec. 7. Minnesota Statutes 2024, section 356.636, subdivision 2, is amended to read:

Subd. 2. **Correction of errors.** (a) The executive director of a pension fund may correct an ~~operational, demographic, or employer or employee eligibility~~ error; made by a pension fund or an error in a plan document that is not a statute if the executive director determines that correction is necessary or appropriate to preserve and protect the tax qualification of any pension or retirement plan listed in section 356.611, subdivision 6, that is part of administered by the pension fund. The method of correction must comply with the Internal Revenue Service Employee Plans Compliance Resolution System (EPCRS) or any successor thereto, if the EPCRS addresses the error and correction.

(b) To the extent deemed necessary by the executive director to implement correction, the executive director may:

(1) make distributions;

(2) transfer assets;

(3) recover an overpayment by reducing future benefit payments or designating appropriate revenue or source of funding that will restore to the plan the amount of the overpayment; or

(4) take any other action that will restore the plan and any affected member or participant to the position the plan, member, or participant would have been in had the error not occurred.

(c) An executive director may correct an error under paragraph (a) or (b) without regard to any statute that imposes a time limitation on making such correction.

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

Sec. 8. Minnesota Statutes 2024, section 356.636, subdivision 3, is amended to read:

Subd. 3. **Annual report.** (a) The executive director of each pension fund must submit a report annually, no later than each February 1, to the chair and executive director of the Legislative Commission on Pensions and Retirement ~~on whether the executive director of the pension fund corrected any operational, demographic, employer or employee eligibility,~~ no later than each February

1. The report must describe each error or plan document error corrected under subdivision 2 during the preceding calendar year-, other than:

(1) an error corrected in the ordinary course of business; and

(2) correction authorized by current law, including but not limited to correction authorized under sections 352.04, 353.27, 354.42, 356.401, and 356.637.

(b) The report must describe the error, the pension or retirement plan affected by the error, the method of correction, and the cost, if any, to the pension or retirement plan, employee, or employer of the error and correction.

(c) An error is corrected in the ordinary course of business if it is a correction or cancellation of an overpayment or an adjustment of an ongoing annuity amount.

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

ARTICLE 11

PUBLIC SAFETY BENEFIT INCREASES

Section 1. Minnesota Statutes 2024, section 356.415, subdivision 1c, is amended to read:

Subd. 1c. **Annual postretirement adjustments; ~~PERA-police~~ public employees police and fire retirement plan.** (a) Retirement annuity, disability benefit, or survivor benefit recipients of the public employees police and fire retirement plan are entitled to an annual postretirement adjustment, effective as of each January 1, as follows:

(1) for each annuitant or benefit recipient who will have been receiving an annuity or benefit for at least ~~36~~ 24 full months as of the immediate preceding June 30, a postretirement increase of one percent must be applied each year to the amount of the monthly annuity or benefit of the annuitant or benefit recipient; or

(2) for each annuitant or benefit recipient who has been receiving the annuity or benefit for at least ~~25~~ 13 full months, but less than ~~36~~ 24 months as of the immediate preceding June 30, a postretirement increase of 1/12 of one percent for each full month that the person has been receiving an annuity or benefit during the fiscal year in which the annuity or benefit was effective must be applied each year to the amount of the monthly annuity or benefit of the annuitant or benefit recipient.

(b) An increase in annuity or benefit payments under this section must be made automatically unless written notice is filed by the annuitant or benefit recipient with the executive director of the Public Employees Retirement Association requesting that the increase not be made.

EFFECTIVE DATE. This section is effective for postretirement adjustments beginning on or after January 1, 2026.

Sec. 2. Minnesota Statutes 2024, section 356.415, subdivision 1e, is amended to read:

Subd. 1e. **Annual postretirement adjustments; State Patrol retirement plan.** (a) Retirement annuity, disability benefit, or survivor benefit recipients of the State Patrol retirement plan are entitled to an annual postretirement adjustment, effective as of each January 1, as follows:

(1) a postretirement increase of ~~one~~ 1.25 percent must be applied each year to the monthly annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 12 full months as of the June 30 of the calendar year immediately before the adjustment; and

(2) for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least one full month, but less than 12 full months as of the June 30 of the calendar year immediately before the adjustment, an annual postretirement increase of 1/12 of ~~one~~ 1.25 percent for each month that the person has been receiving an annuity or benefit must be applied to the amount of the monthly annuity or benefit of each annuitant or benefit recipient.

(b) An increase in annuity or benefit payments under this subdivision must be made automatically unless written notice is filed by the annuitant or benefit recipient with the executive director of the ~~applicable covered~~ Minnesota State Retirement plan System requesting that the increase not be made.

EFFECTIVE DATE. This section is effective for postretirement adjustments beginning on or after January 1, 2026.

Sec. 3. **POSTRETIREMENT ADJUSTMENT FOR CALENDAR YEAR 2026.**

(a) Notwithstanding Minnesota Statutes, section 356.415, subdivision 1c, the postretirement adjustment for the year beginning January 1, 2026, and ending December 31, 2026, is three percent for eligible recipients of a retirement annuity, disability benefit, or survivor benefit from the public employees police and fire retirement plan.

(b) A recipient is an eligible recipient if:

(1) the recipient's annuity or benefit is attributable to service as a member of the public employees police and fire plan; and

(2) the recipient has received monthly benefits for at least 12 full months as of December 31, 2025.

EFFECTIVE DATE. This section is effective for the postretirement adjustment on January 1, 2026.

ARTICLE 12

DIRECT STATE AID FOR PUBLIC SAFETY PLANS

Section 1. **[352B.251] DIRECT STATE AID.**

Subdivision 1. **Aid.** The commissioner of management and budget must transfer \$2,300,000 annually from the general fund to the State Patrol retirement fund on or before October 1, 2025, and October 1 of each year thereafter.

Subd. 2. **Aid expiration.** The aid under subdivision 1 expires July 1, 2048.

Sec. 2. Minnesota Statutes 2024, section 353.65, subdivision 3b, is amended to read:

Subd. 3b. **Direct state aid.** (a) The state must pay \$4,500,000 on October 1, 2018, and October 1, 2019, to the public employees police and fire retirement plan. By October 1 of each year after 2019, the state must pay \$9,000,000 to the public employees police and fire retirement plan.

(b) By October 1 of each year after 2024, the state must pay \$17,700,000 to the public employees police and fire retirement plan.

(c) The commissioner of management and budget must pay the aid specified in this subdivision. The amount required is annually appropriated from the general fund to the commissioner of management and budget.

~~(b)~~ (d) The aid under paragraph (a) continues until the earlier of:

(1) the first day of the fiscal year following three consecutive fiscal years in which, for each fiscal year, the actuarial value of assets of the fund equals or exceeds 100 percent of the actuarial accrued liabilities as reported by the actuary retained under section 356.214 in the annual actuarial valuation prepared under section 356.215; or

(2) July 1, 2048.

(e) The aid under paragraph (b) expires July 1, 2048.

Sec. 3. **EFFECTIVE DATE.**

Sections 1 and 2 are effective the day following final enactment.

ARTICLE 13

TEACHER RETIREMENT ASSOCIATION BENEFIT INCREASES

Section 1. Minnesota Statutes 2024, section 126C.10, subdivision 37, is amended to read:

Subd. 37. **Pension adjustment revenue.** (a) A school district's pension adjustment revenue equals the sum of:

(1) the greater of zero or the product of:

(i) the difference between the district's adjustment under Minnesota Statutes 2012, section 127A.50, subdivision 1, for fiscal year 2014 per adjusted pupil unit and the state average adjustment under Minnesota Statutes 2012, section 127A.50, subdivision 1, for fiscal year 2014 per adjusted pupil unit; and

(ii) the district's adjusted pupil units for the fiscal year; and

(2) the product of the salaries paid to district employees who were members of the Teachers Retirement Association and the St. Paul Teachers' Retirement Fund Association for the prior fiscal year and the district's pension adjustment rate for the fiscal year. The pension adjustment rate for Independent School District No. 625, St. Paul, equals 2.3 percent for fiscal year 2023, 2.5 percent for fiscal year 2024 and fiscal year 2025, and 3.25 percent for fiscal year 2026 and later. The pension adjustment rate for all other districts equals ~~1.05 percent for fiscal year 2023, 1.25 percent for fiscal year 2024 and fiscal year 2025, and 2.0~~ 2.31 percent for fiscal year 2026 and later.

(b) For fiscal year 2025, the state total pension adjustment revenue under paragraph (a), clause (2), must not exceed the amount calculated under paragraph (a), clause (2), for fiscal year 2024. The commissioner must prorate the pension adjustment revenue under paragraph (a), clause (2), so as not to exceed the maximum.

(c) For fiscal year 2026 and fiscal year 2027, the state total pension adjustment revenue under paragraph (a), clause (2), must not be prorated.

(d) For fiscal year 2028 and later, the state total pension adjustment revenue under paragraph (a), clause (2), must not exceed the amount calculated under paragraph (a), clause (2), for fiscal year 2027. The commissioner must prorate the pension adjustment revenue under paragraph (a), clause (2), so as not to exceed the maximum.

(e) Notwithstanding section 123A.26, subdivision 1, a cooperative unit, as defined in section 123A.24, subdivision 2, qualifies for pension adjustment revenue under paragraph (a), clause (2), as if it was a district, and the aid generated by the cooperative unit shall be paid to the cooperative unit.

EFFECTIVE DATE. This section is effective for revenue in fiscal years 2026 and later.

Sec. 2. Minnesota Statutes 2024, section 354.42, subdivision 3, is amended to read:

Subd. 3. **Employer.** (a) The regular employer contribution to the fund by Special School District No. 1, Minneapolis, is an amount equal to the applicable following percentage of salary of each coordinated member and the applicable percentage of salary of each basic member specified in paragraph (c).

The additional employer contribution to the fund by Special School District No. 1, Minneapolis, is an amount equal to 3.64 percent of the salary of each teacher who is a coordinated member or who is a basic member.

(b) The regular employer contribution to the fund by Independent School District No. 709, Duluth, is an amount equal to the applicable percentage of salary of each old law or new law coordinated member specified for the coordinated program in paragraph (c).

(c) The employer contribution to the fund for every other employer is an amount equal to ~~the applicable following percentage~~ 9.81 percent of the salary of each coordinated member and ~~the applicable following percentage~~ 13.81 percent of the salary of each basic member:

Period	Coordinated Member	Basic Member
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from July 1, 2022, through June 30, 2023	8.55 percent	12.55 percent
from July 1, 2023, through June 30, 2025	8.75 percent	12.75 percent
after June 30, 2025	9.5 percent	13.5 percent

(d) When an employer contribution rate changes for a fiscal year, the new contribution rate is effective for the entire salary paid for each employer unit with the first payroll cycle reported.

EFFECTIVE DATE. This section is effective June 30, 2025.

Sec. 3. Minnesota Statutes 2024, section 354.44, subdivision 6, is amended to read:

Subd. 6. **Computation of formula program retirement annuity.** (a) The formula retirement annuity must be computed in accordance with the applicable provisions of the formulas stated in paragraph (b) or (d) on the basis of each member's average salary under section 354.05, subdivision 13a, for the period of the member's formula service credit.

(b) This paragraph, in conjunction with paragraph (c), applies to a person who first became a member of the association or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless paragraph (d), in conjunction with paragraph (e), produces a higher annuity amount, in which case paragraph (d) applies. The average salary as defined in section 354.05, subdivision 13a, multiplied by the following percentages per year of formula service credit shall determine the amount of the annuity to which the member qualifying therefor is entitled for service rendered before July 1, 2006:

Period	Coordinated Member	Basic Member
Each year of service during first ten	1.2 percent per year	2.2 percent per year
Each year of service thereafter	1.7 percent per year	2.7 percent per year

For service rendered on or after July 1, 2006, by a member other than a member who was a member of the former Duluth Teachers Retirement Fund Association between January 1, 2006, and June 30, 2015, and for service rendered on or after July 1, 2013, by a member who was a member of the former Duluth Teachers Retirement Fund Association between January 1, 2013, and June 30, 2015, the average salary as defined in section 354.05, subdivision 13a, multiplied by the following percentages per year of service credit, determines the amount the annuity to which the member qualifying therefor is entitled:

Period	Coordinated Member	Basic Member
Each year of service during first ten	1.4 percent per year	2.2 percent per year
Each year of service after ten years of service	1.9 percent per year	2.7 percent per year

(c)(1) This paragraph applies only to a person who first became a member of the association or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, and whose annuity is higher when calculated under paragraph (b), in conjunction with this paragraph than when calculated under paragraph (d), in conjunction with paragraph (e).

(2) Where any member retires prior to normal retirement age under a formula annuity, the member shall be paid a retirement annuity in an amount equal to the normal annuity provided in paragraph (b) reduced by one-quarter of one percent for each month that the member is under normal retirement age at the time of retirement except that for any member who has 30 or more years of allowable service credit, the reduction shall be applied only for each month that the member is under age 62.

(3) Any member whose attained age plus credited allowable service totals 90 years is entitled, upon application, to a retirement annuity in an amount equal to the normal annuity provided in paragraph (b), without any reduction by reason of early retirement.

(d) This paragraph applies to a member who has become at least 55 years old and first became a member of the association after June 30, 1989, and to any other member who has become at least 55 years old and whose annuity amount when calculated under this paragraph and in conjunction with paragraph (e), is higher than it is when calculated under paragraph (b), in conjunction with paragraph (c).

(1) For a basic member, the average salary, as defined in section 354.05, subdivision 13a, multiplied by 2.7 percent for each year of service for a basic member determines the amount of the retirement annuity to which the basic member is entitled. The annuity of a basic member who was a member of the former Minneapolis Teachers Retirement Fund Association as of June 30, 2006, must be determined according to the annuity formula under the articles of incorporation of the former Minneapolis Teachers Retirement Fund Association in effect as of that date.

(2) For a coordinated member, the average salary, as defined in section 354.05, subdivision 13a, multiplied by 1.7 percent for each year of service rendered before July 1, 2006, and by 1.9 percent for each year of service rendered on or after July 1, 2006, for a member other than a member who was a member of the former Duluth Teachers Retirement Fund Association between January 1, 2006, and June 30, 2015, and by 1.9 percent for each year of service rendered on or after July 1, 2013, for a member of the former Duluth Teachers Retirement Fund Association between January 1, 2013, and June 30, 2015, determines the amount of the retirement annuity to which the coordinated member is entitled.

(e) This paragraph applies to a person who has become at least 55 years old and first becomes a member of the association after June 30, 1989, and to any other member who has become at least 55 years old and whose annuity is higher when calculated under paragraph (d) in conjunction with this paragraph than when calculated under paragraph (b) in conjunction with paragraph (c). An employee who retires under the formula annuity before the normal retirement age is entitled to receive the normal an annuity provided in paragraph (d), reduced as described in under clause (1) or (2), as applicable.

(1) For a member who is at least age ~~62~~ 60 and has at least 30 years of service, the annuity ~~shall be~~ is the normal annuity provided in paragraph (d) reduced by an early reduction factor of six five percent for each year that the member's age of retirement precedes the normal retirement age. The resulting reduced annuity shall be further adjusted to take into account the increase in the monthly amount that would have occurred had the member retired early and deferred receipt of the annuity until normal retirement age and the annuity was augmented during the deferral period at 2.5 percent,

if the member commenced employment after June 30, 2006, or at three percent, if the member commenced employment before July 1, 2006, compounded annually.

(2) For a member who has not attained age ~~62~~ 60 or has fewer than 30 years of service, the annuity ~~shall be~~ is the normal annuity provided in paragraph (d) reduced for each year that the member's age of retirement precedes normal retirement age by the following early reduction factors:

(i) for the period during which the member is age 55 through age 58, the factor is four percent; and

(ii) for the period during which the member is at least age 59 but not yet normal retirement age, the factor is seven percent.

The resulting annuity shall be further adjusted to take into account the increase in the monthly amount that would have occurred had the member retired early and deferred receipt of the annuity until normal retirement age and the annuity was augmented during the deferral period at the applicable annual rate, compounded annually. The applicable annual rate is the rate in effect for the month that includes the member's effective date of retirement and ~~shall~~ must be considered as fixed for the member for the period until the member reaches normal retirement age. The applicable annual rate for June 2019 is 2.5 percent, if the member commenced employment after June 30, 2006, or three percent, if the member commenced employment before July 1, 2006, compounded annually, and decreases each month beginning July 2019 in equal monthly increments over the five-year period that begins July 1, 2019, and ends June 30, 2024, to zero percent effective for July 2024 and thereafter.

After June 30, 2024, the reduced annuity commencing before normal retirement age under this clause shall not take into account any augmentation.

(f) No retirement annuity is payable to a former employee with a salary that exceeds 95 percent of the governor's salary unless and until the salary figures used in computing the highest five successive years average salary under paragraph (a) have been audited by the Teachers Retirement Association and determined by the executive director to comply with the requirements and limitations of section 354.05, subdivisions 35 and 35a.

EFFECTIVE DATE. This section is effective June 30, 2025.

Sec. 4. Minnesota Statutes 2024, section 356.415, subdivision 1d, is amended to read:

Subd. 1d. **Annual postretirement adjustments; Teachers Retirement Association—annual postretirement adjustments.** (a) Except as set forth in paragraph (d), recipients of a retirement annuity, disability benefit, or survivor benefit from the Teachers Retirement Association are entitled to an annual postretirement adjustment, effective as of each January 1, as follows:

~~(1) effective January 1, 2019, through December 31, 2023, a postretirement increase of one percent must be applied each year to the amount of the monthly annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 12 full months as of the June 30 of the calendar year immediately before the adjustment;~~

~~(2) effective January 1, 2019, through December 31, 2023, for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least one full month, but less than 12 full~~

~~months as of the June 30 of the calendar year immediately before the adjustment, a postretirement increase of 1/12 of one percent for each month the person has been receiving an annuity or benefit must be applied to the amount of the monthly annuity or benefit of the annuitant or benefit recipient;~~

~~(3) effective January 1, 2024, and thereafter;~~ (1) a postretirement increase must be applied each year to the amount of the monthly annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 12 full months as of the June 30 of the calendar year immediately before the adjustment, at the following rates:

from January 1, 2024, through December 31, 2024	1.1 percent
from January 1, 2025, through December 31, 2025	1.2 percent
from January 1, 2026, through December 31, 2026	1.3 percent
from January 1, 2027, through December 31, 2027	1.4 percent
from January 1, 2028, and thereafter	1.5 percent

~~(4) effective January 1, 2024, and thereafter;~~ (2) for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least one full month, but less than 12 full months, as of the June 30 of the calendar year immediately before the adjustment, an annual postretirement increase of 1/12 of the applicable percentage for each month that the person has been receiving an annuity or benefit must be applied to the amount of the monthly annuity or benefit of the annuitant or benefit recipient. The applicable percentages are the following:

from January 1, 2024, through December 31, 2024	1.1 percent
from January 1, 2025, through December 31, 2025	1.2 percent
from January 1, 2026, through December 31, 2026	1.3 percent
from January 1, 2027, through December 31, 2027	1.4 percent
from January 1, 2028, and thereafter	1.5 percent

(b) An increase in annuity or benefit payments under this section must be made automatically unless written notice is filed by the annuitant or benefit recipient with the executive director of the Teachers Retirement Association requesting that the increase not be made.

(c) The retirement annuity payable to a person who retires before becoming eligible for Social Security benefits and who has elected the optional payment as provided in section 354.35 must be treated as the sum of a period-certain retirement annuity and a life retirement annuity for the purposes of any postretirement adjustment. The period-certain retirement annuity plus the life retirement annuity must be the annuity amount payable until age 62, 65, or normal retirement age, as selected by the member at retirement, for an annuity amount payable under section 354.35. A postretirement adjustment granted on the period-certain retirement annuity must terminate when the period-certain retirement annuity terminates.

(d) Members who retire on or after July 1, 2024, are entitled to an annual postretirement adjustment of the member's retirement annuity, effective as of each January 1, beginning with the year following the year in which the member attains normal retirement age, as follows:

(1) if a member has been receiving an annuity for at least 12 full months as of the June 30 of the calendar year immediately before the date of the adjustment, a postretirement increase equal to

the percentage specified in paragraph (a), clause ~~(3)~~ (1), must be applied, effective on January 1, to the amount of the member's monthly annuity;

(2) if a member has been receiving an annuity for at least one full month, but less than 12 full months as of the June 30 of the calendar year immediately before the date of adjustment, a postretirement increase of 1/12 of the applicable percentage specified in paragraph (a), clause ~~(4)~~ (2), for each month that the member has been receiving an annuity must be applied, effective on January 1, to the amount of the member's monthly annuity; or

(3) if a member has been receiving an annuity for fewer than seven months as of the January 1 of the year following the year in which the member attains normal retirement age, a postretirement adjustment shall be applied effective as of the next January 1. The amount of the adjustment shall be determined under clause (2).

~~(e) Paragraph (d) does not apply to members who retire under section 354.44, subdivision 6, paragraph (e), clause (3), or who retire when the member is at least age 62 and has at least 30 years of service under section 354.44, subdivision 6, paragraph (c), (d), (e), or (f), as applicable.~~

EFFECTIVE DATE. This section is effective June 30, 2025.

ARTICLE 14

APPROPRIATIONS FOR TEACHERS RETIREMENT ASSOCIATION

Section 1. **APPROPRIATIONS; TEACHERS RETIREMENT ASSOCIATION.**

(a) \$4,000 in fiscal year 2026 and \$4,000 in fiscal year 2027 are appropriated from the general fund to the Department of Education for increased employer pension contributions to the Teachers Retirement Association.

(b) \$17,000 in fiscal year 2026 and \$17,000 in fiscal year 2027 are appropriated from the general fund to the Minnesota State Academies for increased employer pension contributions to the Teachers Retirement Association.

(c) \$5,000 in fiscal year 2026 and \$5,000 in fiscal year 2027 are appropriated from the general fund to the Perpich Center for the Arts for increased employer pension contributions to the Teachers Retirement Association.

(d) \$543,000 in fiscal year 2026 and \$543,000 in fiscal year 2027 are appropriated from the general fund to the Board of Trustees of the Minnesota State Colleges and Universities for increased employer pension contributions to the Teachers Retirement Association.

Sec. 2. **EDUCATION APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated are appropriated from the general fund to the Department of Education for the fiscal years designated. These sums are in addition to appropriations made for the same purpose in any other law.

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

\$	<u>17,098,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>19,711,000</u>	<u>.....</u>	<u>2027</u>

The 2026 appropriation includes \$0 for 2025 and \$17,098,000 for 2026.

The 2027 appropriation includes \$1,899,000 for 2026 and \$17,812,000 for 2027.

ARTICLE 15

DUTY DISABILITY BENEFITS AND CONTINUATION OF HEALTH COVERAGE FOR PEACE OFFICERS AND FIREFIGHTERS

Section 1. Minnesota Statutes 2024, section 299A.465, subdivision 1, is amended to read:

Subdivision 1. **Officer or firefighter disabled in line of duty.** (a) This subdivision applies to any peace officer or firefighter:

(1) who the Public Employees Retirement Association or the Minnesota State Retirement System determines is eligible to receive a duty disability benefit pursuant to section 353.656 or 352B.10, subdivision 1, respectively; or

(2) who ~~(i) does not qualify to receive disability benefits by operation of the eligibility requirements set forth in section 353.656, subdivision 1, paragraph (b), (ii) retires pursuant to section 353.651, subdivision 4, or (iii) is a member of a local police or salaried firefighters relief association and qualifies for a duty disability benefit under the terms of plans of the relief associations, and the peace officer or firefighter described in item (i), (ii), or (iii) has discontinued public service as a peace officer or firefighter as a result of a disabling injury and has been determined, by the Public Employees Retirement Association, to have otherwise met the duty disability criteria set forth in section 353.01, subdivision 41.~~

(b) ~~A determination made on behalf of a peace officer or firefighter described in paragraph (a), clause (2), must be at the request of the peace officer or firefighter made for the purposes of this section.~~ Determinations made in accordance with paragraph (a) are binding on the peace officer or firefighter, employer, and state. The determination must be made by the executive director of the Public Employees Retirement Association or by the executive director of the Minnesota State Retirement System, whichever applies, and is not subject to section 356.96, subdivision 2. Upon making a determination, the executive director ~~shall~~ must provide written notice to the peace officer or firefighter and the employer. ~~This~~ The notice must include:

~~(1)~~ a written statement of the reasons for the determination;

~~(2).~~ If the notice is from the executive director of the Minnesota State Retirement System, the notice must also include:

(1) a notice that the person may petition for a review of the determination by requesting that a contested case be initiated before the Office of Administrative Hearings, the cost of which must be borne by the peace officer or firefighter and the employer; and

~~(2)~~ (2) a statement that any person who does not petition for a review within 60 days is precluded from contesting issues determined by the executive director in any other administrative review or court procedure.

If, prior to the contested case hearing, additional information is provided to support the claim for duty disability as defined in section 352B.011, subdivision 7, ~~or 353.01, subdivision 41, whichever applies,~~ the executive director may reverse the determination without the requested hearing. If a hearing is held before the Office of Administrative Hearings, the determination rendered by the judge conducting the fact-finding hearing is a final decision and order under section 14.62, subdivision 2a, and is binding on the applicable executive director, the peace officer or firefighter, employer, and state. Review of a final determination made by the Office of Administrative Hearings under this section may only be obtained by writ of certiorari to the Minnesota Court of Appeals under sections 14.63 to 14.68. Only the peace officer or firefighter, employer, and state have standing to participate in a judicial review of the decision of the Office of Administrative Hearings.

(c) The officer's or firefighter's employer ~~shall~~ must continue to provide health coverage and pay for the coverage as required by paragraphs (d) to (g) for:

(1) the officer or firefighter; and

(2) the officer's or firefighter's dependents if the officer or firefighter was receiving dependent coverage at the time of the injury under the employer's group health plan.

(d) For an officer or firefighter who has applied for or been approved to receive benefits under section 353.656 prior to the date of enactment or an officer or firefighter who applies for and is approved for total and permanent duty disability benefits under section 353.656, subdivision 1a, the employer is responsible for the continued payment of the employer's contribution for health coverage of the officer or firefighter and, if applicable, the officer's or firefighter's dependents. Coverage must continue for the officer or firefighter and, if applicable, the officer's or firefighter's dependents until the officer or firefighter reaches age 65 or, if deceased, would have reached age 65.

(e) For an officer or firefighter approved to receive benefits under section 353.656 on or after the date of enactment and who is not approved for total and permanent duty disability benefits under section 353.656, subdivision 1a, the employer is responsible for the continued payment of the employer's contribution for health coverage of the officer or firefighter and, if applicable, the officer's or firefighter's dependents. Coverage must continue:

(1) for the officer or firefighter for a period of 60 months or, if earlier, until the officer or firefighter reaches age 65; and

(2) for the officer's or firefighter's dependents for a period of 60 months.

(f) For an officer or firefighter who has applied for or been approved to receive benefits under section 352B.10, subdivision 1, the employer is responsible for the continued payment of the employer's contribution for health coverage of the officer or firefighter and, if applicable, the officer's

or firefighter's dependents. Coverage must continue for the officer or firefighter and, if applicable, the officer's or firefighter's dependents until the officer or firefighter reaches age 65 or, if deceased, would have reached age 65.

~~(d) The employer is responsible for the continued payment of the employer's contribution for coverage of the officer or firefighter and, if applicable, the officer's or firefighter's dependents. Coverage must continue for the officer or firefighter and, if applicable, the officer's or firefighter's dependents until the officer or firefighter reaches or, if deceased, would have reached the age of 65. However,~~ (g) The employer is not required to continue health coverage for dependents ~~does not have to be continued~~ after the person is no longer a dependent.

(h) An officer or firefighter who has applied for or been approved to receive benefits under section 353.656 may affirmatively waive health coverage under this section but must not receive any payment or other consideration from the employer in exchange for waiver of the coverage. Any agreement entered into between an officer or firefighter who has applied for or been approved to receive benefits under section 353.656 and the officer's or firefighter's employer or the employer's agent providing for compensation for a waiver of coverage under this section is void. Nothing in this subdivision shall be construed to render void any agreement entered into prior to the date of enactment.

(i) Once a duty disability determination is made pursuant to section 353.656, the employer has no right to challenge and is prohibited from challenging the continuation and payment of health coverage under this section.

Sec. 2. Minnesota Statutes 2024, section 353.032, subdivision 3, is amended to read:

Subd. 3. **Approval.** (a) An employee who applies for treatment of a psychological condition that was a result of the performance of duties related to the occupation and cannot perform the normal duties of the position held by the employee on the date of injury, event, or onset of mental illness must receive approval from the executive director for psychological treatment as provided under this subdivision.

~~(b)~~ The executive director shall grant approval to an employee who submits, in the form and manner specified by the executive director, an application that includes:

(1) a report by a mental health professional diagnosing the employee with a mental illness and finding that the employee is currently unable to perform the normal duties of the position held by the employee on the date of the injury, event, or onset of the mental illness on a full- or part-time basis; and

~~(2) documentation from the employer certifying the dates the employee was on duty in a position covered under the police and fire plan~~ proof that a first report of injury was filed by the employee with the employer.

(b) An employee is eligible for treatment of a psychological condition under subdivision 4, paragraph (a), while maintaining full-time or part-time work for the employer when the mental injury was a result of the performance of the employee's occupational duties. The executive director shall grant approval to the employee who submits, in the form and manner specified by the executive director, an application that includes:

(1) a report by a mental health professional diagnosing the employee with a mental illness that was a result of the performance of the employee's occupational duties and determining that the employee is medically able to continuing working full-time or part-time in the position held by the employee at the time of the injury, event, or onset of the mental illness; and

(2) proof that a first report of injury was filed by the employee with the employer.

(c) An employee who receives approval under this subdivision is not considered disabled for the purposes of a duty disability under section 353.656, subdivision 1, unless the employee completes the additional requirements under this section, receives final confirmation under subdivision 6, and applies for disability benefits under section 353.031 before receiving duty disability benefits or related benefits.

(d) The executive director must notify an employing entity electronically and by mail that an application for psychological condition treatment has been submitted by an employee and request the certification required under paragraph (b), clause (2), from the employing entity documentation from the employer certifying the dates the employee was on duty in a position covered under the police and fire plan within six business days after the application has been received by the executive director.

(e) An employer shall submit the certification required under paragraph ~~(b), clause (2),~~ (d) within five business days of receiving notice from the executive director, and the employee shall receive approval no later than 14 business days after the employee's application is received by the executive director, whether or not the employer's certification has been submitted. Nothing in this paragraph shall delay the treatment of the psychological condition of the employee.

Sec. 3. Minnesota Statutes 2024, section 353.032, subdivision 4, is amended to read:

Subd. 4. **Treatment required.** (a) Except as provided in paragraph (f), beginning when the application is received by the executive director, an employee who receives approval under subdivision 3 shall complete up to 24 consecutive weeks of active treatment modalities for the employee's diagnosed mental illness, as provided under this subdivision, before a final confirmation can be made under subdivision 6. Treatment shall be at the direction of a mental health professional using treatment modalities indicated for the treatment of the diagnosed mental illness. An employee shall not be penalized for an interruption in active, consecutive treatment that is not initiated by or resulting from an intentional action of the employee. Subject to the limit under subdivision 9, the employer shall pay for the treatment costs to the extent not paid for by the employee's health insurance and may seek reimbursement.

(b) The employee's mental health professional must assess the employee's progress in treatment monthly and at the end of the 24 weeks or earlier, including any change to the employee's ability to return to the position held by the employee on the date of the injury, event, or onset of the mental illness, or to another position with the employer which provides salary and employer-provided benefits, including pension benefits, that are equal to or greater than those for the position held by the employee on the date of the injury, event, or onset of the mental illness. A final confirmation under subdivision 6 must be supported by a report from the employee's mental health professional containing an opinion about the employee's prognosis, the duration of the disability, and the expectations for improvement following the treatment. A report that does not contain and support

a finding that the employee's disability as a result of a psychological condition will last for at least 12 months must not be relied upon to support approval of duty disability benefits.

(c) The employee may ~~return to work~~ full-time or part-time work prior to the completion of the 24 weeks of treatment if the employee's mental health professional determines that they are medically able to do so.

(d) The employee may return to light duty assignments, subject to availability of a position, prior to the completion of the 24 weeks of treatment, if deemed medically appropriate by the employee's mental health professional and with the employer's approval.

(e) A fitness for duty presumption shall apply to an employee who is cleared to return to work or light duty under paragraph (c) or (d), except as provided under subdivision 10.

(f) No employee shall be required to complete treatment under this subdivision more than three times in ten years.

Sec. 4. Minnesota Statutes 2024, section 353.032, subdivision 5, is amended to read:

Subd. 5. **Continuation of salary and benefits.** (a) Subject to subdivision 9, for the period that an employee is seeking psychological condition treatment approval under subdivision 3 or 6, beginning when the application is received by the executive director, appealing a determination thereof, or receiving treatment under subdivision 4 or 7, the employer shall continue:

(1) to pay, for a current employee only, the employee's full salary and employer-provided benefits, including any employer contribution to health care and retirement benefits. The employer must not require the employee to use accrued vacation, sick, holiday, personal time off or any leave benefits while the employee is receiving treatment under subdivision 4. The employer must proportionally reduce the salary paid to an employee who is otherwise receiving benefits for the disability that provide compensation for all or a portion of the employee's salary for the same time period. Nothing in this paragraph requires an employer to pay more than 100 percent of the employee's salary;

(2) to provide health insurance benefits to the employee and to the employee's dependents, if the employee was receiving dependent coverage at the time of the injury, event, or onset of the mental illness under the employer's group health plan; and

(3) to provide any other employment benefits provided to the employee under the employee's currently applicable collective bargaining agreement.

(b) An employee shall obtain service credit for the treatment period required under subdivision 4 or 7.

(c) Nothing prevents an employer from providing benefits in addition to those required by this section or otherwise affects an employee's rights with respect to any other employment benefit.

(d) If an employee is unable to receive treatment through the prescribed treatment program due to circumstances beyond the employee's control, which includes but is not limited to a lack of availability of a mental health facility or a mental health professional, the employee shall continue

to receive their regular compensation, benefits, and retirement service credits, until such mental health facility or mental health professional becomes available to the employee for their treatment program. The employer must not require the employee to use sick or vacation leave during this period. The continuation of salary and benefits allowed under this paragraph must not exceed 30 days beyond the day treatment is prescribed, except that continuation of benefits and salary may be extended beyond 30 days if written documentation from the mental health facility or mental health professional providing the treatment start date is submitted by the employee to the executive director and the employer.

Sec. 5. Minnesota Statutes 2024, section 353.032, subdivision 6, is amended to read:

Subd. 6. **Termination or continuation of psychological condition treatment.** (a) Following completion of treatment under subdivision 4, the association shall confirm the treatment requirements are satisfied; and make one of the following determinations based on the report of the employee's mental health professional:

(1) continue the approval for an additional eight weeks for the employee to complete additional treatment, as provided under subdivision 7;

(2) terminate the psychological condition treatment because the employee is:

(i) able to return to or continue full-time or part-time work in the position held by the employee on the date of the injury, event, or onset of the mental illness; or

(ii) able to return to another vacant full-time position with the employer which provides salary and employer-provided benefits, including pension benefits, that are equal to or greater than those for the position held by the employee on the date of the injury, event, or onset of the mental illness, as certified by the employer in the form and manner specified by the executive director; or

(3) confirm the employee has met the requirements under section 353.032, after which the employee may apply for a duty disability benefit based on a psychological condition under section 353.031.

(b) The association must notify the employee and the employer electronically and by mail of its determination under paragraph (a).

~~(b)~~ (c) After confirmation and application under paragraph (a), clause (3), the association must approve the employee's application for disability benefits if the employee is eligible under section 353.031, at which time the employee is entitled to receive disability benefits as provided under this section and any related benefits. The disability benefit begins to accrue the day following the day on which the employer ceases to continue salary and benefits under subdivision 5 and section 353.656, subdivision 4, paragraph (a).

~~(c)~~ (d) Following completion of the additional treatment requirements under subdivision 7, if applicable, the association shall confirm the additional treatment requirements are satisfied, after which, the employee may apply for disability benefits because the employee is eligible under section 353.031, at which time the employee is entitled to receive disability benefits as provided under this section and any related benefits. The disability benefit begins to accrue the day following the day

on which the employer ceases to continue salary and benefits under subdivision 5 and section 353.656, subdivision 4, paragraph (a).

(e) Treatment requirements that remain incomplete 60 days past the 24 weeks of treatment under subdivision 4 or the additional eight weeks of treatment under subdivision 7 terminate.

~~(d)~~ (f) A fitness for duty presumption shall apply to an employee who is determined able to return to work as provided under paragraph (a), clause (2), except as provided under subdivision 10.

Sec. 6. Minnesota Statutes 2024, section 353.032, subdivision 7, is amended to read:

Subd. 7. **Additional treatment.** (a) Except as provided in paragraph (g), if, after completing the treatment required under subdivision 4, the employee's mental health professional's report determines that the employee is making progress in treatment, and the employee's prognosis is expected to further improve with additional treatment, the association shall continue the employee's initial approval under subdivision 6, paragraph (a), clause (1), and the employee shall complete up to an additional eight consecutive weeks of active treatment modalities as provided under this subdivision. The association must notify the employer electronically and by mail that the initial approval has been continued within six business days after the executive director receives the mental health professional's report.

(b) Treatment shall be at the direction of a mental health professional using treatment modalities indicated for the treatment of the employee's diagnosed mental illness. An employee shall not be penalized for an interruption in active, consecutive treatment that is not initiated by or resulting from an intentional action of the employee. Subject to subdivision 9, the employer shall pay for the treatment costs to the extent not paid for by the employee's health insurance and may seek reimbursement.

(c) The employee's mental health professional must assess the employee's progress in treatment at the end of eight weeks, including any change to the employee's ability to return to the position held by the employee on the date of the injury, event, or onset of the mental illness, or to another position with the employer which provides salary and employer-provided benefits, including pension benefits, that are equal to or greater than those for the position held by the employee on the date of the injury, event, or onset of the mental illness. A final confirmation under subdivision 6, paragraph ~~(b)~~ (c), must be supported by an updated report from the employee's mental health professional containing an opinion about the employee's prognosis, the duration of the disability, and the expectations for improvement following the additional treatment. An updated report that does not contain and support a finding that the employee's disability as a result of a psychological condition will last for at least 12 months must not be relied upon to support approval of duty disability benefits.

(d) The employee may return to full-time or part-time work ~~prior to the completion of~~ for the employer or continue to work full-time or part-time for the employer during the eight weeks of treatment if the employee's mental health professional determines that they are medically able to do so and with the employer's approval.

(e) The employee may return to light duty assignments, subject to availability of a position, prior to the completion of the eight weeks of treatment, if deemed medically appropriate by the employee's mental health professional and with the employer's approval.

(f) A fitness for duty presumption shall apply to an employee who is cleared to return to work or light duty under paragraph (d) or (e), except as provided under subdivision 10.

(g) No employee shall be required to complete treatment under this subdivision more than three times in ten years.

Sec. 7. Minnesota Statutes 2024, section 353.032, subdivision 9, is amended to read:

Subd. 9. Employer reimbursement; limit. (a) Except as provided in paragraph (c), an employer subject to this section may annually apply by August 1 for the preceding fiscal year to the commissioner of public safety for reimbursement of:

(1) the treatment costs incurred by the employer under subdivision 4 or 7; and

(2) the costs incurred to continue salary and benefits as required under subdivision 5.

(b) An employer must apply for the reimbursement in the form and manner specified by the commissioner of public safety.

(c) No employer shall be required to pay for the salary, benefits, and treatment costs required under subdivisions 4, 5, and 7 for a single employee more than three times in ten years.

(d) An officer or firefighter receiving treatment under this section must provide to the employer, on a monthly basis, billing statements or invoices for treatment costs incurred as outlined in subdivisions 4 and 7.

Sec. 8. Minnesota Statutes 2024, section 353.032, subdivision 10, is amended to read:

Subd. 10. Fitness for duty presumption. (a) An employee who is cleared or determined able to work full-time or part-time while receiving treatment under subdivision 3, paragraph (c); or return to work or light duty under subdivision 4, paragraph (e); 6, paragraph ~~(e)~~ (f); or 7, paragraph (f), is presumed fit for duty, except as follows:

(1) an employer may request a fitness for duty exam by an independent medical provider if the exam is completed within six weeks of the employer receiving the determination from the treating mental health professional, and the independent medical provider's report is completed no more than six weeks later;

(2) an employee found unfit for duty by an independent medical provider under clause (1):

(i) is presumed eligible for a duty disability, as provided under subdivision 6, paragraph (a), clause (3), if the employee otherwise meets the eligibility requirements under section 353.031; or

(ii) may appeal the independent medical provider's determination by requesting an examination under paragraph (c); and

(3) the fitness-for-duty timeline under this paragraph may be modified by mutual agreement of the employer and employee.

(b) Nothing in this section shall be deemed to affect the Americans with Disabilities Act, United States Code, title 42, chapter 126; the Family Medical Leave Act, United States Code, title 29, chapter 28; or the Minnesota Human Rights Act, chapter 363A.

(c) An employee who wishes to appeal the independent medical provider's determination under paragraph (a), clause (2), item (ii), may request an examination by a qualified professional selected by the employee from a panel established by mutual agreement among the League of Minnesota Cities, the Association of Minnesota Counties, the Minnesota Peace and Police Officers Association, the Minnesota Professional Fire Fighters Association, the Minnesota Chiefs of Police Association, and the Minnesota Law Enforcement Association. The panel shall consist of five licensed psychiatrists or psychologists who have expertise regarding psychological or emotional disorders and who are qualified to opine as to the employee's fitness to engage in police or firefighting duties. The agreed upon panel of qualified professionals must be submitted to the executive director and made available for use in the appeal process. If the employee fails to select a qualified professional from the panel within ten days of any notice of appeal, the employing entity may select the qualified professional from the panel. A determination made by a qualified professional under this item is binding and not subject to appeal. This panel may be the same panel as the panel established under section 352B.102, subdivision 10.

Sec. 9. **EFFECTIVE DATE.**

Sections 1 to 8 are effective the day following final enactment.

ARTICLE 16

**PUBLIC PENSION PLANS: MODIFYING THE CIRCUMSTANCES FOR TERMINATING
STATE AID AND SUPPLEMENTAL EMPLOYER CONTRIBUTIONS**

Section 1. Minnesota Statutes 2024, section 352.92, subdivision 2a, is amended to read:

Subd. 2a. **Supplemental employer contribution.** (a) Effective July 1, 2019, the employer shall pay a supplemental contribution. The supplemental contribution is 1.45 percent of salary for covered correctional employees from July 1, 2019, through June 30, 2020; 2.95 percent of salary for covered correctional employees from July 1, 2020, through June 30, 2021; and 4.45 percent of salary for covered correctional employees thereafter. The supplemental contribution rate of 4.45 percent remains in effect until, for three consecutive years, the market value of the assets of the correctional state employees retirement plan of the Minnesota State Retirement System equals or exceeds 110 percent of the actuarial accrued liability of the plan as determined by the actuary retained under section 356.214. The expiration of the supplemental employer contribution is effective the first day of the first full pay period of the fiscal year immediately following the issuance of the third actuarial valuation upon which the expiration is based.

(b) The supplemental contribution under paragraph (a) must be paid starting the first day of the first full pay period after June 30, 2018.

Sec. 2. Minnesota Statutes 2024, section 352B.02, subdivision 1c, is amended to read:

Subd. 1c. **Employer contributions and supplemental employer contribution.** (a) In addition to member contributions, department heads shall pay a sum equal to the specified percentage of the

salary upon which deductions were made, which constitutes the employer contribution to the fund as follows:

from July 1, 2014, to June 30, 2016	20.1
from July 1, 2016, to June 30, 2018	21.6
from July 1, 2018, to June 30, 2019	22.35
after June 30, 2019	23.1

(b) Department contributions must be paid out of money appropriated to departments for this purpose.

(c) Contribution increases under paragraph (a) must be paid starting the first day of the first full pay period after the effective date of the increase.

(d) Effective July 1, 2018, department heads shall pay a supplemental employer contribution. The supplemental contribution is 1.75 percent of the salary upon which deductions are made from July 1, 2018, through June 30, 2019; three percent of the salary upon which deductions are made from July 1, 2019, through June 30, 2020; five percent of the salary which deductions are made from July 1, 2020, through June 30, 2021; and seven percent of the salary upon which deductions are made thereafter. The supplemental contribution must be paid starting the first day of the first full pay period after June 30, 2018. The supplemental contribution rate of seven percent remains in effect until, for three consecutive years, the market value of the assets of the State Patrol retirement plan of the Minnesota State Retirement System equals or exceeds 110 percent of the actuarial accrued liability of the plan as determined by the actuary retained under section 356.214. The expiration of the supplemental employer contribution is effective the first day of the first full pay period of the fiscal year immediately following the issuance of the third actuarial valuation upon which the expiration is based.

Sec. 3. Minnesota Statutes 2024, section 353.65, subdivision 3b, is amended to read:

Subd. 3b. **Direct state aid.** (a) The state must pay \$4,500,000 on October 1, 2018, and October 1, 2019, to the public employees police and fire retirement plan. By October 1 of each year after 2019, the state must pay \$9,000,000 to the public employees police and fire retirement plan. The commissioner of management and budget must pay the aid specified in this subdivision. The amount required is annually appropriated from the general fund to the commissioner of management and budget.

(b) The aid under paragraph (a) continues until the ~~earlier of:~~ first day of the fiscal year following three consecutive fiscal years in which, for each fiscal year, the actuarial value of assets of the fund equals or exceeds 110 percent of the actuarial accrued liabilities as reported by the actuary retained under section 356.214 in the annual actuarial valuation prepared under section 356.215.

~~(1) the first day of the fiscal year following three consecutive fiscal years in which, for each fiscal year, the actuarial value of assets of the fund equals or exceeds 100 percent of the actuarial accrued liabilities as reported by the actuary retained under section 356.214 in the annual actuarial valuation prepared under section 356.215; or~~

~~(2) July 1, 2048.~~

Sec. 4. Minnesota Statutes 2024, section 423A.022, subdivision 5, is amended to read:

Subd. 5. **Aid termination.** (a) The aid under subdivision 2, paragraph (a), clauses (1) and (3), continues until the ~~earlier of: December 1 following three consecutive fiscal years in which, for each fiscal year, the actuarial value of assets of both the State Patrol retirement plan and the public employees police and fire retirement plan equals or exceeds 100 percent of the actuarial accrued liabilities as reported by the actuary retained under section 356.214 in the annual actuarial valuation prepared under section 356.215.~~

~~(1) the December 1 following three consecutive fiscal years in which, for each fiscal year, the actuarial value of assets of both the State Patrol retirement plan and the public employees police and fire retirement plan equals or exceeds 90 percent of the actuarial accrued liabilities as reported by the actuary retained under section 356.214 in the annual actuarial valuation prepared under section 356.215; or~~

~~(2) July 1, 2048.~~

(b) The aid under subdivision 2, paragraph (a), clause (2), does not terminate.

Sec. 5. Minnesota Statutes 2024, section 490.123, subdivision 5, is amended to read:

Subd. 5. **Direct state aid.** (a) The state shall pay \$6,000,000 annually to the judges' retirement fund. The aid is payable each July 1. The amount required is annually appropriated from the general fund to the judges' retirement fund.

(b) The aid under paragraph (a) continues until the ~~earlier of: first day of the fiscal year following three consecutive fiscal years in which, for each fiscal year, the actuarial value of assets of the fund equals or exceeds 110 percent of the actuarial accrued liabilities as reported by the actuary retained under section 356.214 in the annual actuarial valuation prepared under section 356.215.~~

~~(1) the first day of the fiscal year following three consecutive fiscal years in which the actuarial value of assets of the fund equals or exceeds 100 percent of the actuarial accrued liabilities as reported by the actuary retained under section 356.214 in the annual actuarial valuation prepared under section 356.215; or~~

~~(2) July 1, 2048.~~

Sec. 6. **EFFECTIVE DATE.**

Sections 1 to 5 are effective the day following final enactment.

ARTICLE 17

WORK GROUP ON PENSION PLANS FOR PROBATION OFFICERS AND 911 TELECOMMUNICATORS

Section 1. **WORK GROUP ON CREATING PENSION PLANS FOR PROBATION
OFFICERS AND 911 TELECOMMUNICATORS.**

Subdivision 1. **Work group established.** The executive director of the Legislative Commission on Pensions and Retirement (commission executive director) must convene a work group for the purpose of recommending a pension plan to be administered by the Minnesota State Retirement System (MSRS) for probation officers and 911 telecommunicators who are state employees, as defined in Minnesota Statutes, section 352.01, subdivision 2, and a pension plan to be administered by the Public Employees Retirement Association (PERA) for probation officers and 911 telecommunicators who are public employees, as defined in Minnesota Statutes, section 353.01, subdivision 2.

Subd. 2. **Membership.** (a) The members of the work group are the following:

(1) the executive director of PERA, or the executive director's designee, and a second member of the PERA staff designated by the executive director;

(2) the executive director of MSRS, or the executive director's designee, and a second member of the MSRS staff designated by the executive director;

(3) the commissioner of corrections or the commissioner's designee;

(4) the commissioner of public safety or the commissioner's designee;

(5) a representative from the Minnesota Association of County Probation Officers;

(6) a representative from the Minnesota Corrections Association;

(7) a representative from the Minnesota Association of Professional Employees;

(8) a representative from the International Brotherhood of Teamsters Local 320;

(9) a representative from the American Federation of State, County and Municipal Employees Council 5;

(10) two representatives from the Association of Minnesota Counties;

(11) a representative from the League of Minnesota Cities;

(12) a representative from the Minnesota Inter-County Association;

(13) a representative from the Minnesota Association of Public Safety Communications Officials or the National Emergency Number Association of Minnesota;

(14) a representative from the Law Enforcement Labor Services;

(15) a representative from the Minnesota Association of Community Corrections Act Counties;

(16) a representative from the Minnesota Professional Fire Fighters Association; and

(17) a representative from the Minnesota Police and Peace Officers Association.

(b) The commission executive director may invite others, including the commission's actuary, to participate in one or more meetings of the work group.

(c) The organizations specified in paragraph (a) must provide the commission executive director with the names and contact information for the representatives who will serve on the work group by June 14, 2025.

Subd. 3. **Mandate.** In arriving at the work group's recommendations, the work group must:

(1) determine the features of each pension plan, including but not limited to:

(i) employee and employer contribution rates;

(ii) vesting requirements;

(iii) the benefit formula;

(iv) normal and early retirement ages;

(v) disability benefits;

(vi) postretirement adjustments;

(vii) the extent to which past service will be credited and paid for; and

(viii) definitions for "probation officer" and "911 telecommunicator";

(2) determine whether the new plans will be entirely new pension plans or whether the new plans will be component pension plans similar to the special coverage for state fire marshals under Minnesota Statutes, section 352.87; and

(3) consider:

(i) the study prepared by PERA that estimates the costs and benefits for a pension plan for probation officers, 911 telecommunicators, and any other public safety adjacent employees;

(ii) the financial impact resulting from the potential cessation of benefit accruals and contributions for members that transfer from the MSRS general state employees retirement plan or the PERA general employees retirement plan to the new pension plan;

(iii) the option for members to purchase credit for past service, including the method for purchasing credit for past service;

(iv) how contributions used to prefund benefit improvements can be made before any new pension plan is created;

(v) any other public safety adjacent positions that should be included in the new pension plans and how those positions should be defined;

(vi) the balance of employee and employer contributions, including the interest in funding pension benefit improvements with increased employee contributions; and

(vii) a bill styled as 2025 H.F. No. 1779/S.F. No. 1986, also referred to as revisor number 25-02845, or its equivalent, passed/introduced in the 2025 regular or special session, including the testimony on the bill at the meetings of the Legislative Commission on Pensions and Retirement.

Subd. 4. **Proposed legislation.** With the assistance of the commission executive director, the work group must prepare proposed legislation that implements the recommendations of the work group under subdivision 3. If the work group recommends more than one approach to improving pension benefits, the work group must provide alternative bills. Recommended legislation must require MSRS and PERA to have any new plan or component plan operational by January 1, 2027.

Subd. 5. **Due date for submitting recommendations to the commission.** The chair of the work group must submit the recommendations of the work group, along with proposed legislation that implements the recommendations, to the chair and executive director of the Legislative Commission on Pensions and Retirement by January 15, 2026.

Subd. 6. **Meetings; chair; administrative support.** (a) The commission executive director must convene the first meeting of the work group by August 1, 2025.

(b) The members of the work group must elect a chair at the first meeting.

(c) Meetings may be conducted remotely or in person or a combination of remotely and in person.

(d) Commission staff must provide meeting space, if needed, and administrative support to the chair of the work group.

Subd. 7. **Compensation; lobbying; retaliation.** (a) Members of the work group serve without compensation.

(b) Participation in the work group is not lobbying under Minnesota Statutes, chapter 10A.

(c) An individual's employer or an organization or association of which an individual is a member must not retaliate against the individual because of the individual's participation in the work group.

Subd. 8. **Expiration.** The work group expires June 30, 2027.

ARTICLE 18

LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

Section 1. Minnesota Statutes 2024, section 3.85, subdivision 2, is amended to read:

Subd. 2. **Powers.** The commission shall make a continuing study and investigation of retirement benefit plans applicable to nonfederal government employees in this state. The powers and duties of the commission include, but are not limited to the following:

(a) studying retirement benefit plans applicable to nonfederal government employees in Minnesota, including federal plans available to the employees;

(b) making recommendations within the scope of its study, including attention to financing of the various pension funds and financing of accrued liabilities;

(c) considering all aspects of pension planning and operation and making recommendations designed to establish and maintain sound pension policy for all funds;

(d) analyzing ~~each item of~~ proposed pension and retirement legislation, including amendments ~~to each~~, with particular reference to analysis of ~~their~~ the legislation's cost, actuarial soundness, and adherence to sound pension policy; ~~and reporting its findings to the legislature;~~

(e) creating and maintaining a library for reference concerning pension and retirement matters, including information about laws and systems in other states; and

(f) studying, analyzing, and preparing reports in regard to subjects certified to the commission for study.

Sec. 2. Minnesota Statutes 2024, section 3.85, subdivision 3, is amended to read:

Subd. 3. **Membership.** The commission consists of seven members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration and seven members of the house of representatives appointed by the speaker. No more than five members from each chamber may be from the majority caucus in that chamber. Members shall be appointed at the commencement of each regular session of the legislature for a two-year term beginning January 16 of the first year of the regular session. ~~Members continue~~ A member continues to serve until ~~their successors are appointed~~ the earlier of the appointment of the member's successor or the end of the member's legislative term or office. Vacancies that occur while the legislature is in session shall be filled like regular appointments. If the legislature is not in session, senate vacancies shall be filled by the last Subcommittee on Committees of the senate Committee on Rules and Administration or other appointing authority designated by the senate rules, and house of representatives vacancies shall be filled by the last speaker of the house, or if the speaker is not available, by the last chair of the house of representatives Rules Committee.

Sec. 3. Minnesota Statutes 2024, section 3.85, subdivision 10, is amended to read:

Subd. 10. **Standards for pension valuations and cost estimates.** The commission shall adopt standards prescribing ~~specific detailed~~ methods to calculate, evaluate, and display current and ~~proposed law projected~~ liabilities, costs, and actuarial equivalents of ~~all covered~~ public employee pension plans ~~in Minnesota~~ under section 356.20, subdivision 2, that are defined benefit plans. These standards ~~shall~~ must be consistent with chapter 356 and be updated ~~annually~~ periodically. At a minimum, the standards ~~shall~~ must contain requirements that comply with ~~generally accepted accounting principles~~ actuarial standards of practice applicable to government pension plans. ~~The standards may include additional financial, funding, or valuation requirements that are not required under generally accepted accounting principles applicable to government pension plans.~~

Sec. 4. **EFFECTIVE DATE.**

Sections 1 to 3 are effective the day following final enactment.

ARTICLE 19

STATEWIDE VOLUNTEER FIREFIGHTER PLAN

Section 1. Minnesota Statutes 2024, section 353G.08, subdivision 1a, is amended to read:

Subd. 1a. **Annual funding requirements; monthly division.** (a) Annually, the executive director shall determine the funding requirements of each ~~monthly benefit fire department~~ fire department account in the ~~statewide volunteer firefighter~~ monthly division of the defined benefit plan on or before August 1.

(b) The executive director must determine the funding requirements of a ~~monthly benefit fire department~~ fire department account under this subdivision from:

(1) the most recent actuarial valuation normal cost, administrative expense, including the cost of a regular actuarial valuation, and amortization results for the account determined by the approved actuary retained by the retirement association under sections 356.215 and 356.216; and

(2) the standards for actuarial work, utilizing a six percent investment return actuarial assumption ~~and~~ other actuarial assumptions approved under section 356.215, subdivision 18², and the amortization periods specified in section 356.215, subdivision 11.

~~(i) with that portion of any unfunded actuarial accrued liability attributable to a benefit increase to be amortized over a period of 20 years from the date of the benefit change;~~

~~(ii) with that portion of any unfunded actuarial accrued liability attributable to an assumption change or an actuarial method change to be amortized over a period of 20 years from the date of the assumption or method change;~~

~~(iii) with that portion of any unfunded actuarial accrued liability attributable to an investment loss to be amortized over a period of ten years from the date of investment loss; and~~

~~(iv) with the balance of any net unfunded actuarial accrued liability to be amortized over a period of five years from the date of the actuarial valuation.~~

(c) The required contributions of the entity or entities associated with the fire department whose active firefighters are covered by the monthly division are the annual financial requirements of the ~~monthly benefit fire department~~ fire department account ~~of the plan~~ under paragraph (b) reduced by the amount of any fire state aid payable under chapter 477B, or any police and firefighter retirement supplemental state aid payable under section 423A.022, that is reasonably anticipated to be received by the plan attributable to the entity or entities during the following calendar year. The required contribution must be allocated between the entities if more than one entity is involved. A reasonable amount of anticipated fire state aid is an amount that does not exceed the fire state aid actually received in the prior year multiplied by the factor 1.035.

(d) The required contribution calculated in paragraph (c) must be paid to the plan on or before December 31 of the year for which it was calculated. If the contribution is not received by the plan by December 31, it is payable with interest at an annual compound rate of six percent from the date due until the date payment is received by the plan. If the entity does not pay the full amount of the

required contribution, the executive director shall collect the unpaid amount under section 353.28, subdivision 6.

Sec. 2. Minnesota Statutes 2024, section 353G.11, is amended by adding a subdivision to read:

Subd. 1b. **Applicable benefit level.** (a) In determining a member's retirement benefit under section 353G.09, subdivision 1a, the benefit level applicable to the member is the benefit level in effect as of the date the member terminated firefighting services for the fire department of a participating employer.

(b) Except as provided under section 353G.09, subdivision 4:

(1) the benefit level for a member of the lump-sum division is the benefit level selected under section 353G.05, subdivision 1d, by the member's relief association or, if applicable, the municipality or firefighting corporation that employs the member or the benefit level as modified under subdivision 2, whichever is in effect as of the date the member terminated firefighting services; or

(2) the benefit level for a member of the monthly division is the benefit level under the retirement benefit plan document applicable to the member's former relief association or the benefit level under the retirement benefit plan document as modified under subdivision 2a, whichever is in effect as of the date the member terminated firefighting services.

Sec. 3. Minnesota Statutes 2024, section 353G.11, subdivision 2, is amended to read:

Subd. 2. **Benefit level changes in the lump-sum division of defined benefit plan.** (a) A fire department's fire chief or the governing body operating a fire department may request an increase in the benefit level as provided in this subdivision.

(b) The fire chief or governing body must request a cost estimate from the executive director of an increase in the ~~service pension~~ benefit level applicable to the active firefighters of the fire department.

(c) The executive director must prepare the cost estimate using a procedure certified as accurate by the approved actuary retained by the association.

(d) Within 120 days after receiving the cost estimate from the executive director, the governing body may approve the benefit level change, effective for January 1 of the following calendar year unless the governing body specifies in the approval document an effective date that is January 1 of the second year following the approval date. If the approval occurs after April 30, the required municipal contribution for the following calendar year must be recalculated and the results reported to the governing body. If not approved within 120 days of the receipt of the cost estimate, the benefit level change is considered to have been disapproved.

Sec. 4. Minnesota Statutes 2024, section 353G.11, subdivision 2a, is amended to read:

Subd. 2a. ~~Procedure for changing~~ **Benefit level changes in the monthly division.** (a) The A fire department's fire chief of a fire department or the governing body operating a fire department that has an active membership that is covered by the monthly benefit retirement division of the plan

may ~~initiate the process of modifying~~ request an increase in the benefit level provided in the retirement benefit plan document under this ~~section~~ subdivision.

(b) The modification procedure is initiated when the ~~applicable~~ fire chief or governing body files with the executive director ~~of the association~~ a written summary of the desired ~~benefit plan document~~ modification, the proposed ~~benefit plan document~~ modification language, a written request for the preparation of an actuarial cost estimate for the proposed ~~benefit plan document~~ modification, and payment of the estimated cost of the actuarial cost estimate.

(c) Upon receipt of the modification request and related documents, the executive director ~~shall~~ must review the language of the proposed ~~benefit plan document~~ modification and, if a clarification is needed in the submitted language, ~~shall~~ inform the fire chief or governing body of the necessary clarification. ~~Once~~ After the proposed ~~benefit plan document modification language~~ fire chief or governing body has been clarified by the fire chief and resubmitted ~~submitted~~ the clarified language to the executive director, the executive director ~~shall arrange for the approved actuary retained by the association to prepare a benefit plan document modification cost estimate under the applicable provisions of section 356.215 and of the standards for actuarial work adopted by the Legislative Commission on Pensions and Retirement must prepare the cost estimate using a procedure certified as accurate by the approved actuary retained by the association.~~ Upon completion of the ~~benefit plan document modification~~ cost estimate, the executive director ~~shall~~ must forward the estimate to the fire chief ~~who requested it~~ and to the chief financial officer of the municipality or entity with which the fire department is primarily associated.

(d) The fire chief, upon receipt of the cost estimate, ~~shall circulate~~ must distribute the cost estimate ~~with~~ to the active firefighters in the fire department and ~~shall~~ take reasonable steps to provide the cost estimate results to any affected retired members of the fire department and their beneficiaries. The chief financial officer of the municipality or entity associated with the fire department ~~shall~~ must present the proposed modification language and the cost estimate to the governing body of the municipality or entity for its consideration at a public hearing held for that purpose.

(e) If the governing body of the municipality or entity approves the modification language, the chief administrative officer of the municipality or entity ~~shall~~ must notify the executive director ~~of the association~~ of that approval. The ~~benefit plan document~~ modification is effective on ~~the~~ January 1 following the date of filing the approval with the association.

Sec. 5. Minnesota Statutes 2024, section 353G.17, subdivision 4, is amended to read:

Subd. 4. **Transfer process.** (a) Upon completion of the actions required under subdivisions 1 to 3, the plan shall transfer to the relief association as of the effective date identified in the notice under subdivision 1, the records, assets, and liabilities related to the former and current firefighters with benefits under the plan, along with any assets in excess of liabilities ~~credited to the lump-sum account or the monthly benefit retirement account attributable to the firefighters and the municipality.~~

(b) The executive director:

(1) ~~shall~~ must transfer the assets in cash;

(2) ~~shall~~ must transfer any accounts receivable associated with the ~~lump-sum account or monthly benefit retirement account~~;

(3) ~~shall~~ must settle any accounts payable ~~from the account~~ before the transfer; and

(4) may deduct from the assets to be transferred reasonable costs incurred by the plan to conduct the voting process and complete the transfer.

Sec. 6. Minnesota Statutes 2024, section 353G.17, subdivision 5, is amended to read:

Subd. 5. **Relief association obligations and rights upon transfer from the plan.** (a) Upon transfer of the assets of the ~~lump-sum account or monthly benefit retirement~~ fire department account, the pension liabilities attributable to the benefits for the former and current firefighters ~~shall~~ become the obligation of the special fund of the relief association.

(b) Upon the transfer of the assets of the ~~lump-sum account or monthly benefit retirement~~ fire department account, the board of trustees of the relief association has legal title to and management responsibility for the transferred assets as trustees for persons having a beneficial interest in those assets arising out of the benefit coverage provided by the account.

(c) The relief association is the successor in interest with respect to all claims against the plan relating to the transferred ~~lump-sum account or monthly benefit retirement~~ fire department account, except for claims alleging any act or acts by the plan or its fiduciaries that were not done in good faith or that constituted a breach of fiduciary responsibility under chapter 356A.

(d) The value of each volunteer firefighter's benefit in the plan on the day before the asset transfer shall be no less than the value of the volunteer firefighter's benefit on the day after the asset transfer. The relief association shall give credit, with respect to each firefighter whose benefit is being transferred, for all past service, including service credit with the plan and with any predecessor relief association, to the extent credit is given for such service in the records of the plan for that firefighter.

(e) Upon completion of the transfer of records, assets, and liabilities, the executive director shall provide written notice to the state auditor, the commissioner of revenue, and the secretary of state that the transfer is complete.

Sec. 7. Minnesota Statutes 2024, section 353G.19, subdivision 1, is amended to read:

Subdivision 1. **Authority to initiate conversion.** (a) A participating employer associated with a fire department covered by the defined benefit plan, including an entity previously affiliated with a defined benefit relief association when the entity made a request for coverage by the defined contribution plan under section 353G.05, subdivision 1b, paragraph (c), may convert to coverage by the defined contribution plan in accordance with this section.

(b) Conversion from coverage by the defined benefit plan to coverage by the defined contribution plan consists of:

(1) a resolution by the governing body of the participating employer;

(2) notice to all former and active volunteer firefighters of the fire department;

(3) full vesting on the conversion effective date of all active and former volunteer firefighters with an accrued benefit in the defined benefit plan attributable to service with the fire department, to the extent funded as of the conversion effective date; and

(4) allocation of surplus over full funding, if any, to individual accounts in the fire department's new account in the defined contribution plan.

(c) For an entity previously affiliated with a defined benefit relief association when the entity made a request for coverage by the defined contribution plan under section 353G.05, subdivision 1b, paragraph (c), a conversion must occur under paragraph (b) immediately after coverage by the retirement plan of the entity's fire department and the entity's volunteer firefighters takes effect.

Sec. 8. Minnesota Statutes 2024, section 353G.19, subdivision 2, is amended to read:

Subd. 2. **Resolutions by the governing body.** To initiate a conversion, the governing body of the participating employer must file with the executive director at least 30 days before the end of a calendar year:

(1) a resolution that states that the fire department elects to participate in the defined contribution plan effective on the conversion effective date, which is the first day of the next calendar year; and

(2) if, as of the valuation immediately preceding the conversion effective date, the fire department account had a deficit from full funding as defined under section 353G.08, subdivision 1, paragraph (c), or the special fund of the defined benefit relief association had a deficit from full funding as defined in section 424A.092, subdivision 3, paragraph (b), a resolution approving a contribution to the retirement plan in the amount necessary to eliminate the deficit, which is to be paid within 30 days of the filing of the resolution or in installments over three years, with the first payment to be made within 30 days of the filing of the resolution.

Sec. 9. Minnesota Statutes 2024, section 353G.19, subdivision 3, is amended to read:

Subd. 3. **Notice to participants.** The participating employer must provide notice to all active and former volunteer firefighters in the fire department at least 30 days before the conversion effective date. The notice must include:

(1) an explanation that the plan is converting from a defined benefit plan to a defined contribution plan, including definitions of those terms, on the conversion effective date and that the active and former volunteer firefighters will become ~~fully~~ vested in their accrued benefit to the extent funded as of the conversion effective date;

(2) a summary of the terms of the defined contribution plan;

(3) a section tailored to each volunteer firefighter that provides an estimate of the present value of the participant's ~~fully~~ vested accrued benefit and the calculation that resulted in that value;

(4) an estimate of any anticipated surplus and an explanation of the allocation of the surplus; and

(5) contact information for the chief administrative officer or chief financial officer of the participating employer and the designated staff member of the retirement plan who will answer questions and directions to a website.

Sec. 10. Minnesota Statutes 2024, section 353G.19, subdivision 4, is amended to read:

Subd. 4. **Full vesting and determination of accrued benefit.** (a) On the conversion effective date, each active or former volunteer firefighter with a retirement benefit under the defined benefit plan, except any retiree in pay status who is receiving a monthly benefit, becomes 100 percent vested or, if the defined benefit plan does not have sufficient assets to fund 100 percent vesting, as close to 100 percent vested as the funding permits, as of the conversion effective date in the firefighter's retirement benefit, without regard to the number of years of vesting service credit.

(b) The executive director must determine the present value of each active or former firefighter's accrued benefit as of the conversion effective date, taking into account the full vesting requirement under paragraph (a).

Sec. 11. Minnesota Statutes 2024, section 353G.19, subdivision 5, is amended to read:

Subd. 5. **Surplus over full funding.** If the fire department account has a surplus over full funding, as defined under section 353G.08, subdivision 1, paragraph (c), the executive director must allocate the surplus over full funding to the individual account of each active ~~and former~~ volunteer firefighter, ~~except any former volunteer firefighter receiving an annuity,~~ in the same proportion that the volunteer firefighter's accrued benefit bears to the total accrued benefits of all active ~~and former~~ volunteer firefighters.

Sec. 12. **EFFECTIVE DATE.**

Sections 1 to 11 are effective the day following final enactment, except the amendment to section 1, paragraph (b), clause (2), is effective beginning with actuarial valuations on or after July 1, 2025.

ARTICLE 20

IRAP TO TRA TRANSFERS

Section 1. Minnesota Statutes 2024, section 354B.215, subdivision 3, is amended to read:

Subd. 3. **Eligible person.** (a) An eligible person is a person who:

(1) is employed by Minnesota State;

(2) has an account in the individual retirement account plan; ~~and~~

(3) ~~satisfies~~ was previously eligible to elect coverage by the Teachers Retirement Association under one or more sections of chapter 354B or any prior version of chapter 354B; and

(4) is not disqualified because Minnesota State produces one or more of the items listed in paragraph (b).

(b) A person ~~satisfies this paragraph~~ is not an eligible person if Minnesota State ~~is not able to produce~~ produces at least one of the following items by the end of the ~~60-day~~ 75-day period under subdivision 4, paragraph (b):

(1) a record indicating that the person received notice regarding the person's eligibility to elect prospective coverage by the Teachers Retirement Association within the election period under section 354B.211, subdivision 4 or 6, or its predecessor during the person's first year of eligibility to participate in the individual retirement account plan;

(2) a record indicating that the person received notice regarding the person's eligibility to elect coverage by the Teachers Retirement Association during the person's first year after attaining tenure or comparable permanent status;

~~(2)~~ (3) a record that the person elected retirement coverage by the individual retirement account plan; or

~~(3)~~ (4) other credible documentation demonstrating that the person was aware of the person's right to elect retirement coverage by the Teachers Retirement Association.

(c) The record described in paragraph (b), clause (1), is not effective to disqualify a person if the person was eligible to elect coverage by the Teachers Retirement Association during the person's first year after attaining tenure or comparable permanent status.

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

Sec. 2. Minnesota Statutes 2024, section 354B.215, subdivision 4, is amended to read:

Subd. 4. **Eligible person application; information required from Minnesota State.** (a) To elect coverage by the Teachers Retirement Association, an eligible person must submit a written application to the chancellor on a form provided by Minnesota State. The application must include:

(1) an attestation that the person was not informed of the right to elect a transfer from the individual retirement account plan to the Teachers Retirement Association and the person was unaware of the right to elect such a transfer;

(2) the date on which the person first became a participant in the individual retirement account plan;

(3) a signed release authorizing Minnesota State to provide employment and other personnel information to the Teachers Retirement Association; and

(4) any other information that Minnesota State may require.

(b) No later than ~~60~~ 75 days after receipt of the application under paragraph (a), Minnesota State must verify the information provided by the person in the application, determine whether the person is an eligible person under subdivision 3, and provide a written response to the person regarding the determination of eligibility. If Minnesota State determines that the person is not an eligible person, Minnesota State must specify the reason or reasons for its determination and, if applicable, include a copy of any documentation identified in subdivision 3, paragraph (b), in its written response to the person.

(c) If Minnesota State determines that the person is an eligible person under subdivision 3, Minnesota State must forward to the executive director:

- (1) the application;
- (2) confirmation or modification of the information provided by the eligible person in the application;
- (3) salary history for the eligible person;
- (4) an estimate of the amount available for transfer from the eligible person's account in the individual retirement account plan to the Teachers Retirement Association; and
- (5) any other relevant information.

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

ARTICLE 21

FIRE AND POLICE STATE AID

Section 1. Minnesota Statutes 2024, section 423A.022, subdivision 2, is amended to read:

Subd. 2. **Allocation.** (a) Of the total amount appropriated as supplemental state aid:

(1) 58.064 percent must be paid to the executive director of the Public Employees Retirement Association for deposit in the public employees police and fire retirement fund established by section 353.65, subdivision 1;

(2) 35.484 percent must be allocated and paid as required by paragraphs (b) and (c), respectively, to or on behalf of municipalities other than municipalities solely employing firefighters with retirement coverage provided by the public employees police and fire retirement plan which qualified to receive fire state aid in that calendar year, allocated in proportion to the most recent amount of fire state aid paid under section 477B.04, for the municipality bears to the most recent total fire state aid for all municipalities other than the municipalities solely employing firefighters with retirement coverage provided by the Public Employees police and fire Retirement plan paid under section 477B.04, with the allocated amount for fire departments participating in the statewide lump-sum volunteer firefighter plan paid to the executive director of the Public Employees Retirement Association for deposit in the fund established by section 353G.02, subdivision 3, and credited to the respective account and with the balance paid to the treasurer of each municipality for transmittal within 30 days of receipt to the treasurer of the applicable firefighters relief association for deposit in its special fund who qualify for supplemental state aid under paragraph (d); and

(3) 6.452 percent must be paid to the executive director of the Minnesota State Retirement System for deposit in the state patrol retirement fund.

(b) Supplemental state aid under paragraph (a), clause (2), must be allocated to each municipality that qualifies for supplemental state aid under paragraph (d) in the same proportion that the most recent amount of fire state aid paid under section 477B.04 for the municipality bears to the most

recent total fire state aid paid under section 477B.04 for all municipalities other than municipalities solely employing firefighters with retirement coverage by one or more pension plans under chapter 353.

(c) Supplemental state aid under paragraph (a), clause (2), must be paid:

(1) to the executive director of the Public Employees Retirement Association for each municipality with a fire department that participates in the statewide volunteer firefighter plan for deposit in the fund established by section 352G.02, subdivision 3, and credited to the fire department's account; and

(2) with the balance to the treasurer of each municipality for transmittal within 30 days of receipt to the treasurer of the applicable firefighters relief association for deposit in its special fund.

(d) A municipality qualifies for supplemental state aid under paragraph (a), clause (2), if the municipality:

(1) does not solely employ firefighters with retirement coverage provided by one or more pension plans established under chapter 353; and

(2) qualified to receive fire state aid in that calendar year.

~~(b)~~ (e) For purposes of this section, the term "municipalities" includes independent nonprofit firefighting corporations that participate in the statewide ~~lump-sum~~ volunteer firefighter plan under chapter 353G or with subsidiary ~~volunteer~~ firefighter relief associations operating under chapter 424A.

Sec. 2. Minnesota Statutes 2024, section 423A.022, subdivision 3, is amended to read:

Subd. 3. **Reporting.** On or before September 1, annually, the executive director of the Public Employees Retirement Association shall report to the commissioner of revenue the following:

(1) the municipalities ~~which~~ that employ firefighters with retirement coverage by the public employees police and fire retirement plan;

(2) the municipalities that employ firefighters with retirement coverage by the general employees retirement plan;

~~(2)~~ (3) the fire departments covered by the statewide ~~lump-sum~~ volunteer firefighter plan; and

~~(3)~~ (4) any other information requested by the commissioner to administer the police and firefighter retirement supplemental state aid program.

Sec. 3. Minnesota Statutes 2024, section 424A.014, subdivision 5, is amended to read:

Subd. 5. **Report by certain municipalities; exceptions.** (a) The chief administrative officer of each municipality that has a fire department but does not have a relief association governed by sections 424A.091 to 424A.095 or Laws 2014, chapter 275, article 2, section 23, and that is not exempted under paragraph (b) or (c) must annually prepare a detailed financial report of the receipts and disbursements by the municipality for fire protection service during the preceding calendar year

on a form prescribed by the state auditor. The financial report must contain any information that the state auditor deems necessary to disclose the sources of receipts and the purpose of disbursements for fire protection service. The financial report must be signed by the municipal clerk or clerk-treasurer with the state auditor on or before July 1 annually. The municipality does not qualify initially to receive, and is not entitled subsequently to retain, any fire state aid and police and firefighter retirement supplemental state aid payable under chapter 477B and section 423A.022 if the financial reporting requirement or the applicable requirements of any other statute or special law have not been complied with or are not fulfilled.

(b) Each municipality that has a fire department and provides retirement coverage to its firefighters through the statewide volunteer firefighter plan under chapter 353G qualifies to have fire state aid transmitted to and retained in the statewide volunteer firefighter retirement fund without filing a detailed financial report if the executive director of the Public Employees Retirement Association certifies compliance by the municipality with the requirements of sections 353G.04 and 353G.08, subdivision 1, paragraph (e), and certifies compliance by the applicable fire chief with the requirements of section 353G.07.

(c) Each municipality qualifies to receive fire state aid under chapter 477B without filing a financial report under paragraph (a) if the municipality:

(1) has a fire department;

(2) does not have a firefighters relief association directly associated with its fire department;

(3) does not participate in the statewide volunteer firefighter retirement plan under chapter 353G;

(4) provides retirement coverage to its firefighters through the general employees retirement plan under chapter 353 or the public employees police and fire retirement plan under sections 353.63 to 353.68; and

(5) is certified by the executive director of the Public Employees Retirement Association to the state auditor to have had an employer contribution under section 353.27, subdivisions 3 and 3a, or 353.65, subdivision 3, for its firefighters for the immediately prior calendar year equal to or greater than its fire state aid for the immediately prior calendar year.

Sec. 4. Minnesota Statutes 2024, section 424A.08, is amended to read:

424A.08 MUNICIPALITY WITHOUT RELIEF ASSOCIATION; AUTHORIZED DISBURSEMENTS.

(a) ~~Any A~~ municipality ~~which~~ that is entitled to receive fire state aid ~~but which has no~~ must deposit the fire state aid in a special account established for that purpose in the municipal treasury and disburse the fire state aid in accordance with paragraph (b) or (c), as applicable, if the municipality's fire department is not directly associated with a firefighters relief association directly associated with its fire department and which is not a participating employer in the statewide volunteer firefighter plan under chapter 353G.

(b) If the municipality has no ~~full-time~~ firefighters with retirement coverage by the public employees police and fire retirement plan ~~shall deposit the fire state aid in a special account~~

established for that purpose in the municipal treasury. Disbursement and no part-time firefighters with retirement coverage by the general employees retirement plan under chapter 353, the municipality must not disburse fire state aid from the special account ~~may not be made~~ for any purpose except:

(1) payment of the fees, dues and assessments to the Minnesota State Fire Department Association and to the state Volunteer Firefighters Benefit Association in order to entitle its firefighters to membership in and the benefits of these state associations;

(2) payment of the cost of purchasing and maintaining needed equipment for the fire department; and

(3) payment of the cost of construction, acquisition, repair, or maintenance of buildings or other premises to house the equipment of the fire department.

~~(b) A~~ (c) If the municipality ~~which is entitled to receive fire state aid, which has no firefighters relief association directly associated with its fire department, which does not participate in the statewide volunteer firefighter plan under chapter 353G, and which has full-time firefighters with retirement coverage by the public employees police and fire retirement plan or part-time firefighters with retirement coverage by the general employees retirement plan or both full-time and part-time firefighters with the applicable retirement coverage, the municipality may disburse the fire state aid as:~~

(1) as provided in paragraph (a), (b);

(2) for the payment of the employer contribution requirement with respect to contributions under section 353.65, subdivision 3, for any firefighters covered by the public employees police and fire retirement plan under section 353.65, subdivision 3;

(3) for the payment of employer contributions for any firefighters covered by the general employees retirement plan under section 353.27, subdivisions 3 and 3a; or

(4) for a combination of the two types of disbursements payments authorized under clauses (1) to (3).

~~(b)~~ (d) A municipality that has no firefighters relief association directly associated with it and that participates in the statewide volunteer firefighter plan under chapter 353G shall transmit any fire state aid that it receives to the statewide volunteer firefighter fund.

Sec. 5. Minnesota Statutes 2024, section 477B.02, subdivision 3, is amended to read:

Subd. 3. **Benefits requirements.** (a) The fire department must:

(1) be associated with a firefighters relief association that provides retirement benefits;

(2) participate in and have firefighters receiving credit for service toward a retirement benefit under the statewide volunteer firefighter plan;

(3) have retirement coverage under the public employees police and fire retirement plan or the Public Employees Retirement Association general employees retirement plan for the fire department's

full-time firefighters, as defined in section 299N.03, subdivision 5, ~~or the fire department's part-time firefighters, or the fire department's both~~ full-time firefighters and part-time firefighters; or

(4) satisfy either clauses (1) and (3) or clauses (2) and (3).

(b) For purposes of retirement benefits, a fire department may be associated with only one firefighters relief association or one account in the statewide firefighters retirement plan at one time.

(c) Notwithstanding paragraph (a), a municipality without a relief association as described under section 424A.08, paragraph (a), may still qualify to receive fire state aid if all other requirements of this section are met.

Sec. 6. Minnesota Statutes 2024, section 477B.02, subdivision 8, is amended to read:

Subd. 8. **PERA certification to commissioner.** (a) On or before February 1 each year, the executive director of the Public Employees Retirement Association must certify to the commissioner the fire departments that transferred retirement coverage to, or terminated participation in, the ~~voluntary~~ statewide volunteer firefighter retirement plan since the previous certification under this paragraph. This certification must include the number of active ~~volunteer~~ firefighters under section 477B.03, subdivision 5, paragraph (e).

(b) On or before February 1 each year, the executive director of the Public Employees Retirement Association must certify to the commissioner:

(1) the fire departments that participate in the statewide volunteer firefighter plan and have no firefighters receiving credit for service toward a retirement benefit under the statewide volunteer firefighter plan; and

(2) the fire departments that employ part-time firefighters who are covered by the general employees retirement plan.

Sec. 7. Minnesota Statutes 2024, section 477B.03, subdivision 5, is amended to read:

Subd. 5. **Minimum fire state aid allocation amount.** (a) The minimum fire state aid allocation amount is the amount derived from any additional funding amount to support a minimum fire state aid amount under section 423A.02, subdivision 3. The minimum fire state aid allocation amount is allocated to municipalities or independent nonprofit firefighting corporations with ~~volunteer~~ firefighters' relief associations or covered by the statewide volunteer firefighter plan. The amount is based on the number of active ~~volunteer~~ firefighters who are (1) members of the relief association as reported to the Office of the State Auditor in a specific annual financial reporting year as specified in paragraphs (b) to (d), or (2) covered by the statewide volunteer firefighter plan as specified in paragraph (e).

(b) For relief associations established in calendar year 1993 or a prior year, the number of active ~~volunteer~~ firefighters equals the number of active ~~volunteer~~ firefighters who were members of the relief association as reported in the annual financial reporting for calendar year 1993, but not to exceed 30 active ~~volunteer~~ firefighters.

(c) For relief associations established in calendar year 1994 through calendar year 1999, the number of active ~~volunteer~~ firefighters equals the number of active ~~volunteer~~ firefighters who were members of the relief association as reported in the annual financial reporting for calendar year 1998 to the Office of the State Auditor, but not to exceed 30 active ~~volunteer~~ firefighters.

(d) For relief associations established after calendar year 1999, the number of active ~~volunteer~~ firefighters equals the number of active ~~volunteer~~ firefighters who are members of the relief association as reported in the first annual financial reporting submitted to the Office of the State Auditor, but not to exceed 20 active ~~volunteer~~ firefighters.

(e) For a municipality or independent nonprofit firefighting corporation that is providing retirement coverage for ~~volunteer~~ firefighters by the statewide volunteer firefighter plan under chapter 353G, the number of active ~~volunteer~~ firefighters equals the number of active ~~volunteer~~ firefighters of the municipality or independent nonprofit firefighting corporation covered by the statewide plan as certified by the executive director of the Public Employees Retirement Association to the commissioner and the state auditor within 30 days of the date the municipality or independent nonprofit firefighting corporation begins coverage in the plan, but not to exceed 30 active firefighters.

Sec. 8. Minnesota Statutes 2024, section 477B.03, subdivision 7, is amended to read:

Subd. 7. **Appeal.** A municipality, an independent nonprofit firefighting corporation, a ~~fire~~ firefighter relief association, or the statewide volunteer firefighter plan may object to the amount of fire state aid apportioned to it by filing a written request with the commissioner to review and adjust the apportionment of funds within the state. The objection of a municipality, an independent nonprofit firefighting corporation, a ~~fire~~ firefighter relief association, or the ~~voluntary~~ statewide volunteer firefighter retirement plan must be filed with the commissioner within 60 days of the date the amount of apportioned fire state aid is paid. The decision of the commissioner is subject to appeal, review, and adjustment by the district court in the county in which the applicable municipality or independent nonprofit firefighting corporation is located or by the Ramsey County District Court with respect to the statewide volunteer firefighter plan.

Sec. 9. Minnesota Statutes 2024, section 477B.04, subdivision 3, is amended to read:

Subd. 3. **Deposit of state aid.** (a) This paragraph applies if the municipality or the independent nonprofit firefighting corporation ~~is~~ has firefighters covered by the statewide volunteer firefighter plan. If this paragraph applies and the executive director of the Public Employees Retirement Association has not approved an aid allocation plan under section 477B.041, the executive director must credit the fire state aid against future municipal contribution requirements under section 353G.08 and must notify the municipality or the independent nonprofit firefighting corporation of the fire state aid so credited at least annually. If this paragraph applies and the executive director has approved an aid allocation plan under section 477B.041, the executive director must allocate fire state aid in the manner described under section 477B.041.

(b) If (1) the municipality or the independent nonprofit firefighting corporation ~~is~~ does not have firefighters covered by the statewide volunteer firefighter plan and is affiliated with a duly incorporated firefighters relief association, (2) the relief association has filed a financial report with the municipality pursuant to section 424A.014, subdivision 1 or 2, whichever applies, and (3) there is not an aid allocation agreement under section 477B.042 in effect, then the treasurer of the

municipality must, within 30 days after receipt, transmit the fire state aid to the treasurer of the relief association. If clauses (1) and (2) are satisfied and there is an aid allocation agreement under section 477B.042 in effect, then fire state aid must be transmitted as described in that section. If the relief association has not filed a financial report with the municipality, then, regardless of whether an aid allocation agreement is in effect, the treasurer of the municipality must delay transmission of the fire state aid to the relief association until the complete financial report is filed.

(c) The treasurer of the municipality must deposit the fire state aid money in the municipal treasury if (1) the municipality or independent nonprofit firefighting corporation ~~is~~ does not have firefighters covered by the statewide volunteer firefighter plan, (2) there is no relief association organized, (3) the association has dissolved, or (4) the association has been removed as trustees of state aid. The money may be disbursed from the municipal treasury only for the purposes and in the manner set forth in section 424A.08 or for the payment of the employer contribution requirement with respect to firefighters covered by the public employees police and fire retirement plan under section 353.65, subdivision 3.

Sec. 10. Minnesota Statutes 2024, section 477B.04, subdivision 4, is amended to read:

Subd. 4. **Aid amount corrections.** (a) ~~An~~ The commissioner must make any adjustment needed to correct a fire state aid overpayment or underpayment due to a clerical error ~~must be made to~~ subsequent fire state aid payments as provided in paragraphs (b) and (c). The commissioner's authority to correct an aid payment under this subdivision is limited to three years after the payment was issued.

(b) If an overpayment equals more than ten percent of the most recently paid aid amount, the commissioner must reduce the aid a municipality or independent nonprofit firefighting corporation is to receive by the amount overpaid over a period of no more than three years. If an overpayment equals or is less than ten percent of the most recently paid aid amount, the commissioner must reduce the next aid payment occurring in 30 days or more by the amount overpaid.

(c) In the event of an underpayment, the commissioner must distribute the amount of underpaid funds to the municipality or independent nonprofit firefighting corporation over a period of no more than three years. An additional distribution to a municipality or independent nonprofit firefighting corporation must be paid from the general fund and must not diminish the payments made to other municipalities or independent nonprofit firefighting corporations under this chapter.

Sec. 11. **EFFECTIVE DATE.**

Sections 1 to 10 are effective beginning with aids payable in 2026.

ARTICLE 22

STATE BOARD OF INVESTMENT

Section 1. Minnesota Statutes 2024, section 11A.07, subdivision 4, is amended to read:

Subd. 4. **Duties and powers.** The director, at the direction of the state board, shall:

(1) plan, direct, coordinate, and execute administrative and investment functions in conformity with the policies and directives of the state board and the requirements of this chapter and of chapter 356A;

(2) prepare and submit biennial and annual budgets to the board and with the approval of the board submit the budgets to the Department of Management and Budget;

(3) employ professional and clerical staff as necessary;

(4) report to the state board on all operations under the director's control and supervision;

(5) maintain accurate and complete records of securities transactions and official activities;

(6) establish a policy, which is subject to state board approval, relating to the purchase and sale of securities on the basis of competitive offerings or bids;

(7) cause securities acquired to be kept in the custody of the commissioner of management and budget or other depositories consistent with chapter 356A, as the state board deems appropriate;

(8) prepare and file with the director of the Legislative Reference Library, ~~by December 31 of each year,~~ a report summarizing the activities of the state board, the council, and the director during the preceding fiscal year;

(9) include on the state board's website its annual report and an executive summary of its quarterly reports;

(10) require state officials from any department or agency to produce and provide access to any financial documents the state board deems necessary in the conduct of its investment activities;

(11) receive and expend legislative appropriations; and

(12) undertake any other activities necessary to implement the duties and powers set forth in this subdivision consistent with chapter 356A.

Sec. 2. Minnesota Statutes 2024, section 11A.07, subdivision 4b, is amended to read:

Subd. 4b. **Annual report.** The report required under subdivision 4, clause (8), must include an executive summary, must be prepared and filed after the completion of the applicable fiscal year audit but no later than March 31 of each year, and must be prepared so as to provide the legislature and the people of the state with:

(1) a clear, comprehensive summary of the portfolio composition, the transactions, the total annual rate of return, and the yield to the state treasury and to each of the funds with assets invested by the state board; and

(2) the recipients of business placed or commissions allocated among the various commercial banks, investment bankers, money managers, and brokerage organizations and the amount of these commissions or other fees.

Sec. 3. **REPEALER.**

Minnesota Statutes 2024, section 11A.27, is repealed.

Sec. 4. **EFFECTIVE DATE.**

Sections 1 to 3 are effective the day following final enactment.

ARTICLE 23

MISCELLANEOUS TECHNICAL CORRECTIONS

Section 1. Minnesota Statutes 2024, section 124E.12, subdivision 4, is amended to read:

Subd. 4. **Teacher and other employee retirement.** (a) Teachers in a charter school must be public school teachers for the purposes of chapters 354 and 354A ~~governing the Teacher Retirement Act.~~

(b) Except for teachers under paragraph (a), employees in a charter school must be public employees for the purposes of chapter 353 ~~governing the Public Employees Retirement Act.~~

Sec. 2. Minnesota Statutes 2024, section 124E.12, subdivision 6, is amended to read:

Subd. 6. **Leave to teach in a charter school.** If a teacher employed by a district makes a written request for an extended leave of absence to teach at a charter school, the district must grant the leave. The district must grant a leave not to exceed a total of five years. Any request to extend the leave shall be granted only at the discretion of the school board. The district may require a teacher to make the request for a leave or extension of leave before February 1 in the school year preceding the school year in which the teacher intends to leave, or February 1 of the calendar year in which the teacher's leave is scheduled to terminate. Except as otherwise provided in this subdivision and section 122A.46, subdivision 7, governing employment in another district, the leave is governed by section 122A.46, including, but not limited to, reinstatement, notice of intention to return, seniority, salary, and insurance.

During a leave, the teacher may continue to ~~aggregate benefits and credits~~ earn service and salary credit toward a pension in the Teachers' Retirement Association account or the St. Paul Teachers Retirement Fund Association under chapters 354 and 354A, respectively, consistent with subdivision 4.

Sec. 3. Minnesota Statutes 2024, section 181.101, is amended to read:

181.101 WAGES; HOW OFTEN PAID.

(a) Except as provided in paragraph (b), every employer must pay all wages, including salary, earnings, and gratuities earned by an employee at least once every 31 days and all commissions earned by an employee at least once every three months, on a regular payday designated in advance by the employer regardless of whether the employee requests payment at longer intervals. Unless paid earlier, the wages earned during the first half of the first 31-day pay period become due on the first regular payday following the first day of work. If wages or commissions earned are not paid, the commissioner of labor and industry or the commissioner's representative may serve a demand for payment on behalf of an employee. In addition to other remedies under section 177.27, if payment

of wages is not made within ten days of service of the demand, the commissioner may charge and collect the wages earned at the employee's rate or rates of pay or at the rate or rates required by law, including any applicable statute, regulation, rule, ordinance, government resolution or policy, contract, or other legal authority, whichever rate of pay is greater, and a penalty in the amount of the employee's average daily earnings at the same rate or rates for each day beyond the ten-day limit following the demand. If payment of commissions is not made within ten days of service of the demand, the commissioner may charge and collect the commissions earned and a penalty equal to 1/15 of the commissions earned but unpaid for each day beyond the ten-day limit. Money collected by the commissioner must be paid to the employee concerned. This section does not prevent an employee from prosecuting a claim for wages. This section does not prevent a school district, other public school entity, or other school, as defined under section 120A.22, from paying any wages earned by its employees during a school year on regular paydays in the manner provided by an applicable contract or collective bargaining agreement, or a personnel policy adopted by the governing board. For purposes of this section, "employee" includes a person who performs agricultural labor as defined in section 181.85, subdivision 2. For purposes of this section, wages are earned on the day an employee works. This section provides a substantive right for employees to the payment of wages, including salary, earnings, and gratuities, as well as commissions, in addition to the right to be paid at certain times.

(b) An employer of a volunteer or paid on-call firefighter, as defined in section 424A.001, subdivision 10, a member of an organized first responder squad that is formally recognized by a political subdivision in the state, or a volunteer ambulance driver or attendant must pay all wages earned by the volunteer firefighter, first responder, or volunteer ambulance driver or attendant at least once every 31 days, unless the employer and the employee mutually agree upon payment at longer intervals.

Sec. 4. Minnesota Statutes 2024, section 356.633, subdivision 1, is amended to read:

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

(b) "Covered retirement plan" means a pension or retirement plan listed in section 356.611, subdivision 6, and the Minnesota deferred compensation plan established under section 352.965.

~~(b)~~ (c) "Distributee" means:

(1) a member of or participant in a covered retirement plan ~~listed in section 356.611, subdivision 6;~~

(2) the surviving spouse of a member of or participant in a covered retirement plan;

(3) the former spouse of ~~the~~ a member of or participant in a covered retirement plan who is the alternate payee under a qualified domestic relations order as defined in section 414(p) of the Internal Revenue Code, or who is a recipient of a court-ordered equitable distribution of marital property, as provided in section 518.58; or

(4) a nonspousal beneficiary of a member of or participant in a covered retirement plan who qualifies for a distribution under the plan and is a designated beneficiary as defined in section 401(a)(9)(E) of the Internal Revenue Code.

~~(e)~~ (d) "Eligible retirement plan" means:

- (1) an individual retirement account under section 408(a) or 408A of the Internal Revenue Code;
- (2) an individual retirement annuity plan under section 408(b) of the Internal Revenue Code;
- (3) an annuity plan under section 403(a) of the Internal Revenue Code;
- (4) a qualified trust plan under section 401(a) of the Internal Revenue Code that accepts ~~the distributee's eligible rollover distribution~~ distributions;
- (5) an annuity contract under section 403(b) of the Internal Revenue Code;
- (6) an eligible deferred compensation plan under section 457(b) of the Internal Revenue Code, ~~which including the Minnesota deferred compensation plan, that~~ is maintained by a state or local government, accepts eligible rollover distributions, and ~~which~~ agrees to separately account for the amounts transferred into the plan;
- (7) ~~in the case of an eligible rollover distribution to a~~ if the distributee is a surviving spouse or nonspousal beneficiary, an individual account or annuity treated as an inherited individual retirement account under section 402(c)(11) of the Internal Revenue Code; or
- (8) a savings incentive match plan for employees of small employers (SIMPLE) individual retirement account under section 408(p) of the Internal Revenue Code, provided that the rollover distribution is made after the two-year period beginning on the date the distributee first participated in any qualified salary reduction arrangement maintained by the distributee's employer under section 408(p)(2) of the Internal Revenue Code, as described in section 72(t)(6) of the Internal Revenue Code.

~~(d)~~ (e) "Eligible rollover distribution" means any distribution of all or any portion of the balance to the credit of the distributee. An eligible rollover distribution does not include:

- (1) a distribution that is one of a series of substantially equal periodic payments, receivable annually or more frequently, that is made for the life or life expectancy of the distributee, the joint lives or joint life expectancies of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more;
- (2) a distribution that is required under section 401(a)(9) of the Internal Revenue Code; ~~or~~
- (3) a distribution that is less than \$200; or
- ~~(3)~~ (4) any other exception required by law or the Internal Revenue Code.

Sec. 5. Minnesota Statutes 2024, section 356.633, subdivision 2, is amended to read:

Subd. 2. **Right to elect direct rollover.** Except as provided in subdivision 3 for after-tax contributions, a distributee may elect, at the time and in the manner prescribed by the plan administrator, to have all or any portion of an eligible rollover distribution from a covered retirement plan paid directly to an eligible retirement plan as specified by the distributee.

Sec. 6. Minnesota Statutes 2024, section 356.633, is amended by adding a subdivision to read:

Subd. 4. **Notice.** A covered retirement plan must provide the distributee of an eligible rollover distribution from the covered retirement plan with the notice required by section 402(f) of the Internal Revenue Code within the time period prior to making the eligible rollover distribution, as required by regulations issued pursuant to section 402(f) of the Internal Revenue Code.

Sec. 7. **[356.638] MILITARY SERVICE.**

A covered retirement plan as defined in section 356.633, subdivision 1, paragraph (b), must require contributions and provide benefits, including death and disability benefits under section 401(a)(37) of the Internal Revenue Code, and service credit with respect to qualified military service according to section 414(u) of the Internal Revenue Code. If a member dies while the member is performing qualified military service as defined in United States Code, title 38, chapter 43, to the extent required by section 401(a)(37) of the Internal Revenue Code, survivors of the member are entitled to any additional benefits that the covered retirement plan would have provided if the member had resumed employment and then died, including but not limited to accelerated vesting or survivor benefits that are contingent on the member's death while employed. A deceased member's period of qualified military service must be counted for vesting purposes.

Sec. 8. Minnesota Statutes 2024, section 424B.22, subdivision 1, is amended to read:

Subdivision 1. **Application.** (a) Notwithstanding any laws to the contrary, this section applies to:

(1) the termination of a retirement plan established and administered by a relief association, whether or not the relief association is also dissolved or eliminated; and

(2) the dissolution of a relief association that is not consolidating with another relief association under sections 424B.01 to 424B.10.

(b) This section does not apply to the dissolution of a relief association or the termination of a retirement plan that occurs due to the change in retirement coverage from a retirement plan administered by a relief association to the Public Employees Retirement Association statewide volunteer firefighter plan under section 353G.06.

~~(b) To terminate a retirement plan, the board of trustees must comply with subdivisions 3, 5 to 11, and, if desired, subdivision 4.~~

~~(c) To dissolve a relief association, the board of trustees of the relief association must:~~

~~(1) terminate the retirement plan in accordance with paragraph (b);~~

~~(2) determine all legal obligations of the special and general funds of the relief association, as required by subdivision 5;~~

~~(3) take the actions required by subdivision 12; and~~

~~(4) comply with the requirements governing dissolution of nonprofit corporations under chapter 317A.~~

~~(d) A relief association that terminates its retirement plan must liquidate its special fund as provided in subdivision 8, but need not liquidate its general fund if the relief association is not being dissolved.~~

Sec. 9. Minnesota Statutes 2024, section 424B.22, is amended by adding a subdivision to read:

Subd. 1a. **Voluntary dissolution and termination.** (a) To terminate a retirement plan, the board of trustees must comply with subdivisions 3, 5 to 11, and, if desired, subdivision 4.

(b) To dissolve a relief association, the board of trustees of the relief association must:

(1) terminate the retirement plan in accordance with paragraph (a);

(2) determine all legal obligations of the special and general funds of the relief association, as required by subdivision 5;

(3) take the actions required by subdivision 12; and

(4) comply with the requirements governing dissolution of nonprofit corporations under chapter 317A.

(c) A relief association that terminates its retirement plan must liquidate its special fund as provided in subdivision 8, but need not liquidate its general fund if the relief association is not being dissolved.

Sec. 10. Minnesota Statutes 2024, section 424B.22, subdivision 2, is amended to read:

Subd. 2. Involuntary dissolution and termination. (a) A relief association is dissolved and the retirement plan administered by the relief association is terminated automatically if:

(1) the fire department affiliated with a relief association is dissolved by action of the governing body of the municipality in which the fire department is located or by the governing body of the independent nonprofit firefighting corporation, whichever applies; ~~or~~

(2) the fire department affiliated with a relief association has terminated the employment or services of all active members of the relief association; or

(3) the governing body with which the fire department is affiliated has resolved to transfer the fire department's active firefighters who are members of the relief association to one or more pension plans established under chapter 353 and has filed the resolution, if applicable, with the Public Employees Retirement Association, and the relief association's retirement plan will have no remaining active firefighters earning service toward a retirement benefit when the transfer is completed.

(b) An involuntary termination of a relief association under this subdivision is effective on the December 31 that is at least eight months after the date on which the fire department is dissolved or the termination of employment or services of all active members of the relief association occurs.

(c) The board of trustees must comply with subdivisions 3 and 5 to 12. The board of trustees may comply with subdivision 4. The state auditor has the discretion to waive these requirements if

the board of trustees requests a waiver in advance and provides adequate demonstration that meeting these requirements is not practicable.

~~(e)~~ (d) The retirement plan administered by a relief association is terminated automatically if the relief association is dissolved, effective on the date of the dissolution of the relief association.

Sec. 11. Minnesota Statutes 2024, section 424B.22, subdivision 3, is amended to read:

Subd. 3. **Retirement plan termination date, full vesting, and forfeitures.** (a) Unless subdivision 2 applies, the effective date of the termination of a retirement plan is the date approved by the board of trustees of the relief association. If the board of trustees does not approve a termination date, the effective date of the termination of a retirement plan is the effective date of the dissolution of the relief association or, if the relief association is not being dissolved, the end of the calendar year in which the termination of employment or services of all active members of the relief association occurs.

~~(b) As of the earlier of the retirement plan termination date or the date on which the termination of employment or services of all active members of the relief association occurs required by section 356.001, subdivision 3, each participant becomes fully (100 percent) member must become 100 percent vested in the participant's member's retirement benefit under accrued and funded to the earlier of the retirement plan termination date or the date on which the termination of employment or services of all active members of the relief association occurs, notwithstanding any bylaws or laws to the contrary, except for. For purposes of this paragraph:~~

~~(1) "member" does not mean any retiree in pay status who is receiving a monthly service pension from a relief association described in section 424A.093; and~~

~~(2) crediting of interest on deferred service pensions under the terms of the bylaws of a defined benefit relief association and section 424A.02, subdivision 7, ends on the retirement plan termination date.~~

(c) If the relief association is a defined contribution relief association, the account of each participant who becomes 100 percent vested under paragraph (b) shall include an allocation of any forfeiture that is required, under the bylaws of the relief association, to occur on or as of the end of the calendar year during which the termination of the retirement plan is effective, if the participant is entitled to an allocation of forfeitures under the bylaws. Any account so forfeited shall not be included in the retirement benefits that become 100 percent vested under paragraph (b).

Sec. 12. **REPEALER.**

Minnesota Statutes 2024, section 356.635, subdivision 9, is repealed.

Sec. 13. **EFFECTIVE DATE.**

Sections 1 to 12 are effective the day following final enactment."

Amend the title accordingly

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

SECOND READING OF SENATE BILLS

S.F. No 2884 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 1143 was read the second time.

MEMBERS EXCUSED

Senator Lang was excused from the Session of today from 2:10 to 2:45 p.m. Senators Duckworth and Jasinski were excused from the Session of today from 2:30 to 2:45 p.m.

ADJOURNMENT

Senator Frentz moved that the Senate do now adjourn until 1:00 p.m., Sunday, May 18, 2025. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate

INDEX TO DAILY JOURNAL

Saturday, May 17, 2025

MESSAGES FROM THE HOUSE AND FIRST READING OF HOUSE FILES

S.F. Nos.	Message Page	H.F. Nos.	Message Page	1st Reading Page
1740	5144	2130	5280	

REPORTS OF COMMITTEES

S.F. Nos.	Page	H.F. Nos.	Page
2884	5301	1143	5301
		2433	5146
		2464	5145
		3321	5145

SECOND READINGS

S.F. Nos.	Page	H.F. Nos.	Page
2884	5412	1143	5412
		2433	5146
		2464	5146
		3321	5146

INTRODUCTION AND FIRST READING OF SENATE BILLS

S.F Nos. 3528 to 3532 Pages 5146 to 5147

MOTIONS AND RESOLUTIONS

S.F. Nos.	Page	H.F. Nos. Hse. Con. No. 2	Page
126	5147		
247	5147		
577	5147		
906	5147		
1374	5147		
2030	5147		
2626	5147		

2968	5148
3525	5148
Sen. Res.	
No. 49	5148
Sen. Res.	
No. 50	5148
Sen. Res.	
No. 51	5148

CONFERENCE COMMITTEE REPORTS

S.F. Nos.	Page	H.F. Nos.	Page
1959	5256	2130	5280
2298	5227		
2370	5151		

THIRD READINGS

S.F. Nos.	Page	H.F. Nos.	Page
1959	5279	2130	5300
2298	5255		
2370	5226		

APPOINTMENTS TO CONFERENCE COMMITTEES

S.F. Nos.	Page	H.F. Nos.	Page
1740	5301		